

Archer-Daniels-Midland Co.

TICKER
NYS:ADM

MARKET CAPITALIZATION
US\$24 billion

HEADQUARTERS
United States

DISCLOSURES

UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Yes

TARGETS

None

OVERALL RANKING

27 out of **43**

([2018 Rank](#): 24 out of 38)

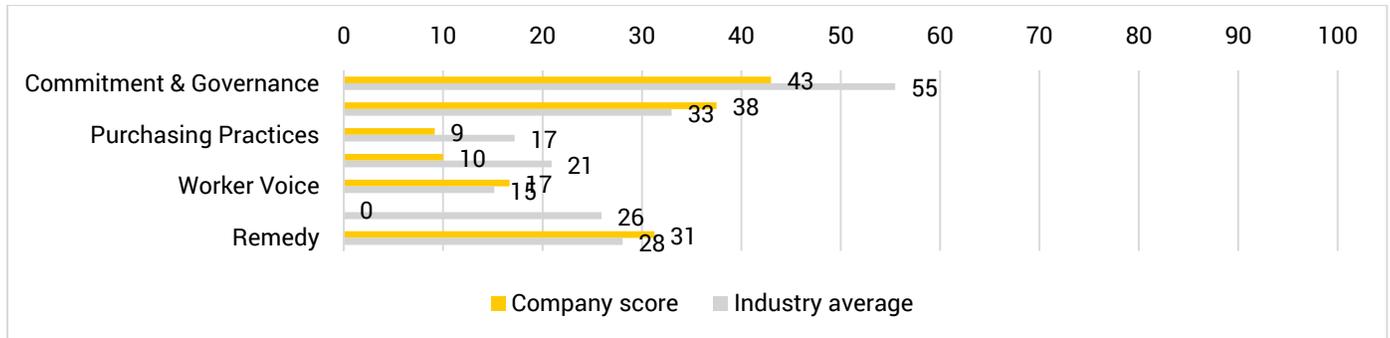
OVERALL SCORE

21 out of **100**

SUMMARY

Archer-Daniels-Midland Co. (ADM), one of the world’s largest grain traders,¹ ranks 27th out of 43 companies and discloses less information on its forced labor policies and practices than its peers. Since 2018, the company has taken only limited steps to improve (namely disclosing detail on its human rights risk assessment and some information on board oversight of relevant policies). As the benchmark methodology requires companies to keep up with evolving stakeholder expectations and emerging good practices, the company’s score decreased by one point. KnowTheChain identified one allegation of forced labor in the company’s supply chains relating to three lower-tier suppliers. The company discloses that one supplier now ensures that workers are no longer underpaid and that temporary workers were made permanent. However, the company does not disclose engagement with affected stakeholders, nor whether workers were remediated for previous shortfalls in wages or remedy outcomes for workers at the other two suppliers. The company is encouraged to improve on the themes of Commitment & Governance, Worker Voice, and Monitoring.

THEME-LEVEL SCORES



Research conducted through February 2020 or through May 2020, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company’s positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

KEY DATA POINTS**SUPPLIER LIST**

No

NO-FEE POLICY

Yes

SUPPORTS FREEDOM OF ASSOCIATION

No

REMEDY FOR SUPPLY CHAIN WORKERS

Yes

HIGH-RISK COMMODITIESCorn, palm oil, wheat, and others²

LEADING PRACTICES

None.

NOTABLE FINDINGS

Risk Assessment: The company discloses that it has conducted a human rights risk assessment on its supply chains and mapped key commodities based on “inherent sourcing risks.” It states this includes macro risks such as countries and commodities and micro risks at the farm or site level. The company reports that focus commodities have so far included “corn, soybeans, wheat, canola, palm, peanuts, pecans, macadamias, almonds, oranges, lemons, pineapple, apples, grapes, and crystalline sugar.”

Recruitment: ADM’s human rights policy states that workers in its supply chains should not be charged fees in exchange for employment, and it prohibits the use of labor brokers who charge such fees. The policy also prohibits the withholding of workers’ identification documents or other personal belongings.

Grievance Mechanism: ADM discloses contact details for its grievance mechanism, which can be used to report concerns related to its human rights policy covering labor rights in its supply chains. The company also publishes a grievance and resolution log, which lists suppliers and commodities involved, the issues, progress, and the date of the last update. The company’s log reports four human rights allegations related to its palm oil supply chains in 2018.

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: The company is encouraged to engage with relevant stakeholders on human trafficking and forced labor. This may include engagement with policy makers, worker rights organizations, or local NGOs in countries in which its suppliers operate, as well as active participation in one or more pertinent multi-stakeholder or industry initiatives.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with its suppliers to improve their practices regarding freedom of association and collective bargaining and with local or global trade unions to support freedom of association in its supply chains. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

Monitoring: The company may consider adopting and disclosing a supplier monitoring process to verify that its suppliers are compliant with its supply chain standards. Adopting specific practices, such as interviewing workers and conducting unannounced audits of suppliers, may help the company detect forced labor risks in its supply chains. Disclosing information on the results of its supplier audits, such as the percentage of suppliers audited annually or a summary of findings, provides assurance to stakeholders that the company has strong monitoring processes in place.

ENGAGED WITH KNOWTHECHAIN

Yes ([Sent Links](#)).

¹ Supply Chain Digital (31 October 2019), "[Largest grain traders in the world partner for digital transformation of supply chains.](#)"

² The US Department of Labor lists these commodities as commodities that may be produced using forced labor. US Department of Labor (20 September 2018), "[List of Goods Produced by Child Labor or Forced Labor.](#)"