

Communication of Progress

21.03.2020 to 20.03.2021



COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



About adm

We are a marketing procurement effectiveness agency.

We drive efficiencies and improve the effectiveness of brand activation with customers and consumers.

We are committed to a sustainable marketing future.

In 2021, we were awarded a Platinum accreditation by EcoVadis, whose methodology covers the Ten Principles and beyond, going into sustainable procurement practices to help ensure that the Ten Principles are embedded within our supply chain.



Givaudan

L'ORÉAL



AB InBev

DIAGEO



35

Offices in 26 countries

550

Employees worldwide

\$300m

Annual revenue



The DrumTM
Design Awards
Winner 2020



To our stakeholders,

This is our fifth year submitting our Communication of Progress (CoP) to the UNGC, and I am pleased to confirm that adm Group wholeheartedly continues its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

2020 has been a challenging year for everyone. In adm we have attempted to turn those challenges into opportunities. We have sharpened our focus on people. Whether it is through drafting our Human Rights Policy, establishing a group wide Diversity, Equity and Inclusion agenda, piloting a worker voice project, or running an internal employee opinion survey on working conditions, adm believes it is important to engage our employees and the workers in our supply chain to improve their lives and working environments.

The last year has seen adm place even greater emphasis on our Sustainability agenda as a whole, with the publication in early 2021 of our “Better Tomorrow” programme. This programme seeks to drive tangible improvements across 3 key pillars: the environmental impact of the products we source on behalf of our clients, human rights in our supply chain through responsible sourcing initiatives, and our own business community.

In this annual CoP we outline our actions to continually integrate the Ten Principles of Global Compact into our business strategy, culture, and daily operations. We have also integrated the Sustainable Development Goals (SDGs) into our CSR Strategy, with a focus on Good Health and Wellbeing (SDG 3), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Sustainable Consumption and Production (SDG12), Life on Land (SDG 15), and, most important of them all, Partnerships for the Goals (SDG 17). Notable achievements in the last 12 months include the refreshing of our Global Online Compliance Training for all staff covering anti-bribery, modern slavery, anti-discrimination and business ethics, winning a prestigious EcoVadis Sustainability award, and publishing our Better Tomorrow Programme.

Yours sincerely,

Handwritten signature of Justin Barton

Justin Barton
CEO

adm respects and supports fundamental human rights and is continually working to minimise the risk of human rights abuses.

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 2020, adm updated its Supplier Code of Conduct, Employee Code of Conduct and published our Human Rights Policy, which is in line with the UN Guiding Principles of Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. These have been communicated through the mandatory reads section on our Intranet to all employees.

In 2020, adm continued to focus on responsible sourcing by aiming to only work with suppliers who signed the adm Supplier Code of Conduct which sets out our expectations with regards to Anti-Bribery and Anti-Corruption, Child Labour, Forced Labour and Human Trafficking, Working Conditions, Transparency and Environment. In 2021, adm set an ambitious target that over 95% of all our managed spend should be placed with suppliers who have signed our Supplier Code of Conduct.

adm continue to strive to have a socially compliant supply chain and requires new suppliers, including our Preferred Supplier List, to have valid social audits. adm accepts and encourages the SMETA (Sedex Members Ethical Trade Association) audit methodology. adm also accepts other social audits if they cover the pillars of Human Rights, Labour Standards, Health and Safety, Environment and Business Ethics. In 2021, adm set an ambitious target that over 90% of all our managed spend should be placed with suppliers who have valid social audits.

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.

Measurable outcomes

adm strives to ensure that all staff respect human rights in their day-to-day business activities through various training initiatives around our global policies and procedures. adm is still growing, and as such, keeping our employees informed of their social rights remains in the foreground of adm's compliance objectives.

In 2020, adm carried out an employee engagement survey to understand how COVID-19 has impacted our employees and how they felt adm had supported them throughout the pandemic. The results were shared with our employees and actions are being taken to continue our support of the adm community.

In 2021 we worked with Best Companies to give our employees the opportunity to submit anonymous feedback on how engaged they felt with adm as an employer, and to share which areas they felt we could improve. The results of this survey led to us being named a Best Companies 'Good Place to Work', and being shortlisted as one of the UK's best small 100 companies to work for.

adm sits in the Steering Group for Human Rights within AIM-PROGRESS; a forum of leading FMCG manufacturers and common suppliers assembled to enable and promote responsible sourcing practices and sustainable supply chains.

In 2020, adm piloted a Worker Voice initiative, to go 'beyond audit' and reach out directly to the workers. This kind of project will help adm to understand the needs of the workers, which are not captured in social audits, and find ways to address them.

adm continues to report on the % of spend managed placed with socially audited suppliers, as well as the % of spend managed placed with suppliers who have signed our Supplier Code of Conduct.





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

adm requires its suppliers to undergo SMETA 4 pillar audits or equivalent, where one of the checkpoints 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.



Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Measurable outcomes

No breaches were noticed in the audit report reviews in 2020.





adm does not tolerate any form of forced, involuntary or child labour in its business and supply chain.

All our suppliers must comply with our Supplier Code of Conduct and go through social audits which have a zero-tolerance policy on child labour, forced labour and bonded labour.

We promote employee awareness through compulsory Global Online Compliance Training, available in different languages, to ensure a correct understanding of Human Rights and Modern Slavery.

Principle 4:

Elimination of all forms of forced and compulsory labour.

Principle 5:

The effective abolition of child labour.

Measurable outcomes

adm published its annual Modern Slavery statement for 2019/20 (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 part of the Human Rights Steering Group in 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.

This Human Rights Steering Group defines key objectives on Human Rights issues, advises the other working groups in AIM-PROGRESS on all Human Rights matters in supply chains, and informs the membership of the legislatures around the world which are in practice.

As such, we are able to assess and benchmark adm's business practices against industry best practice.





On commencement of employment, all adm employees are issued with a contract 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.

Principle 6:

Elimination of discrimination in respect of employment and occupation.

Measurable outcomes

In 2020, adm expanded its Human Resources capabilities and will undertake a further risk assessment, training and communication initiatives which will embed these principles in our business culture.

adm has also established a group-wide Diversity, Equity and Inclusivity agenda, which will seek to obtain a baseline on related metrics across both our business and our supply chain, before setting ambitious but achievable targets to drive positive change.

adm continues to increase our efforts to source through key suppliers that support community impact initiatives, including creating decent employment in impoverished areas, increasing our Fair Trade offer and supporting women empowerment. By supporting the L'Oréal's Solidarity Sourcing scheme, we have been able to increase our number of full-time beneficiaries to 131 in Asia and Europe.

Our North America sourcing Regions are supporting the growth of certified diverse businesses. We performed a Supply Chain analysis in 2020 that allowed us to set up a baseline and to define our 2021 targets to increase our % of diverse suppliers in our North America vendor pool.



adm has policies, operational processes and procedures which ensure that products are produced in compliance with applicable environmental regulations.

Our QA team is continuously updating our procurement teams on the regulations applicable to the markets we are operating in.

In 2021, adm published a new sustainability report outlining our Better Tomorrow programme and specific targets for 2021 on key social and environmental issues relevant for our business and our clients. The programme is built on 3 pillars: Assure, Community and Scope.

The adm Sustainability Centre of Product Excellence (SCOPE) pillar focuses on ways to reduce the environmental impact of our products through material usage and design.

The Assure pillar focuses on our responsible sourcing initiatives and ensuring a compliant supply chain, including with regards to environmental impact.

adm already has a strong supplier onboarding policy in our main sourcing hub in China (an Environmental Management System audit based on ISO 14001 Standards).

In 2021 we have now set a Global target of 90% compliant spend (with suppliers with valid social audits), where these audits include The Environment as a key pillar of the audit.

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.

Measurable Outcomes

Our procurement hub in China is accredited to the ISO14001 standard and is also FSC certified to continue our efforts to source wood and paper from sustainably managed forests. In our willingness to expand our responsible sourcing strategy, our French office is FSC and GOTS certified and Fairtrade licensed.

Our QA Team in China performed more than 100 EMS audits (Environmental Management System) and supported our suppliers to improve their compliance level.

In 2020, we deployed our Plastic Reduction In Secondary Packaging program and were able to remove 34 tonnes of plastic packaging from landfills. We offer solutions around recycled plastic packaging when reduction can't be achieved.

In 2020, we partnered with several textile material suppliers promoting recycled content materials and the circular economy. We aim to sustainably source all our print items, offering clients 100% FSC, SFI or PEFC certified materials.

We are partnered with the Carbon Reduction Institute to offer a carbon-neutral solution for the products we manufacture, and we offset 273 tones of Co2 in 2020.



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.

adm also requires all employees to complete an online training programme annually, providing insights and guidance on how our employees can recognise the warning signs of Bribery and Corruption, prevent it taking place, and report it.

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

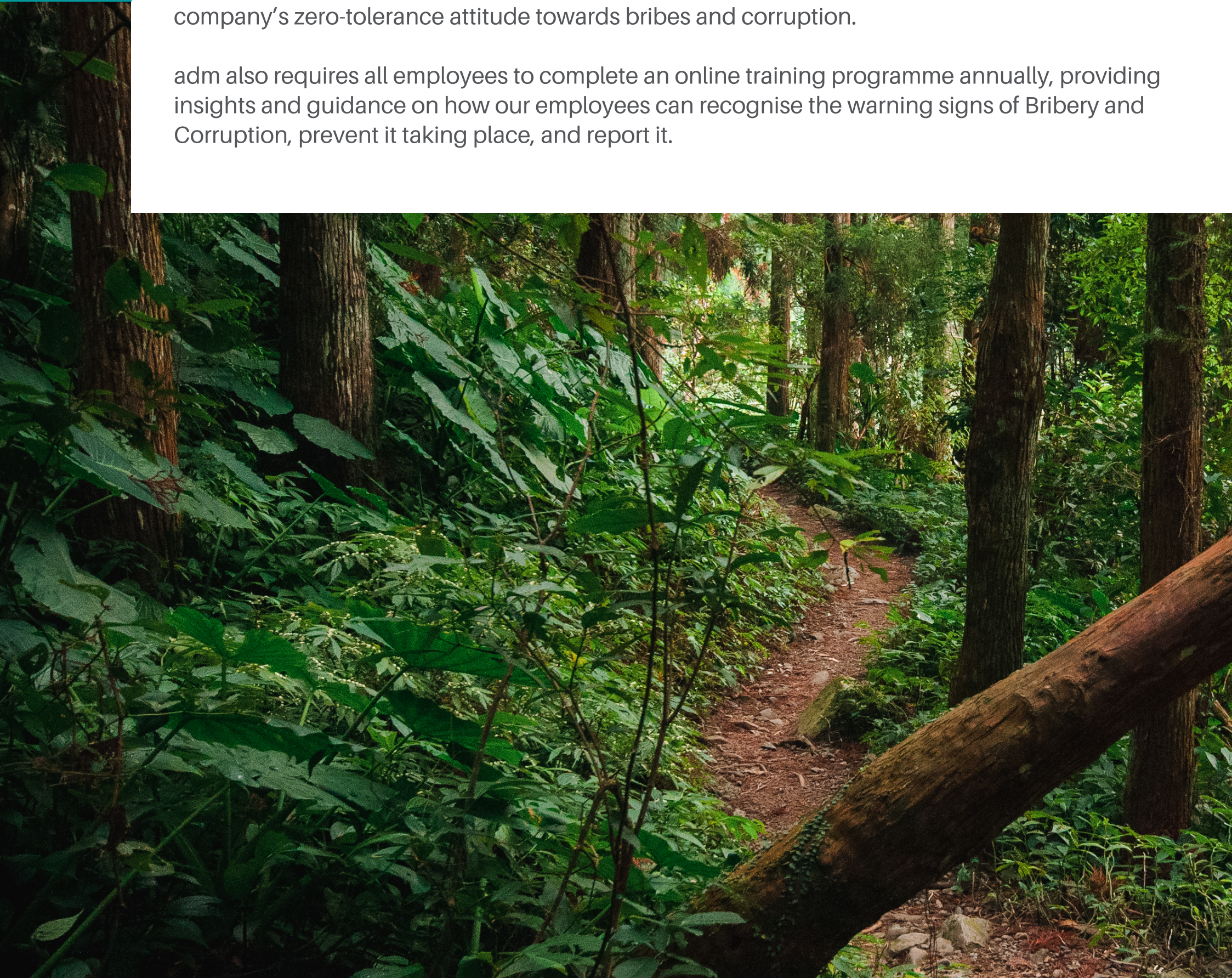
Measurable outcomes

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 have been communicated in different languages in the different offices around the world.

No infringements were reported in 2020.



Thank you

This reports covers adm's progress against the UNGC's ten principles and the Sustainable Development Goals.

To explore more about our sustainability strategy, please see our Sustainability Report [here](#).

For more information, please contact ranja.sengupta@admgroup.com or olivia.benier@admgroup.com



The logo for the United Nations Global Compact, featuring a blue globe with latitude and longitude lines, surrounded by a laurel wreath. The text 'UN GLOBAL COMPACT' is written in a semi-circle above the globe, and 'COMMUNICATION ON PROGRESS' is written in a semi-circle below it.	<p>This is our Communication on Progress in implementing the Ten Principles of the United Nations Global Compact and supporting broader UN goals.</p> <p>We welcome feedback on its contents.</p>
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