

RB and Human Rights Slavery and Human Trafficking Statement 2018



HEALTH • HYGIENE • HOME



Reckitt Benckiser Group plc and other Group companies*
(RB) Slavery and Human Trafficking Statement for the 2018 financial
year, as required by section 54(1) of the Modern Slavery Act 2015.

* This statement covers all subsidiaries of Reckitt Benckiser
Group plc, a full list of which is available in [RB's Annual Report
and Financial Statements 2018](#).

Our progress in 2018

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Forced labour and human trafficking are complex global challenges where growing globalisation, changing labour markets and migration pose increasing risks to human rights that need our focus and attention.

As a purpose-led business, we are committed to tackling this unacceptable practice. I am pleased to share with you the progress we have made in 2018 to ensure human rights are respected within our organisation and supply chain. In doing so, I hope that we are able to collaborate to support wider change.

2018 saw us extend the scope and scale of our supply chain audit programme. We continued our partnership with key suppliers in South Asia, the Middle East and Africa, which strengthens awareness of human rights and improved on-site performance. Importantly, we also implemented a stronger programme management platform that enables enhanced insights and reporting of our supply chain work. To further embed our programme, we established a partnership with the Danish Institute for Human Rights in March 2019. This partnership will broaden and deepen RB's human rights strategy through a number of projects planned for 2019.

Alongside our progress, however, we unfortunately identified systemic issues concerning migrant workers within certain suppliers in Malaysia. We are not alone in identifying these, but believe we are making good progress in tackling the issues. We will continue to work closely with our suppliers, peers and other actors on this during 2019, while also aiming to tackle systemic issues elsewhere.

This statement was approved by the Board of Reckitt Benckiser Group plc on 9th May 2019.



Rakesh Kapoor
Chief Executive Officer
May 2019



Our business and supply chain

Reckitt Benckiser Group plc (RB) is a FTSE 20 company headquartered in the UK and is a leading global health, hygiene and home company inspired by a vision of a world where people are healthier and live better. Its purpose is to make a difference by giving people innovative solutions for healthier lives and happier homes.

Through our purpose we aim to respond to trends and underserved needs within growing consumer markets, helping to tackle important global issues and support the United Nations (UN) Sustainable Development Goals (SDGs).

We want to make a difference every day. Our values help us to realise our vision and purpose, and are key to our distinct culture.

Our values



£12.6 billion

Net Revenue in 2018

40,000+

employees in offices, R&D centres, production facilities and logistics centres in more than 60 countries

FTSE 20

company headquartered in the UK

55

RB production facilities

20+ million

products sold daily

3,118

direct supplier sites



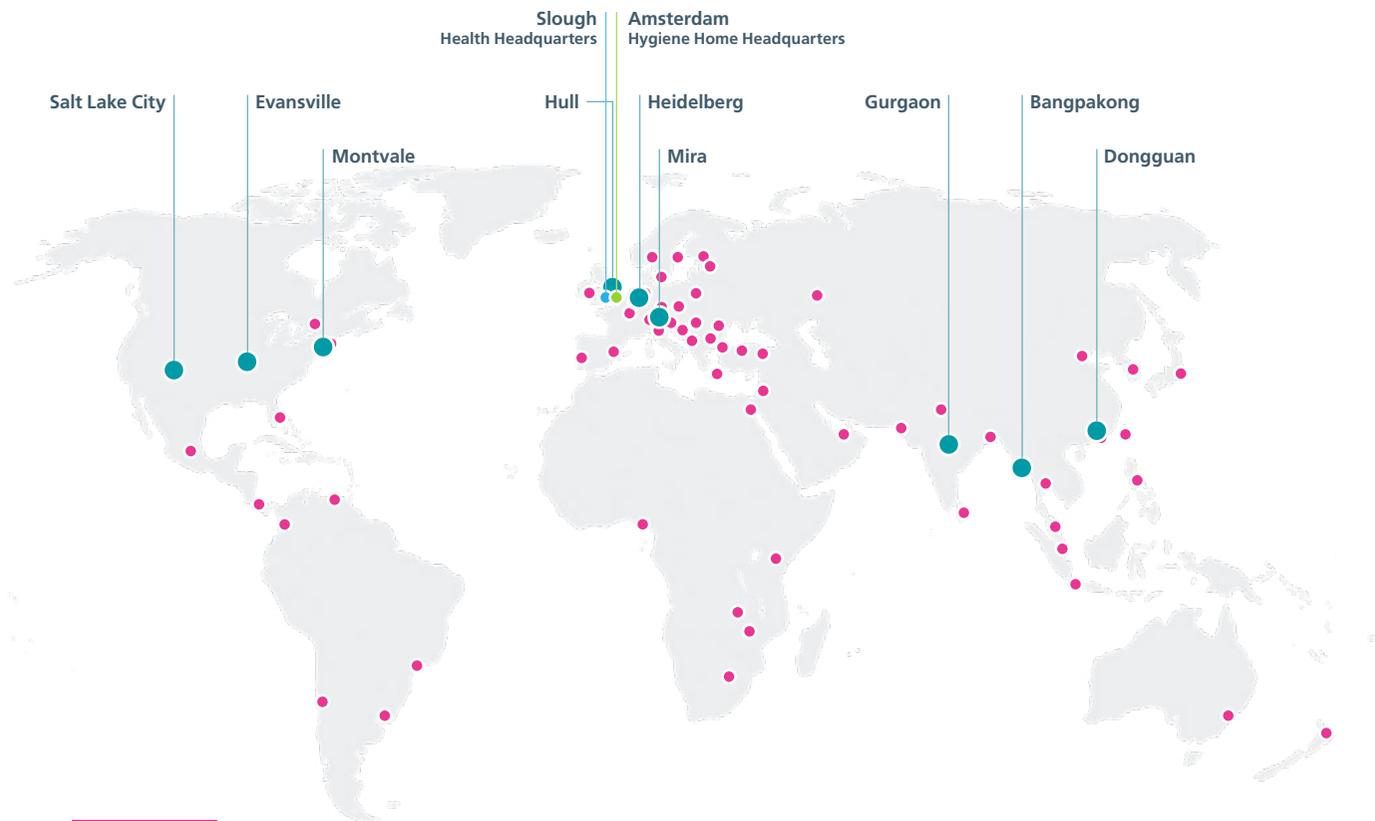


Our global footprint

We are a truly global business, having over 40,000 employees in offices, factories, logistics and R&D centres in over 60 countries. Consumers in over 190 countries purchase around 20 million products a day.

Over the last five years we have transformed our brand portfolio. At the start of 2018 we reorganised our business by forming two focused, agile and fully accountable business units – Health and Hygiene Home.

Each business unit is fully end-to-end accountable, from innovation, through brand development and supply. Our Health business unit is headquartered in the United Kingdom and our Hygiene Home business unit in the Netherlands.



60
countries across
six continents

190+
countries selling
our products

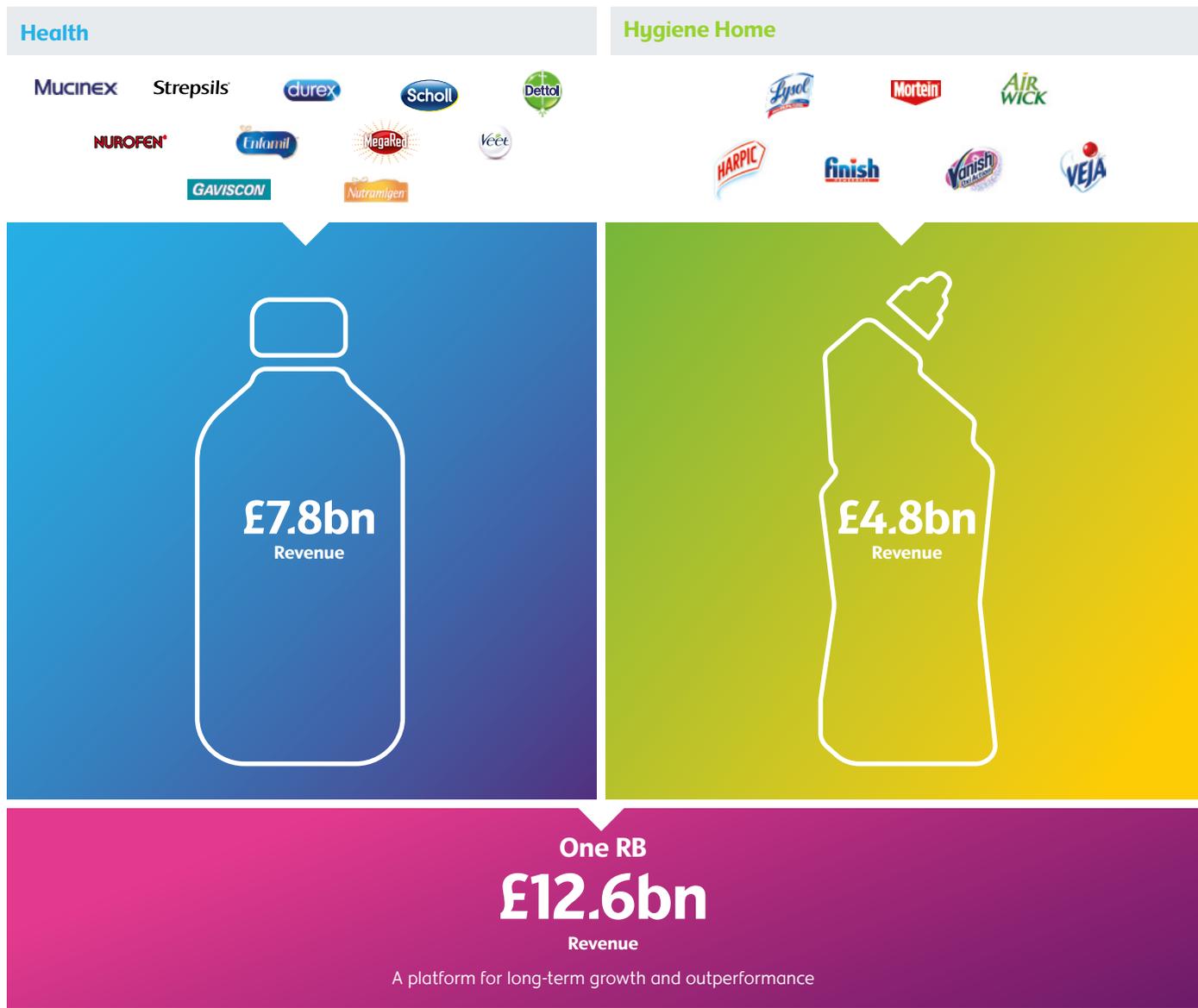
09
Centres
of Excellence



Further details of our Company can be found in our **Annual Report and Financial Statements 2018**



Our key brands



Our global supply network

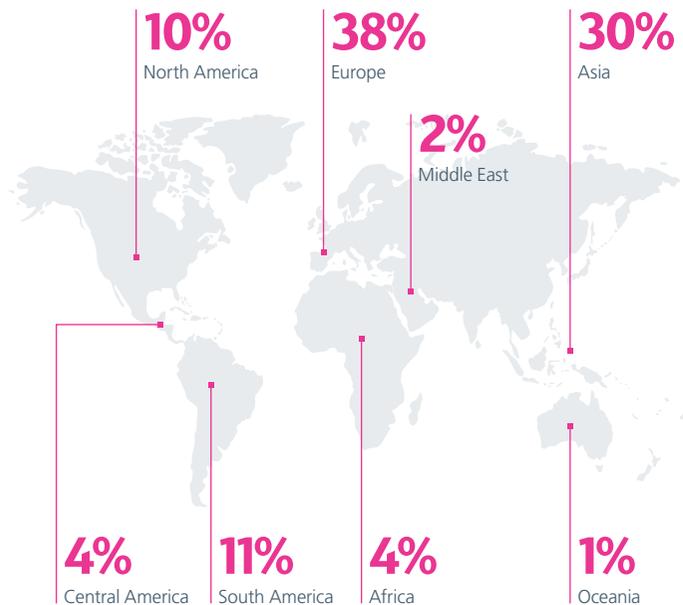
Our combined organisation includes 55 RB production facilities and 275 third-party manufacturer sites (copackers) supporting our global business. Our 55 manufacturing facilities source a range of packaging and raw materials ranging from product packaging (cans, cartons, tubes etc.) to household product chemicals, pharma ingredients and agricultural commodities (dairy, palm oil, latex etc.) from direct suppliers manufacturing at 3,118 sites around the world.

3,118
supplier sites at local, regional and global level

275
third-party manufacturer sites



The global distribution of RB manufacturing facilities and direct suppliers is as follows:



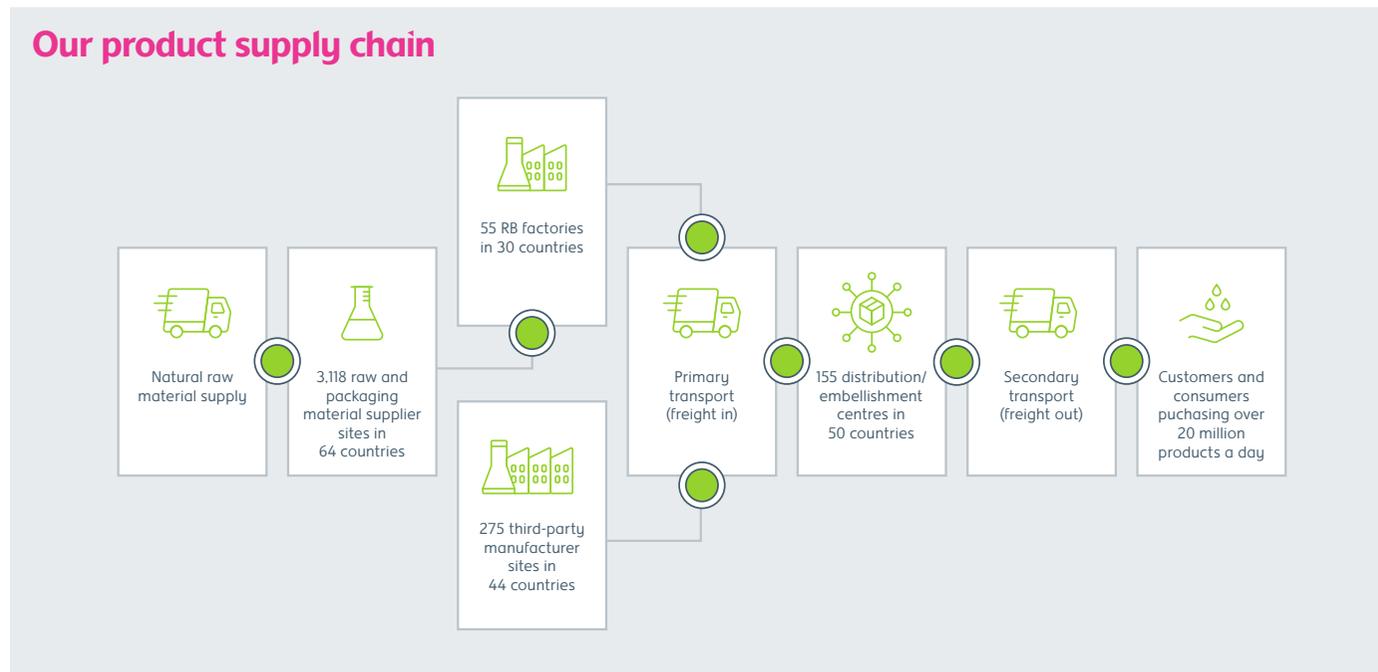
We have a host of indirect suppliers providing us with logistics, warehousing, contract labour, office services and supplies, promotional goods and other services. Some of these are large, multinational companies with substantial business and ethical conduct programmes of their own.

Smaller, local companies – for example within emerging economies – may not have the same degree of programmes in place but can still be excellent suppliers. Our suppliers are chosen based on quality, cost, location, reliability and

compliance with our policies and standards. This includes our Policy on Human Rights and Responsible Business.

In addition to our traditional direct and indirect suppliers, all significant investment agreements (greater than £50 million) undergo a due diligence analysis of human rights. This is conducted mainly by our manufacturing due diligence and factory visits. On the rare occasions that access to a facility is not possible, due diligence is carried out by accessing publicly available information.

Our product supply chain





Our policies to address slavery and human trafficking

Our approach

Our RB purpose is to enable people to live healthier and happier lives. We bring this to life through our brands, within our operations, and across our entire value chain. In doing so, it is critical that we produce and distribute our brands with full respect for all the people touched by our value chain.

Consequently, we do not accept any human rights violations within our own operations and supply chain, and have a clear policy framework outlining our expectations, including those relating to slavery and human trafficking. If we cause or contribute to any such impacts, we will co-operate in, or provide for, appropriate and legitimate processes to remedy these in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

We recognise the complexity of human rights issues and the limitations on what we are directly able to control and influence. Accordingly, our approach to remediation focuses on stakeholder collaboration and transparency. Our preferred approach is to utilise our leverage to work with our supply chain to resolve issues rather than terminating business relationships. Remediation is a priority for us, and we press for rapid action where a solution is clear. However, we also take care on complex issues, aiming to understand interdependencies and avoid unintended adverse consequences. This approach ensures issues are addressed and impacted workers obtain access to remedy, which otherwise might not be the case. However, if we believe a party is not providing appropriate support to remedy issues we will have no option other than to terminate our business relationship with them.

Our policies

RB believes that human rights, which includes freedom from slavery and human trafficking, are an absolute and universal requirement and has a policy framework to support this.

Code of Conduct

Our Code of Conduct was updated in January 2018 and outlines the principles and ethical values that RB expects all employees and contractors to uphold. The Code covers key issues including corruption and bribery, discrimination, confidentiality, conflicts of interest, anti-trust, money-laundering, environment, health & safety and the Speak Up service. Additionally, it outlines our commitment to respecting human rights, specifically those rights expressed in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.



Code of Conduct

Policy on human rights and responsible business

Our policy outlines our fundamental human rights principles and minimum health & safety, environment and business integrity requirements. These are closely aligned with the Ethical Trading Initiative (ETI) base code and the conventions of the ILO.



Policy



Detailed requirements



Responsible sourcing of natural raw materials policy

Our policy outlines our requirements for sourcing natural raw materials. We are committed to sourcing raw materials that have been produced in a way that meets or exceeds 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.



Policy



Standard

Our policies were developed using a range of internal and external expertise and were influenced by the UNGPs, legislative requirements such as those outlined by this Act, industry best practice and through consultation with peers. These policies apply to all employees, contractors and suppliers of goods and services to RB, and we encourage our suppliers to communicate our requirements within their supply chain. At the start of any commercial relationship, we communicate our requirements to suppliers and integrate the need to comply within the commercial contract.

Training

Proactive engagement and training ensure that our employees are not only aware of RB's values and policy requirements, but also have a basic level of understanding of how to prevent, identify and remediate any issues.

Code of Conduct

All employees and contractors globally are required to complete annual Code of Conduct e-learning, which is available in all core languages used by the business. We refreshed this training, relaunching online in January 2018, and it has been completed by over 30,000 people amassing around 45,000 hours of training. We regularly follow up with our employees to ensure they have taken the training, but staff turnover and continuous hiring of new staff may result in rates less than 100% in a calendar year. Additionally, all senior managers across the Group are required to report and sign-off compliance with the Code annually. The Board Audit Committee monitors the findings of this certification process, which is executed by the Ethics and Compliance team.

Our Human Rights and Responsible Business principles



**No child labour.
Limitation of work
by young workers.**



**No forced labour
or human trafficking.**



**Provision of a safe
and healthy working
environment.**



**Freedom of association
and right to collective
bargaining.**



**No discrimination –
equal opportunities
and rights.**



**No harmful or
inhumane treatment.**



**Fair working hours,
remuneration and
employment conditions.**



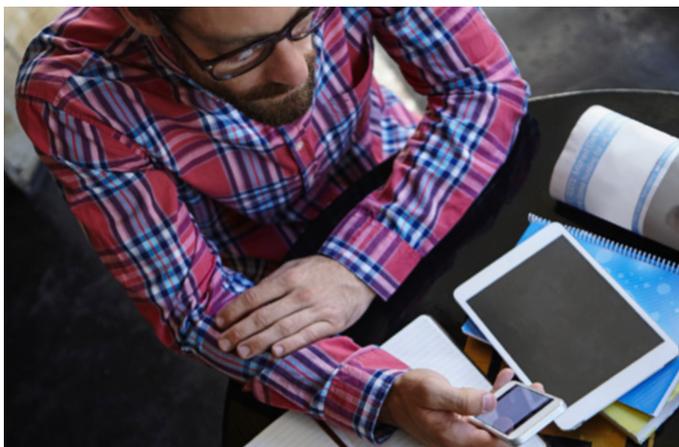
**Protection of
the environment.**



**Conducting business
with integrity.**



**Implementation of
management systems to
effectively ensure compliance
with these principles.**



Policy on Human Rights and Responsible Business

We launched an interactive human rights e-learning course in 2017 to provide our employees with a deeper understanding of human rights, RB's minimum requirements, common supply chain issues they may come across and how to report issues for further investigation and remediation. The training specifically covers modern slavery, providing an overview of forced labour, those who are most vulnerable to exploitation, and outlining our policy. This course is mandatory for all management employees globally and to date the training has been taken by 11,001 employees, 3,813 of which completed the training in 2018, representing 88% of all management-level employees. We will look to ensure that we maintain this completion level and follow up with those who are yet to complete the training. We are always looking to strengthen our training, both in terms of content and delivery. This can mean we target specific personnel with more detail, for example our quality auditors have been trained in our human rights policy requirements allowing them to assess human rights issues at suppliers during their quality audits.

To assess the effectiveness of the training there was an optional survey at the end of the course. One of the questions rated how effective the training was in explaining human rights issues, RB's minimum requirements and how to report any issues they may come across. From more than 10,000 responses, the training was rated as more than 90% effective in explaining our human rights position.



Speak Up

RB has a robust Speak Up policy and process. This includes our Speak Up service, which provides a confidential service available on RB's internal website Rubi and through a freephone number in each country, operated by an external organisation that employees and contractors can use to report any suspected breaches of the Code of Conduct, local law or any unethical behaviour. This also includes any breaches of RB's Policy on Human Rights and Responsible Business, which covers slavery and human trafficking.

All reported issues are investigated under the leadership of the Ethics and Compliance team, with oversight provided by the Ethics and Management Committee, and the Board Audit Committee.

In 2018, we had a total number of 286 grievances received through our formal Speak Up line. 154 were initially identified as concerning the requirements outlined in RB's Policy on Human Rights and Responsible Business; however, after further review and consultation of the reported instances, this was further reduced to 82. After appropriate investigations, 23 instances were substantiated with 19 reports concerning discrimination, mainly harassment and favouritism, and four reports concerning health & safety, working hours and remuneration, and conditions of employment. There were no substantiated reports concerning forced labour or human trafficking. Of the 23 substantiated issues, 21 were resolved within 2018 with the remaining two resolved in January 2019. Remediation has included training, disciplinary measures and review of processes.



To find further information on the types of reports, please see: [RB's Sustainability Insights 2018 – Human rights and responsible supply chains](#)



Governance

RB's Board of Directors is responsible for the overall stewardship of the Group, which includes oversight of sustainability and corporate responsibility. The Board plays a key role in setting our values and standards and undertakes a formal review of sustainability matters at least once a year. The Board also regularly considers the significance of sustainability matters and their potential risk to the business as well as opportunities for enhancing value.

The Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee is a sub-committee of the Board and is responsible for overseeing the implementation and progress of RB's sustainability strategy and reviewing performance against the 2020 targets, including performance on human rights. The Committee meets quarterly and is attended by the CEO or CFO and other senior executives.

There are two management committees where sustainability matters are also covered, the Compliance Management Committee (CMC) and the Ethics Management Committee (EMC) – these are operational in focus and led by the CEO. They are responsible for overseeing the implementation of compliance and ethics activities across the Company, including human rights, in conjunction with functional department heads.

Leadership for sustainability and related compliance sits with the Corporate Affairs & Sustainability function, with operational

leadership and delivery through appropriate business functions such as Human Resources, Legal, Supply, Marketing and Safety, Quality and Regulatory Compliance (SQRC).

The Chief Supply Officer and Chief Human Resources Officer are the owners of our Policy on Human Rights and Responsible Business. The SVP Corporate Affairs & Sustainability, reporting directly to the CEO, is responsible for ensuring the policy remains current and compliance is monitored across our operations and high-risk supplier base through our compliance-monitoring programme.

At an operational level, it is the responsibility of every employee within the business to ensure compliance and support our compliance programme. Any breaches of these policies can be confidentially reported through our internal 'Speak Up' hotline service.

RB's governance structure for the 2018 financial year:



Our actions to address the risks of slavery and human trafficking

Risk of slavery and human trafficking within our business and supply chain

Slavery truly is a global issue related to growing global migration owing to poverty, globalisation and people's desire for a better life. The [ILO indicate](#) there are 25 million people in forced labour, 16 million of whom work in the private economy, with debt bondage accounting for half of this. Modern slavery is most prevalent in poorer, developing economies with weaker state mechanisms to protect human rights. However, it can and does still occur in developed economies. Where there are vulnerable people, there will always be a risk that they could be exploited in some way.

Forced labour is a complex issue and generally hidden. This can make it difficult to identify through traditional mechanisms such as audits alone. In an effort to address this, we assess our operations and supply chain to identify specific countries, sectors or commodities where forced labour is prevalent, helping us to focus activity and awareness where there is greatest risk. The external insights help us also to know what to look out for during audits so that we are aware of the indicators of forced labour. We are looking beyond our audits to a broader human rights approach during 2019, which will help us better understand and tackle human rights risks.

Consequently, we reviewed our operational footprint and our supplier base to identify which areas posed greatest risk from a labour/human rights, health & safety, environment and business integrity perspective. This desktop process uses internal and external expertise with consideration to a range of factors including country of operation, commodity supplied and sector profile.

Through this process we identified the main areas of risk within our tier 1 supplier base and down to plantation level within our palm oil and latex supply chains:

- Fair wages
- Forced/bonded labour
- Health & safety
- Working hours
- Discrimination and equal opportunities
- Freedom of association
- Contract/migrant labour – issues such as excessive recruitment fees, passport retention, poor living conditions, excessive working hours, poor wages, discrimination and poor labour standards all of which can be forms of modern slavery.

In addition to these risk areas, we have initially focused on key geographies:

- South East Asia and the Middle East, due to the large number of migrant workers
- Africa and Asia, due to weaker levels of understanding and enforcement of social and environmental standards.

The process identified the following supplier groups as high risk and in need of further assessment by our programmes:

- Third-party manufacturers
- Embellishers (who assemble added-value packs for our markets)
- Distribution centres
- Raw and packaging material suppliers predominantly located in countries within Latin America, the Middle East, Africa, North and South Asia.
- Up-stream raw material processors.

We keep up to date with publicly available research and articles from a range of external sources, and actively engage with NGOs and peer companies to better understand emerging risks and best practices to address them.





Our due diligence processes within our organisation and supply chain

Businesses play a crucial role in ensuring they and their suppliers operate in a way that respects the human rights of the workers and communities within their supply chain, their employees and consumers. Policies are critical to addressing risks to human rights, but they are only the start. We have a proactive monitoring programme that enables us to identify and address any deviations from our policy within our business and supply chain.

A team of four regional human rights programme managers work with suppliers and our procurement teams to deliver our compliance programme around the world.

Within our highest-risk regions – South Asia, the Middle East and Africa – we have additional human rights experts who work with our own sites, suppliers and local procurement teams. This provides a collaborative approach to delivering sustained improvements. Alongside our global team, these experts manage the programme at a regional and local level. They work closely with our Supply, Human Resources, Legal and Internal Audit teams to deliver our Human Rights Programme. Our programme is reviewed regularly by our senior leadership team who also steer our long-term strategy and targets.

Our own sites

All our manufacturing facilities and distribution centres are included in our compliance programme. They complete an annual self-assessment and undergo an announced audit if identified as high risk. In 2018, we conducted audits of 20 RB factories and two RB distribution centres located in Nigeria, China, Thailand, Bangladesh, India, Pakistan, Mexico, Brazil, Singapore and the Philippines. Through these 22 audits, 104 non-conformances with our requirements were identified. Our most significant area for action related to the ongoing prevention of forced labour or human trafficking. One of our audits identified the retention of passports of outsourced housekeeping staff by the service provider in our Singapore factory. After dialogue with the service provider, the passports were immediately returned to the workers. From our work elsewhere, we are aware that this can be a systemic issue in South East Asia and routinely consider it in all audits.

From our 2018 audits, the majority of issues concerned our temporary workforce provided by contract labour/service providers. These can include roles such as security guards, production support workers and cleaning or housekeeping. As a result, we are tightening our monitoring for labour providers and will continue focusing on this during 2019.



To see a complete breakdown of the findings identified through our 2018 auditing activities, please see: [RB's Sustainability Insights 2018 – Human rights and responsible supply chains](#)

Our supply chain

To ensure both a comprehensive and efficient approach to managing risks in our supply chain, we assess those risks and then target resources to areas of highest risk. Through our risk assessment process we are currently focusing on high-risk direct suppliers, which we define as all third-party manufacturers and selected packaging and raw material suppliers primarily located within developing markets. We also focus on selected indirect suppliers such as all our third-party distribution and embellishment centres.

Currently we have 841 supplier sites included in our monitoring programme, 81% of which have completed a self-assessment. We consider the self-assessment to be a useful educational engagement tool in helping suppliers understand the policies and procedures they should implement within their own facilities and supply chain to best manage labour standards, health & safety, environmental compliance and business integrity.

We conduct a desk-based, site-level risk assessment, which considers the site's inherent country risk using the following indicators and weightings:

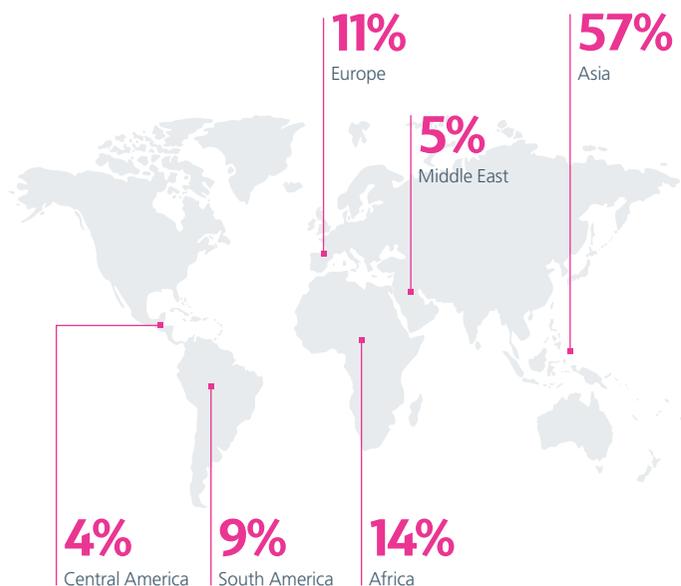
- 50% – World Bank Governance Indicators
- 20% – UN Human Development Index (HDI)
- 15% – Transparency International Corruption Index
- 15% – US State Department Human Trafficking Report

In addition, where one is available, the audit rating from the most recent audit is considered in this overall site risk.

Sites assessed as critical or high risk are audited at least every three years to assess labour standards and human rights. This may be sooner where the most recent audit suggests the need for more frequent follow up. In addition, all third-party manufacturers in emerging economies are audited as part of their onboarding.



In 2018, we conducted 148 audits. While our auditing activities currently focus on higher-risk third-party sites, we plan to expand our due-diligence activities within our raw and packaging material supplier base in the future. The geographical spread of our 2018 audits was as follows:



Through these audits we identified 1,403 non-conformities with our policy requirements. More than half related to health & safety, with fire safety the most common. Other common health & safety issues concerned worker health and first aid, chemical safety, machine safety and personal protective equipment. One-tenth of the issues related to working hours and especially excessive overtime or the absence of a weekly rest day. We also found issues concerning missing or incomplete employment contracts, employment benefits, social insurances and payslips. Further details of our findings and remediation measures are outlined in RB's Sustainability Insights 2018 – [Human rights and responsible supply chains](#).

Findings specific to slavery or human trafficking

In 2018, of 1,403 issues identified, 17 related to our no forced labour and human trafficking clause, across 16 separate supplier sites. Of these, seven addressed the absence of a no forced labour policy, two concerned the absence of employment contracts, one related to a mandatory canteen card deposit and seven concerned the retention of passports and other official documentation.

On the specific issue of the retention of passports or other official identity documents, one case in Pakistan identified security guards having to submit their national identity card for security reasons when collecting a firearm. In this case we verified that this was not a case of bonded labour and ensured the supplier implemented written consent forms and a clearly understood process by which security guards can freely request their identity card back.

The remaining six issues concerned the retention of contract migrant worker passports by labour providers within sites in Malaysia and the United Arab Emirates. This practice is systemic in these countries, as highlighted by other research including civil society campaigners. In these circumstances, it is common for worker passports to be submitted to employers for safekeeping. This is often driven by local culture and a fear amongst workers, many of whom may hold a passport for the first time in their lives, that there is a risk of losing their documents. While this fear may be misguided, many workers live in communal accommodation where there is an increased risk that passports are misplaced, with no or limited secure personal storage. The implications surrounding a loss of passport are significant for the worker and potentially also for the visa sponsor or supplier.

When such incidents are identified, we address them on a case-by-case basis through direct discussion with the management of the supplier concerned. We always advocate that original documentation is held by the owner and that employers provide each employee with a safe and secure location for document storage. In circumstances where workers voluntarily provide their passports to their employer, we insist on the following measures:

- No financial deposits/visa fees are paid to secure employment.
- Signed passport submission consent forms are in place in the worker's native language.
- A clearly understood process by which workers can freely request their documents back at any time, without the need for supervisory sign-off.
- Clear employment termination periods are present, with no arbitrary financial penalties.

We will continuously monitor any supplier whose employees have submitted passports to their employer to ensure that the conditions listed above are met in both letter and spirit.

In addition to these key challenges on document retention, we also identified issues around poor accommodation, long working hours and excessive recruitment fees being paid by migrant workers in their country of origin within several suppliers in Malaysia. We recognise that these issues are endemic within Malaysia and are committed to collaborating with our suppliers, peers and other actors to try to tackle these challenging issues. We will be focusing on these issues and practical solutions during 2019 and will report on our progress.



Once audited, each site must complete a robust corrective action plan and submit it to RB for review and approval. Once a corrective action plan has been accepted, we monitor the supplier's progress to address matters and, when the supplier confirms actions are completed, we undertake a follow-up audit to verify actions are effectively concluded.

The type of remediation that has taken place includes changes in shift patterns and production planning to better manage excessive overtime; policy and management system changes to strengthen worker protection and legal compliance; improved worker training, particularly around health & safety; infrastructure, fire safety and machine guarding upgrades and investment; tighter oversight and control of contract labour providers; and establishing worker committees.



A key challenge is ensuring that the actions taken are not simply applied to the one finding identified on the audit but are subsequently applied throughout the site and are sustained moving forward. The success of this is primarily dependent on behavioural change, with both site management and workers eventually seeing social and environmental management as core to day-to-day business operations, rather than being part of an exercise in passing audits. This change does take time, particularly in emerging markets where awareness and understanding is still developing. The supplier training we are involved in is fundamental to improving this. We focus on building and strengthening supplier awareness of good practice, the human rights issues behind this and the opportunities it creates for both suppliers and their employees and workers.

As a result of our audit and engagement activities, we are beginning to see tangible improvements in labour and human rights standards. Our audit pass rate has increased by 43% from the first to the most recent audit where sites have been assessed more than once. We remain, however, acutely aware that we have more to do, particularly around mechanisms to ensure the efficacy and sustainability of corrective actions.

In 2018, we expanded the scope of our due-diligence activities to capture our charitable partners who deliver community programmes in various part of the world. We developed and piloted a bespoke human rights due-diligence assessment aligned with the UNGPs and our broader programme. Through this we collaborate with our partners to support safeguarding in programmes around the world.

3,273

direct suppliers, distribution centres and embellishers

841

high-risk direct supplier sites, distribution and embellishment centres included in compliance programme

678

sites with a complete self-assessment

148

sites audited in 2018

High-risk natural raw materials

To deliver both our responsible sourcing and our human rights programmes, we mapped the origin of our key natural raw materials. This focuses on agricultural ingredients: palm oil, latex, dairy and paper. We recognise the range of human rights and ecosystems risks that exist at farm level and in primary processing, for example around trafficking or child labour on the one hand, to deforestation on the other.

To address the challenges faced in farming, our approach is to build collaboration and solutions across our supply chain by working with suppliers, farming communities and civil society, such as Earthworm Foundation (EF) (previously The Forest Trust). This can only prove successful with visibility of our main raw material supply chains, which is driven by our commitment to transparency. Publishing details of our palm oil origins is one example of this. We then invest in initiatives that bring change at scale but which are also community-centric to deliver impact for farmers, their families and communities, for example improving productivity.

Our aim is to ensure our supply chain partners and the communities they serve continue to become more sustainable, both socially and environmentally. This supports both our Human Rights Policy and our Policy and Standard for Responsible Sourcing. We work closely with our suppliers, the up-stream supply chain and third-party partners to create positive outcomes that benefit workers, communities and ecosystems they rely on. For example, in Malaysia, we support an EF programme that improves the recruitment and ethical treatment of migrants working in the palm oil sector. In 2018, we supported the creation of simple, understandable tools that our suppliers can use to tackle a number of indicators of forced and bonded labour in their supply chains. In 2019, we will support EF's work with the ILO to examine both the worker and employer-borne costs for labour migration at plantation level. This will be used to develop recommendations to the Malaysian government that support new evidence-based policy on labour migration.

In key commodities we are working in a variety of ways to ensure and support human rights:

Palm oil

- Detailed supply chain analysis enabling >90% traceability of palm oil to mill level. This enables us to develop effective on-the-ground programmes to support mills in our supply chain. We work with our suppliers to apply and monitor our policy of no deforestation or exploitation within the plantation network.
- Third-party assessments of labour management practices at palm oil fresh fruit bunch (FFB) processing mills that supply refineries in our direct supply chain in Indonesia and Malaysia.
- Deep-dive engagement with workers and management to develop and monitor policies and procedures at FFB processing mills. We are also sharing learnings from this work to support wider industry reform.
- With our suppliers, we are developing a tool to support the ethical recruitment of migrant labour at mills and plantations in the Malaysian palm oil sector, with the aim of reducing debt bondage and the resulting forced and bonded labour.
- Through our partnership with the Earthworm Foundation, we are supporting studies by the ILO and NGOs to identify the costs of migration for migrant workers in the Malaysian palm oil sector. This will help businesses better understand the implications of their recruitment practices and the cost incurred by employers and migrant workers in order to build better practices and avoid debt for workers.

Latex

- Ensuring traceability of our latex supply chain to enable us to assess labour standards at plantation level.
- Facilitating strong and stable relationships between farmers, first-tier buyers and other key stakeholders along the supply chain to enable traceability and engagement to support standards.
- Assessments of supplier sites to ensure compliance with our human rights and responsible sourcing policies.
- Support for smallholder programmes such as rurality through Earthworm Foundation to improve livelihoods and social conditions. These programmes aim, for example, to strengthen livelihoods by developing a stable farming business, enabling more diversified livelihoods and ensuring a safe working environment. They include the development of improved agricultural practices such as reducing agrochemical use, training in use of tools and improved trading relationships.





Training and communication

Engaging and establishing collaborative partnerships with key internal and external stakeholders is crucial in raising awareness and understanding of, preventing, identifying and remediating human rights and slavery issues within our supply chain.

Internally, we regularly engage procurement colleagues through our monthly compliance reports and quarterly town hall briefings. These particularly update our procurement and supply chain teams on our programme requirements, activities and challenges, creating a forum where additional engagement and training can be delivered.

Our suppliers are an essential part of our business. Many, however, particularly within developing markets, do not yet have the capabilities or resources to tackle many of the systemic labour, health & safety and environmental challenges within their facilities or locations.

To address this, during 2018 we significantly increased our delivery of targeted capacity building initiatives for third-party manufacturers and distribution centres. In South Asia, the Middle East and Africa we provided support on audit remediation, aiming to increase our suppliers' ability to ensure sustained improvements in standards. This support included collaborative training workshops, on-site visits and provision of guidance on relevant issues.

This beyond-audit and partner-orientated approach has started to deliver visible improvements in standards within our supplier base. There is clearly more to do and we will increase engagement activities in 2019.

Partnering with peers and suppliers

In partnership with peers, RB co-sponsored an AIM-Progress supplier capability workshop on responsible sourcing in Shanghai, China in September 2018.

The workshop was attended by over 250 people, including our key suppliers, and involved our Regional Procurement Director and peer counterparts. Their panel discussed the importance of responsible sourcing for the respective businesses and the benefits for suppliers who embed it within their organisation. Over the remainder of the workshop, interactive sessions provided practical and pragmatic solutions on the following regional challenges:

- Labour, environment and health & safety legislative changes
- Business integrity and anti-corruption
- H&S management systems, with a particular focus on fire and emergency safety
- Contract labour management systems
- Working hours and social security.

These collaborative events provide an invaluable platform, enabling us to reach and share best practice with our suppliers to jointly deliver improvements in supply chain practices.





Partnerships

Many of the social and human rights issues we face within our value chain are systemic and embedded in societies and economies. In order to tackle these challenges in a systemic and meaningful way, collaboration with industry, governments and other societal actors is essential. We are involved in and are exploring the following partnerships and collaborative initiatives:

Danish Institute for Human Rights

In 2018, we began discussions with the [Danish Institute for Human Rights](#), exploring a global partnership enabling them to support us in the evolution of our human rights programme over the course of 2019. We officially announced our partnership in early 2019. This will broaden and deepen our existing human rights strategy through a number of projects, including:

- A human rights analysis of RB's business model and geographical footprint to identify where RB can further strengthen respect for human rights in its work.
- An evaluation of where RB should conduct a country-level human rights impact assessment, which will go on to identify how RB's activities affect human rights in that location and develop recommendations to minimise negative and maximise positive impacts.
- Advising RB on how to further develop its human rights strategy.

The Institute has an international reputation that is second to none for working with businesses to incorporate the UN Guiding Principles on Business and Human Rights. We are delighted that they have agreed to work with us to help our approach and will look to share learnings and outcomes from the collaboration publicly when appropriate.

AIM-Progress

We are members of [AIM-Progress](#), which is a forum of leading Fast-Moving Consumer Goods (FMCG) manufacturers and common suppliers, assembled to enable and promote responsible sourcing practices and sustainable supply chains. It is a global initiative supported and sponsored by AIM, the European Brands Association in Europe, and the Grocery Manufacturers Association in North America. RB has a leadership position within AIM-Progress, being a member of the leadership team and co-chair of the Capability Building workstream, which seeks to promote responsible sourcing practices throughout the supply chain. In 2018, in partnership with AIM-Progress member companies, we co-sponsored and attended the supplier capability building event in Shanghai, China described previously.

Earthworm Foundation (formerly The Forest Trust)

RB has been a member of [Earthworm](#) since 2013. We have developed an annual programme of work which supports the environmental and social sustainability of our sourcing of natural raw materials. This has a particular emphasis on palm oil and latex supply chains. Earthworm helped RB develop our policies and standards for responsible sourcing and continues to advise us on these and wider industry sustainability issues. Our 2019 programme of work will focus on a palm oil and latex supply chain analysis to build dialogue with suppliers and ensure their use of ethical recruitment techniques and management of labour. Earthworm will also carry out social and labour standards assessments of fresh fruit bunch processing mills within our supply chains and the other Earthworm projects we support. This will include mills in Aceh Tamiang, Indonesia, where the programme builds engagement between government, producers, local communities and civil society to develop comprehensive and sustainable land use. We are also supporting Earthworm's human rights 'Respect' team to advocate for improved policies on human rights by our suppliers and governments.



Moving forward

Over the last five years, our human rights programme has evolved significantly. We started conducting compliance audits of our own operations and have progressively increased internal engagement and resource, while expanding activity to include our direct suppliers and primary agricultural producers. We are now considering further evolution beyond a primarily supply chain compliance-based approach to a more holistic approach that addresses the broad range of social and human rights across our entire value chain.

We have already identified areas for consideration, and will be exploring these further in 2019 and beyond:

- Broadening our compliance programme to consider the remaining direct supplier categories (raw and packaging material suppliers) and selected indirect suppliers such as labour and promotional goods providers.
- Increasing supplier engagement and capacity building to deliver sustained improvements in supply chain standards. This will be through supplier visits and workshops in higher risk locations.
- Implement programmes with our peers and suppliers to enable ethical recruitment of migrant labour, particularly within geographies heavily reliant on migrant labour.
- Increasing external partnerships and engagement, particularly around systemic social and human rights challenges.



Contacts

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