

Archer Daniels Midland Co.

TICKER
NYSE:ADM

MARKET CAPITALIZATION
US\$24 billion

HEADQUARTERS
United States

COMPLIANCE

UK Modern Slavery Act: [Disclosure available, but not compliant](#)

California Transparency in Supply Chains Act: [Disclosure available, but not compliant](#)

COMMITMENTS

[Yes](#)

OVERALL RANKING

24 out of 38

(2016: 8 out of 20)

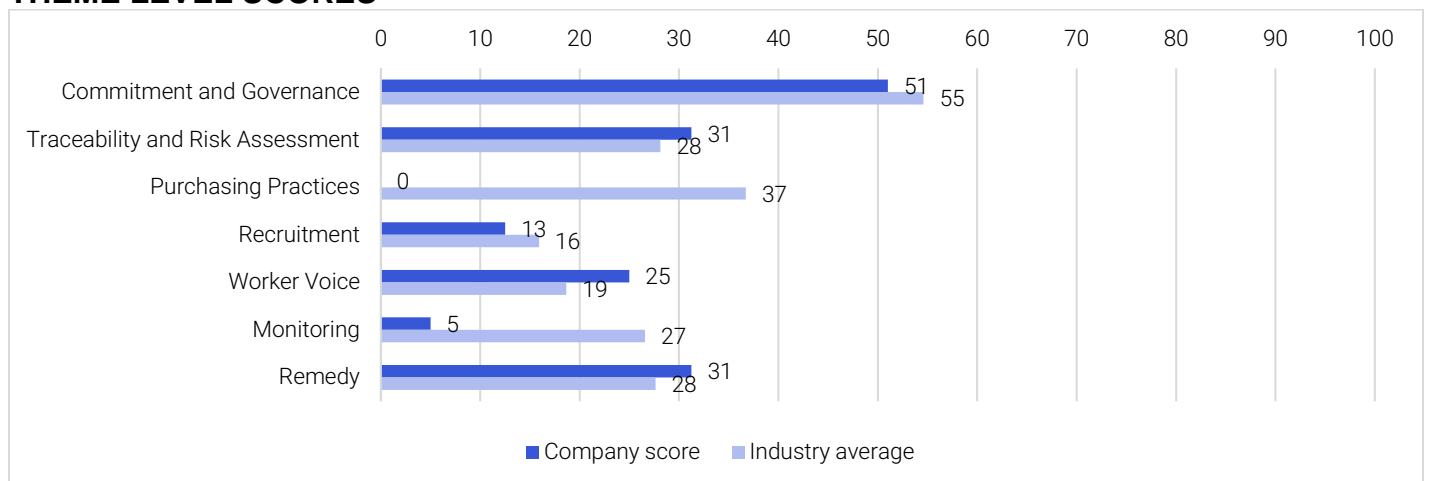
OVERALL SCORE

22 out of 100

SUMMARY

Archer Daniels Midland Co. (ADM), one of the world’s largest agricultural commodity traders, ranks 24th out of 38 companies, disclosing less information on its forced labor policies and practices than its peers. Compared to 2016, the company improved by disclosing a process for responding to grievances as well as outcomes of its grievance mechanism. However, the company’s overall score decreased as the methodology has been strengthened, making it harder for a company to achieve the same score. The company’s score is based on disclosure of some information on all themes apart from purchasing practices. KnowTheChain identified one allegation of forced labor in the company’s supply chains. The company provides a public response to the allegation and discloses that it has stopped sourcing from two suppliers that were unwilling to improve, but it does not disclose concrete remedy outcomes for workers. The company has an opportunity to improve its performance and disclosure on the themes of purchasing practices, recruitment, and monitoring.

THEME LEVEL SCORES



Research conducted through March 2018, or through June 2018 where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

LEADING PRACTICES

Grievance Mechanism

ADM discloses a grievance mechanism which is run by an independent third party and available in different languages and which allows any stakeholder to report concerns regarding the company's policies. Other than for "non-public issues", the company maintains a regularly updated register of grievances received, which includes the involved stakeholders, the subject matter, and the progress towards solving the issue. The list includes human rights concerns submitted by external stakeholders regarding the company's supply chains.

Process for Responding to Grievances

ADM provides a detailed overview of the process for handling reported violations of its human rights policies, which includes engagement with affected stakeholders, responsibilities, and timelines. In its "Issues and Resolution Workflow," it states that, upon receipt of a grievance, an evaluation of the issue will be made by ADM. A respective regional team is involved in the evaluation and will engage the issue raiser and, potentially, other relevant stakeholders. These steps are scheduled to happen within the first four weeks. Another four weeks are scheduled for the field investigation and development of an action plan. The investigation period involves the compilation of a report and communication of the issue on ADM's public register of issues. A final phase is reserved for monitoring and reporting on the implementation of the action plan.

NOTABLE FINDINGS

Training: ADM discloses that it trains its staff annually on the company's code of conduct, which includes references to the standards prohibiting forced labor in its supply chains. ADM's Human Rights Policy, which also includes supply chain standards, states that compliance training is one of the means its content is being communicated to staff internally (apart from intranet communication and posting of the document in prominent places). Lastly, the company discloses that it has a "Human Rights Manager Training" in place.

Traceability: ADM discloses a list of the names and countries of the palm oil mills in its supply chains which are used by its direct suppliers. It notes that it sources 70% of palm oil through Wilmar, of which 30% originates from Malaysia. For soybeans the company discloses the procurement volumes per country.

Recruitment: ADM's Human Rights Policy, which is applicable to its supply chains, contains a clause that prohibits fees being charged to workers in exchange for employment. The policy further prohibits withholding of collateral in form of money, identification or other personal belongings from workers without their consent.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: To address forced labor and human trafficking risks in its supply chains, the company is encouraged to integrate supply chain standards that include forced labor in its supplier contracts, and to cascade such standards throughout its supply chains. The company may further consider assessing risks of forced labor at potential suppliers before entering into any contracts with them and adopting purchasing practices that decrease risks of forced labor and human trafficking (such as improving forecasting alignment or providing longer-term contracts to suppliers with good labor practices).

Recruitment: To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and taking steps to ensure that such fees are reimbursed to the workers, in the event that it discovers that fees have been paid by workers in its supply chains. The company is also encouraged to ensure recruitment agencies used by its suppliers are audited, and to work with suppliers to guarantee migrant workers' rights are respected (e.g., to ensure migrant workers understand the terms and conditions of their recruitment and employment, and are not retaliated against, when they raise grievances).

Monitoring: While the company discloses it has in place supplier monitoring processes for its palm oil and soybean supply chains, it is encouraged to provide details and outcomes on those processes and implement them across commodities. Implementing 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, assures stakeholders that the company has strong monitoring processes in place.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Sent link.](#)