



The California Transparency in Supply Chains Act

RB is committed to ensuring that products are manufactured and raw materials are sourced in a way that does not cause harm to, or exploit, humans or the natural environment. A crucial part of this is ensuring human rights and labour standards are respected within our supply chain and any violations are addressed as soon as possible. Consequently, in 2012 RB implemented a risk-based compliance programme to monitor labour standards within our supply chain in order to ensure compliance with our minimum labour, health & safety and environmental requirements.

This is a statement on RB's efforts to eradicate slavery and human trafficking from our direct supply chain for tangible goods offered for sale, as required by The California Transparency in Supply Chains Act of 2010.

RB's policies regarding slavery and human trafficking

RB believes that human rights, which includes freedom from slavery and human trafficking, are an absolute and universal requirement and as such, committed to upholding those rights, as expressed in the International Bill of Human Rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. We are also committed to following the Organisation for Economic Cooperation and Development's (OECD's) Guidelines for Multinational Enterprises.

We recognise the important role that businesses play in society and the responsibility we have in helping to ensure human rights are respected. Our commitment to respecting human rights is publicly disclosed through our [Code of Business Conduct](#) and our [Policy on Human Rights and Responsible Business](#). These policies apply to all employees and contractors of, and suppliers of goods and services to RB. We also encourage our suppliers to communicate our requirements within their supply chain.

Our Policy on Human Rights and Responsible Business outlines the minimum labour, health & safety, environmental and business integrity standards we expect our facilities and those of suppliers to meet, in the production of goods and provision of services to RB.

Our requirements are closely aligned with the Ethical Trade Initiative (ETI) Base Code and the conventions of the International Labour Organisation (ILO) and consists of ten principles:

1. No child labour. Limitation of work by young workers
2. No forced labour or human trafficking
3. Safe and healthy working environment
4. No discrimination. Equal opportunities/rights
5. No harmful or inhumane treatment
6. Reasonable terms and conditions of employment
7. Effective communication between employees and management. Right to freedom of association
8. Protection of the environment
9. Conducting business with integrity
10. Implementation of management systems to drive compliance

We take any adverse human rights impacts extremely seriously. Where RB identifies that it has caused or contributed to any such impacts, it will co-operate in or provide for appropriate and legitimate processes to remedy these.

We also have a specific standard for the responsible sourcing of natural raw materials which references the need to source raw material in a way that goes beyond applicable laws and regulations, respects human rights, safeguards health & safety, protects the environment, does not cause deforestation and generally supports the contribution of business to achieving sustainable development.

Verification

RB believes that policies and contracts in themselves are not sufficient and has established a proactive compliance programme for higher-risk suppliers so further due-diligence and verification can be conducted. In order to determine which suppliers are higher-risk and should be included in our compliance programme, we frequently commission a third party to conduct a risk assessment of our direct supplier commodity groups. This risk assessment considers country of operation, labour / human rights, environment, health & safety and business integrity risks.

Through this risk-assessment, we identify third party manufacturers, distribution centres located within developing markets and selected raw and packaging material suppliers considered to be higher-risk, following which these suppliers

are required to complete a self-assessment of compliance on the ethical data platform, Sedex¹. Through the self-assessment, suppliers disclose what policies and practices they have in place in order to effectively manage the following:

- labour standards;
- health & safety;
- environment; and
- business integrity.

The self-assessment is a useful tool in enabling both RB and our suppliers to identify slavery and human trafficking risks, such as a lack of information on labour providers, record-keeping practices in relation to original copies of worker documentation, wage deductions, excessive recruitment fees, etc.

Following completion of the self-assessment we conduct a supplier level risk assessment through Sedex, who use Maplecroft risk indices. Supplier responses to the self-assessment, coupled with the inherent risk associated with their country of operation, product area, sector profile and site function are used to assign suppliers a high, medium or low risk rating.

Audit

Suppliers that are rated as high risk after completing the self-assessment are required to undergo a semi-announced 4-pillar SMETA² audit by an independent audit firm, assessing compliance with the Ethical Trade Initiative Base Code with which the Human Rights and Responsible Business requirements are closely aligned. As our programme continues to develop, the number of audits conducted will increase, with 51% more supplier audits conducted in 2015 compared with 2014.

Rather than simply delisting suppliers, we believe in working collaboratively with our supply chain and third party stakeholders to address all areas of non-compliance and build capability to ensure continuous improvement. This involves establishing partnerships between Global Sustainability, Procurement and our suppliers. For any non-conformities identified through audit we put corrective action plans in place and track progress to ensure issues are closed promptly. Common areas of non-conformity include health & safety, working hours and a lack of sustainability management systems, which are issues shared across the wider manufacturing industry especially within developing markets.

For selected raw materials that are classed as higher-risk (such as palm oil) we will complete additional due diligence through our compliance monitoring programmes. The focus of this due diligence is on supply chain traceability (past first tier suppliers) and ensuring compliance with our policies. Our compliance monitoring activities vary depending upon risk and include:

- in-depth responsible sourcing programmes;
- traceability and compliance questionnaires;
- supplier engagement including visits, meetings and assessments; and independent audits.

With respect to our products containing palm oil in the form of derivatives, we will continue to focus on tracing the palm oil we procure back through the supply chain to mill. We will work with our suppliers and The Forest Trust³ to roll out our compliance programme which involves mill prioritisation (on the basis of environmental and social risk), compliance assessment and the implementation of corrective actions. We will continue to develop this programme with the aim of improving standards across the industry. Further details on our approach are available [here](#).

Certification

All suppliers which want to conduct business with RB are required to comply with RB's Policy on Human Rights and Responsible Business and our Code of Business Conduct in addition to other applicable policies. Consequently, we integrate 'Corporate Responsibility' clauses into commercial contracts, making it a contractual obligation to comply and, if

¹ <http://www.sedexglobal.com/>

² <http://www.sedexglobal.com/ethical-audits/smeta/>

³ <http://www.tft-earth.org/>

necessary, participate in our compliance programme which may include a physical audit to verify compliance. Serious breaches can result in the termination of a supplier relationship or an employee's employment.

Internal Accountability

The EVP Supply and SVP Human Resources are the owners of our Policy on Human Rights and Responsible Business. Compliance with this Policy is mandatory and participation in our associated compliance programme is required for relevant suppliers. To reduce the risk of human trafficking and slavery we have clear internal guidelines on accountability that are communicated throughout the organisation to support the effective implementation of our policies and programmes.

We also have an internal Whistleblower helpline in each country for confidential reporting of breaches of our Code of Business Conduct and Human Rights policies.

Training

RB has a number of initiatives to increase awareness and understanding of human rights, including slavery and human trafficking, for both our employees and suppliers globally as detailed below:

- RB is a member of AIM-Progress⁴ which is a forum of leading FMCG companies that enable and promote responsible sourcing practices and sustainable supply chains. Through this forum, we seek to improve our capabilities to implement robust responsible sourcing programmes, effectively assure compliance within our supply chains and strive to go beyond compliance.
- RB participates in supplier capability building events organised by AIM-Progress and also conducts our own workshops to raise awareness and understanding of our human rights requirements so that suppliers can increase their ability to improve compliance within their own facilities and supply chains. Since 2013, key suppliers and relevant RB functions, such as Procurement, have attended events in Dubai, India, Mexico and China.
- RB has developed specific eLearning on our human rights requirements and associated compliance programme for all those involved in supply chain management, from the most senior (SVPs, Directors, etc.) to junior (Managers) members of our organisation.
- RB regularly trains all of its employees and management on the requirements of our Code of Business Conduct and requires them to uphold the Code. The Code requires that we maintain the highest ethical standards and never take unfair advantage of anyone. It was designed to encourage a culture of honesty, accountability and mutual respect; to provide guidance to help colleagues recognise and deal with ethical issues; and to provide a reporting mechanism for the reporting of unethical conduct.
- We have a [Sustainability Supplier Guide](#) which is actively communicated to all suppliers, providing information on the minimum requirements we expect suppliers to meet and the associated compliance programmes.

Going forward

Since its implementation in 2012, RB's Human Rights and Responsible Business programme has rapidly developed into a comprehensive, risk-based compliance programme that is integrated into our business operations. We acknowledge the complexity of the issue of human rights and are committed to continuous improvement in our verification, audit, certification, internal accountability and training programmes, following the UN Guiding Principles on Business and Human Rights.

Further Information

RB's Policies: <http://www.rb.com/responsibility/policies-and-reports/>

RB's Human Rights Programme: <http://www.rb.com/responsibility/workplace/human-rights/>

RB Palm Oil Programme: <http://www.rb.com/responsibility/sourcing/>

AIM-Progress: <http://www.aim-progress.com/>

Sedex: <http://www.sedexglobal.com/>

4-Pillar SMETA Audit: <http://www.sedexglobal.com/ethical-audits/smeta/>

⁴ <http://www.aim-progress.com/>