

Archer Daniels Midland Company

TICKER:
NYSE: ADM

MARKET CAPITALIZATION:
US\$ 31 billion

HEADQUARTERS:
United States

8 OUT OF 20

Company’s Overall Ranking

30 OUT OF 100

Company’s Overall Score

Archer Daniels Midland Co. (ADM) provides average disclosure of its policies and practices aimed at addressing human trafficking and forced labor risks in its supply chain, ranking eighth on the benchmark overall. Notably, the company demonstrates leading practices in the area of stakeholder engagement, collaborating with local NGOs, and multi-stakeholder initiatives to address forced labor. ADM has a strong commitment to addressing forced labor and supply chain standards prohibiting forced labor, processes in place to trace its supply chain, and a policy prohibiting recruitment fees. To improve its benchmark performance, the company may consider disclosing its policies concerning its recruitment approach and recruitment audits. As well, the company is encouraged to disclose evidence of how it mitigates the risk of forced labor through its purchasing practices and how it ensures supply chain workers’ voices are heard.

THEME LEVEL SCORE

Commitment and Governance	62 out of 100
Traceability and Risk Assessment	38 out of 100
Purchasing Practices	0 out of 100
Recruitment	17 out of 100
Worker Voice	23 out of 100
Monitoring	45 out of 100
Remedy	25 out of 100

LEADING PRACTICES

Stakeholder Engagement

ADM engages with various local stakeholders and is a member of multi-stakeholder initiatives that address forced labor. ADM works with Alliance da Terra, a not-for-profit sustainable farming group that educates Brazilian farmers and emphasizes fair labor conditions. It is a signatory to the National Agreement to Eradicate Slave Labor in Brazil and a member of the Round Table on Responsible Soy, the International Cocoa Initiative, and the World Cocoa Foundation. Through its membership in each of these initiatives, it is working to address labor conditions in its supply chain. For example, as a member of the International Cocoa Initiative, the company works with other stakeholders "to oversee and sustain efforts to eliminate the worst forms of child labor and forced labor in the growing and processing of cocoa beans and their derivative products."



NOTABLE FINDINGS

Commitments and Governance

ADM publicly demonstrates its awareness of and a strong commitment to addressing human trafficking and forced labor within its Code of Conduct where it states: “[W]e will never knowingly use any suppliers who employ or exploit legally underage workers or forced labor.” This commitment is also reflected in its Commitment to Respect Human Rights statement. As well, the company requires its suppliers to uphold workers’ fundamental rights and freedoms. ADM conducts an internal annual compliance training program which addresses its Code of Conduct and Commitment to Respect Human Rights.

Traceability

ADM discloses that it has processes to trace palm oil at all of its sourcing facilities and regions. The company requires suppliers to provide mill names, parent company names, mill location coordinates, as well as Roundtable on Sustainable Palm Oil (RSPO) certification status.

Recruitment Fees

ADM discloses in its Our Commitment to Respect Human Rights document that it prohibits suppliers from charging recruitment fees for employment or engaging with recruiters charging such fees.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practice

ADM is encouraged to adopt and disclose purchasing practices that mitigate risks of forced labor in its supply chain, such as entering longer term contracts and avoiding sudden changes of workload. The company may also consider reporting its process for selecting suppliers that includes an assessment of forced labor risks as well as integrating its supply chain standards into its supplier agreements and contracts.

Recruitment Approach and Audits

The company is encouraged to require suppliers to directly employ workers and, where this is not possible, to audit recruitment agencies and require them to uphold workers’ rights.

Worker Voice

ADM has a helpline for suppliers’ related concerns. It is encouraged to improve this as a mechanism for supply chain workers to raise grievances by ensuring that the existence of the mechanism is proactively communicated to suppliers’ workers and by taking steps to ensure that impacted stakeholders trust the mechanism (e.g., workers who report a grievance can do so without the fear of penalty, dismissal, or reprisal of any kind). ADM is further encouraged to disclose how it communicates its human trafficking and forced labor policies and standards to suppliers’ workers and engage with workers outside of the factory context on their workplace rights.

COMPANY PROVIDED ADDITIONAL DISCLOSURE:

No.

