



# Respecting Human Rights

## Modern Slavery and Human Trafficking statement 2019

Reckitt Benckiser Group plc and other relevant group companies\* (RB) slavery and human trafficking statement for the 2019 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 2019

# 2019 – A YEAR OF DEVELOPMENT

LAXMAN NARASIMHAN



## I feel privileged to be RB's new Chief Executive. This is a company with a remarkable heritage.

It can trace its roots back nearly 200 years in Germany and the UK and has well over a century of history in the US. But it was not its past successes that most attracted me when I took on the role. What I saw was a company that was a good house, in a great neighbourhood; with amazing brands, a reputation as an innovator, strong commercial capabilities focused on outperformance – and with the potential to be a great house again.

I believe we have an important role to play in tackling some of the mega-trends facing the world today: from urbanisation and global warming; the growing demand for self-care; the sexual health crisis; a growing and ageing population; through to technology proliferation. Our Company and brands can be positive agents of change and therefore I see our purpose to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world. How we achieve this is key and therefore we have created a compass that guides the way we need to behave as individuals, as teams, as a company – putting consumers and people first, seeking out new opportunities, striving for excellence, building shared success, whilst doing the right thing, always.

Modern slavery is absolutely contrary to our purpose and our compass. Our aim is to respect the human rights of everyone who is touched by RB's value chain: our employees and consumers; everybody who works in our supply chain's factories; and wherever we source our raw materials. I am reassured by the progress we have made but know there is more to do. We have begun to tackle modern slavery head on through our actions in Malaysia and other parts of the world. We are taking steps to ensure we respect human rights more broadly through everything we do, building awareness throughout our teams and with our suppliers. This will help us all to meet the challenges we face.

2019 was a year of major change for RB as we strengthened our approach to human rights. We are moving beyond a focus on supply chain compliance to one that was much more holistic and considers a broad range of human rights across our entire value chain. Our new partnership with the Danish Institute for Human Rights (DIHR) is helping assess our performance and frame our programme for the future. This is the next step in our journey to embed human rights in our organisation. We are working with our new partners and bringing their expertise to inform our approach while making sure we tackle the human rights and health challenges faced by communities around the world.

More recently, the whole world has faced a global pandemic crisis, with huge impact on the lives of millions of people. With brands that support health and hygiene through a global value chain, RB is working to do as much as we can to safeguard both our consumers and the communities where we work. There is no doubt that COVID-19 has had a dramatic impact on the world and our value chain. Unprecedented times have led to unprecedented demand and a need for global collaboration. Our focus at the start of 2020 has been clear – to protect the safety of our people, suppliers and customers while working to meet this exceptional demand for our products. Around the world, our teams have worked to continue production, for example of our Dettol and Lysol brands, to get them to consumers who need them. We have repurposed production lines in some of our other brands to increase output. In doing so, we have safeguarded our teams and supported them through social distancing measures to protect them and their families. We are collaborating with our suppliers to help them with logistics and, through our ways of working, enabling all key suppliers to continue production. This helps our suppliers to keep their teams in employment and maintain their livelihoods. Our approach also benefits communities where we work around the world. We launched our Fight For Access Fund with an annual commitment equivalent of 1% of adjusted operating profit. This is being used for community education and information and to improve access to our products that enable self-care and hygiene. We will also be working with governments, national medical associations and others to deliver vital public service campaigns and to make more people aware of the importance of handwashing and sanitation. Within the fund, we are mobilising £32 million to directly address the spread of COVID-19. In doing so, we are supporting the health of consumers and the communities throughout our value chain. It reflects our commitment to their health and wellbeing, our support for their basic human rights, and our fight to make access to the highest quality hygiene, wellness and nourishment a right, not a privilege.

Our understanding of and approach to human rights is evolving rapidly. As is our recognition of the role we play in society and throughout our value chain. Increased awareness brings with it a recognition of the complexity of the human rights issues we and many others face. At the same time, expectations are rightly increasing and we are continuing to strengthen our programme to play our part. Our latest Modern Slavery statement describes our activity to prevent modern slavery and trafficking in 2019 and how we plan to strengthen our work in 2020 and beyond. This is one area of our work where doing the right thing makes a real difference to people's lives, entirely in line with our purpose.

Signed by:

**Laxman Narasimhan**  
CEO  
May 2020

**This statement was approved by the Board of Directors of Reckitt Benckiser Group plc on 11 May 2020.**

# RB and our global value chain

Reckitt Benckiser Group plc (RB) is a FTSE 20, global consumer health, hygiene and nutrition company headquartered in the UK. RB is driven by its purpose to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world. We fight to make access to the highest quality hygiene, wellness and nourishment a right, not a privilege, for everyone.

## Our key brands

RB is proud to have a stable of trusted household brands found in households in more than 190 countries. These include Enfamil, Nutramigen, Nurofen, Strepsils, Gaviscon, Mucinex, Durex, Scholl, Clearasil, Lysol, Dettol, Veet, Harpic, Cillit Bang, Mortein, Finish, Vanish, Calgon, Woolite, Air Wick and more. 20 million RB products a day are bought by consumers globally.

## HEALTH AND NUTRITION



## HYGIENE



## KEY STATISTICS

# £12.8bn

net revenue in 2019

# FTSE 20

company headquartered in the UK

# 20+ million

products sold daily

# 40,000+

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

# 55

RB production facilities

# 2,790

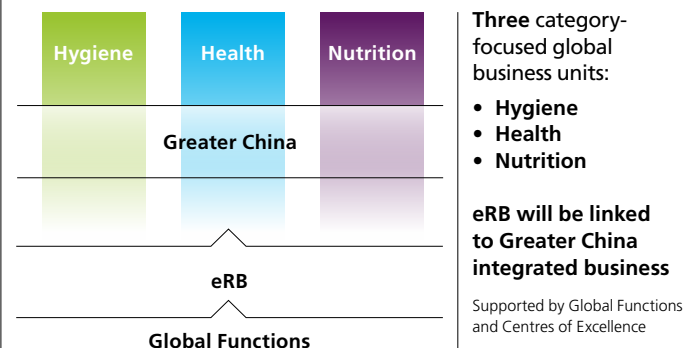
direct supplier sites, distribution and embellishment centres

# RB and our global value chain continued

RB's passion to put consumers and people first; to seek out new opportunities; to strive for excellence in all that we do; and to build shared success with all our partners, while doing the right thing, always; is what guides the work of our 40,000+ diverse and talented colleagues worldwide. We apply those values throughout our global value chain and they support our fight to tackle modern slavery across our value chain.

Our business model responds to the global trends shaping our markets to create sustainable value for our consumers, shareholders, customers, employees, communities and the environment. Getting the right balance between scale, focus and accountability is key. As such, from July 2020 we are moving to three category-focused business units with full profit & loss accountability. These are Hygiene – effectively our old Hygiene Home business – Health and Nutrition. Within each of these we'll develop capability centres of excellence that can be leveraged across the Company. All three will be supported by a globally integrated e-commerce; and a Group-wide, multi-disciplinary focus on Greater China augment our capabilities and magnify our effectiveness.

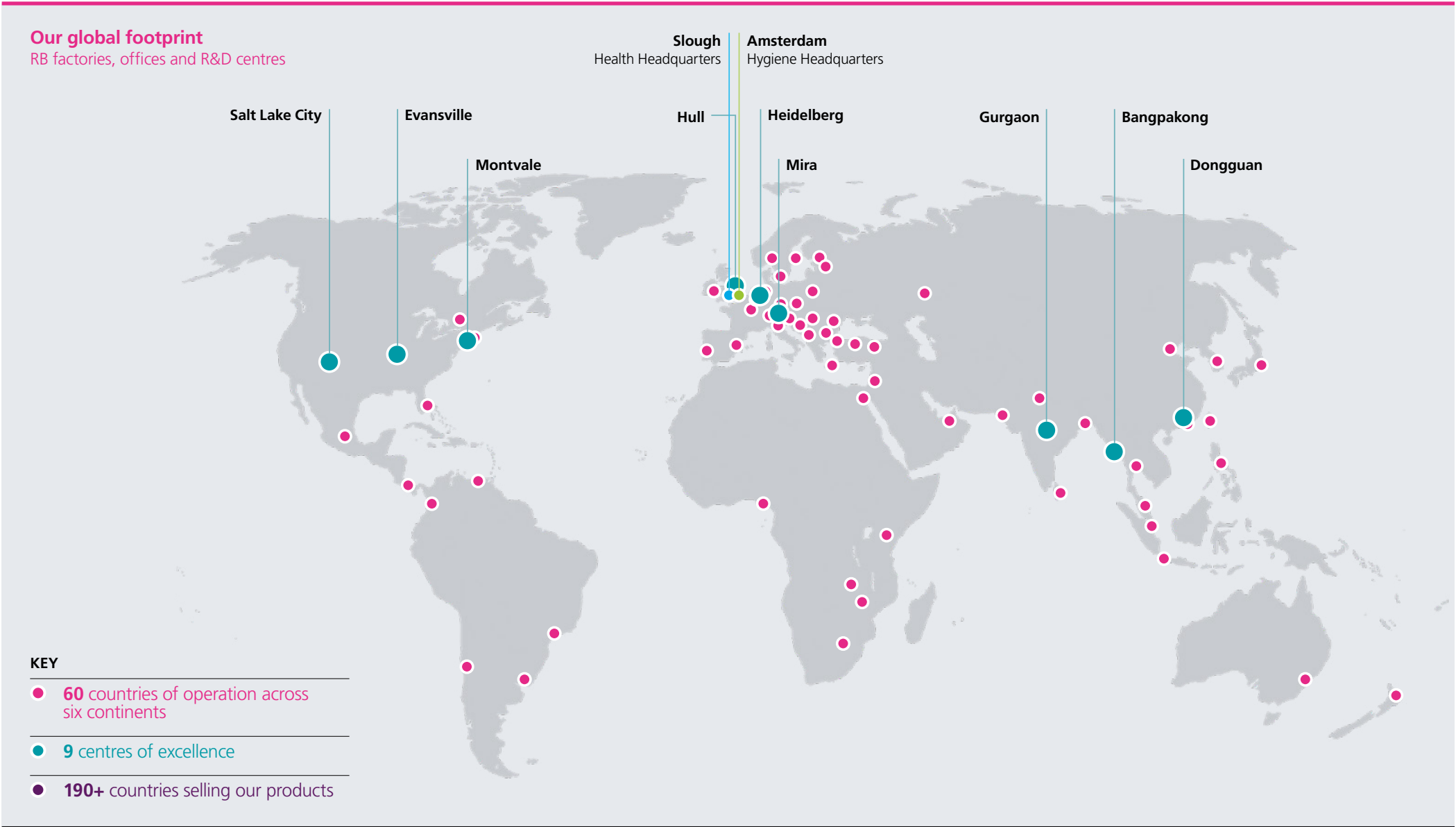
## A consumer-centric organisation



To view our business model see  
<https://www.rb.com/investors/annual-report-2019/>



# RB and our global value chain continued

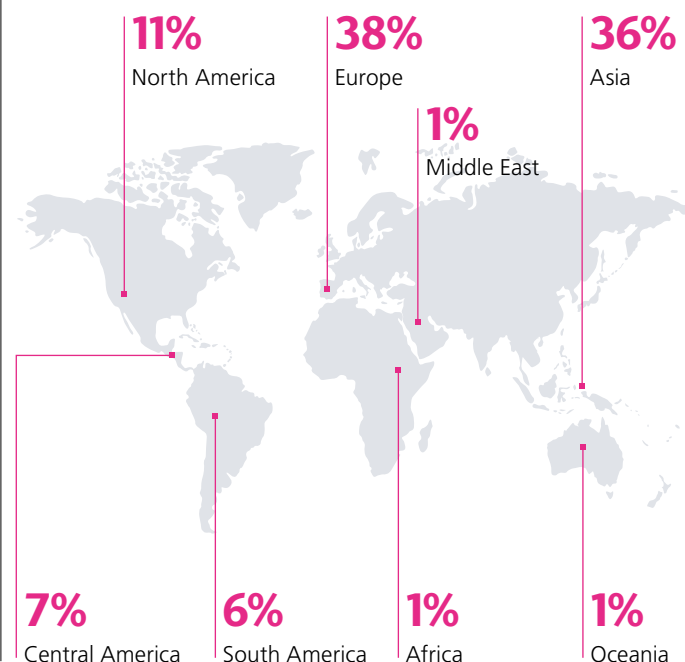


# RB and our global value chain continued

## Our global supply network

Our combined organisation includes 55 RB production facilities and 257 third-party manufacturer sites (co-packers) supporting our global business. Our 55 manufacturing facilities source a range of packaging and raw materials ranging from product packaging to household product chemicals, pharma ingredients and agricultural commodities including dairy, palm oil and latex from 2,292 supplier manufacturing sites around the world.

## GLOBAL DISTRIBUTION OF RB'S MANUFACTURING FACILITIES, DIRECT SUPPLIERS AND THIRD-PARTY DISTRIBUTION AND EMBELLISHMENT CENTRES

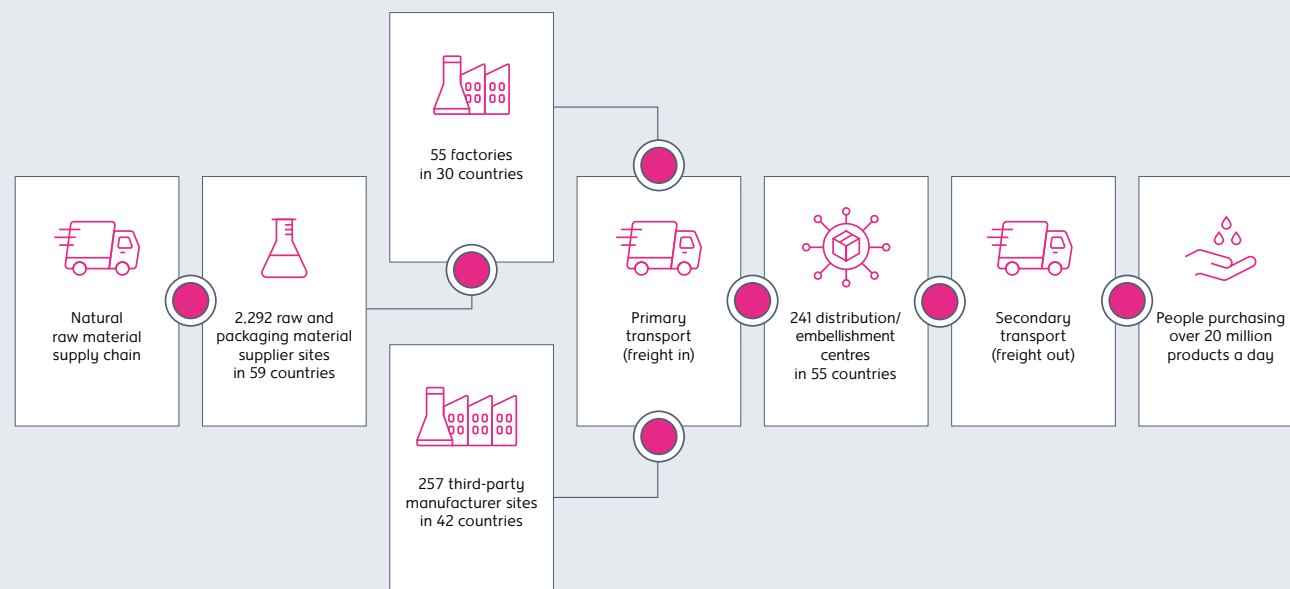


We also have approximately 60,000 indirect suppliers providing us with financial and legal services, contract services, consultancy, facilities and maintenance, technology, marketing, sales support and logistics.

Some of our suppliers are large multinational companies with substantial business and ethical conduct programmes of their own, while others are smaller, local companies, for example within emerging economies. They may not have the same degree of programmes in place but can still be excellent suppliers with reasonable controls. Our suppliers are chosen based on quality, cost, location and compliance to our policies and standards. This always includes our [Policy on Human Rights and Responsible Business](#).

In addition to conducting human rights assessments of our suppliers, we also conduct due-diligence of any acquisitions and joint ventures through site level compliance audits and wider desktop research of publicly available information on the company's human rights performance.

## Our product supply chain





# Human rights and slavery risk within our value chain

**Forced labour encompasses slavery, slavery-like practices and more subtle practices of debt bondage, human trafficking, identity paper retention or threats of negative reports to immigration authorities.**



In 2016, the International Labour Organisation (ILO) estimated 25 million people were in forced labour, 16 million in the private economy, with debt bondage accounting for half of this. The root cause of forced labour is complex, often with no single cause and frequently a combination of factors and interrelationships at its origin. For example, globalisation and urbanisation have led to a migrant labour market following economic opportunity. Economic migration has led to millions being subject to exploitative working terms and conditions. While the risk is greatest where there is weak state-level governance, the issue is global, and aspects of modern slavery have been seen in many developed markets.

Forced labour is a complex issue and generally hidden. This can make it difficult to identify through traditional mechanisms such as audits. 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. External insights help us also know what to look out for during audits, so we are aware of the indicators of forced labour. We are also implementing 'beyond audit' approaches to better understand and tackle human rights risks, including the use of worker surveys and on-site capacity building visits by our regional social and human rights teams.

Forced labour is only one area of human rights risk. Consequently, we reviewed our operational footprint and supplier base to identify key areas of labour rights, environment and business integrity risk. We used internal and external expertise, and considered a range of factors including country of operation, commodity supplied and sector profile.

We identified the main areas of risk as:

- Fair wages
- Forced/bonded labour
- Health and safety
- Working hours
- Discrimination and equal opportunities
- Freedom of association
- Contract/migrant labour – We have found an inherent link between contract and migrant labour and issues such as excessive recruitment fees, passport retention, poor living conditions, excessive working hours, poor wages, discrimination and poor labour standards and modern slavery.

In addition to these risks, our ongoing assessment leads us to prioritise particular regions:

- Malaysia and the Middle East – due to the large number of migrant workers.
- Africa and Asia – where there are commonly weaker levels of understanding and enforcement.

Our assessment identified a number of high-risk categories: third-party manufacturers, third-party distribution and embellishment centres, promotional goods suppliers, contract labour providers, transport and logistics, and raw and packaging material suppliers. Suppliers in these categories are gradually added to our programme. This now covers 598 priority sites across the high and medium-risk locations of North and South Asia, the Middle East, Africa and Latin America.

When we consider the natural raw materials we use and the value chains associated with them, we take a similar risk-based approach. This considers risks to the ecosystems themselves, for example through deforestation, water scarcity and intensive farming. Because many people live and work within those ecosystems, we also consider the human rights of the people and their communities involved in those value chains.

Currently there are five raw materials in our supply chain that we're focusing on as a priority; two of which are a priority from a human rights and modern slavery perspective:

- **Palm oil** – in Southeast Asia, we're working with suppliers to monitor deforestation and establish where conservation efforts are most needed, establishing traceability to the mills and plantations and, within those, safeguarding workers and protecting ecosystems and considering the indigenous communities, often through partnerships such as our work with Earthworm Foundation (EF).
- **Latex** – we're improving standards for plantation workers and smallholder livelihoods in Malaysia and Thailand while protecting ecosystems through our partnerships, again with EF.

To help maintain our understanding of the potential risks and emerging situation, we keep up-to-date with publicly available research from a range of external sources and collaborate with NGOs and peer companies to better understand key risks and the best practices to address them.

# Our policies

**Our RB purpose is to protect, heal and nurture in the relentless pursuit of a cleaner healthier world. We bring this to life through our purpose-led brands, within our operations, and across our entire value chain. In doing so, it is critical we produce and distribute our brands with full respect for all the people touched by our value chain.**

Consequently, we work to avoid and address any negative impacts on all human rights 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 of prevention, mitigation and remediation focuses on stakeholder collaboration and transparency. Our preferred approach is to work with our supply chain to resolve issues rather than terminating business relationships. This ensures issues are addressed and any workers impacted obtain access to remedy, which otherwise might not be the case. However, if we believe a supplier is not providing appropriate support to remedy issues, we will have no option other than to terminate our business relationship with them.

Human rights risks are dynamic and constantly evolving. To keep abreast of emerging issues we need to remain agile and are committed to continually improving our approach to ensure human rights are respected along our value chain. In support of this, in 2019 we began to collaborate with the DIHR to assess our human rights performance in line with the UNGPs.

In 2019, we identified 1,027 violations with our Policy on Human Rights and Responsible Business, eight of which were related to our no forced labour or human trafficking clause. This improves on 2018 and the average number of issues identified per audit has decreased, demonstrating improvement within our supply chain. Further information on these cases and the actions we have taken to address them are provided in the due-diligence section of this statement.

## Our policies

RB believes that human rights, which includes freedom from slavery and human trafficking, are universal and inalienable; indivisible; interdependent and interrelated; and has a policy framework to support this.

## Code of Conduct

Our Code of Conduct (the Code) 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 and 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 ILO Declaration on Fundamental Principles and Rights at Work.



For further information see  
<https://www.rb.com/media/3180/rb-code-of-conduct-2018.pdf>

## Policy on human rights and responsible business

Our policy sets out our human rights commitment and minimum standards for labour, health and safety, environment and business integrity, which are closely aligned with the ILO and the Ethical Trading Initiative. These policies are applicable to all RB sites and suppliers of goods and services to RB.



For further information on our policy see  
<https://www.rb.com/media/5835/rbs-policy-on-human-rights-responsible-business-final-4416.pdf>



For further information on our detailed requirements see  
<https://www.rb.com/media/5834/rbs-policy-on-human-rights-responsible-business-detailed-requirements-final-4416.pdf>

 <b>No child labour.</b> Limitation of work by young workers.	 <b>No forced labour or human trafficking.</b>	 <b>Provision of a safe and healthy working environment.</b>	 <b>Freedom of association and right to collective bargaining.</b>	 <b>No discrimination – equal opportunities and rights.</b>
 <b>No harmful or inhumane treatment.</b>	 <b>Fair working hours, remuneration and employment conditions.</b>	 <b>Protection of the environment.</b>	 <b>Conducting business with integrity.</b>	 <b>Implementation of management systems to effectively ensure compliance with these principles.</b>



# Our policies continued

## Responsible sourcing of natural raw materials policy

Our policy outlines our requirements for sourcing natural raw material. 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 and safety, protects the environment, does not cause deforestation and generally supports the contribution of business to achieving sustainable development.



For further information on our policy see

[https://www.rb.com/media/5832/natural-raw-materials-sourcing-policy\\_oct-2012.pdf](https://www.rb.com/media/5832/natural-raw-materials-sourcing-policy_oct-2012.pdf)



For further information on our standard see

[https://www.rb.com/media/5831/standard-for-responsible-sourcing-of-natural-raw-materials\\_july-2014-update\\_final\\_version.pdf](https://www.rb.com/media/5831/standard-for-responsible-sourcing-of-natural-raw-materials_july-2014-update_final_version.pdf)

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 act on issues.

- **Code of Conduct** – Each year, all employees and contractors must undergo training on our Code of Conduct and most relevant corporate policies – called 'Compliance Passport Training'. This year, 96% of our employees and contractors completed this mandatory training either through our online educational system or via face-to-face sessions conducted by the compliance teams around the world to ensure employees located in remote areas or without access to laptops, for example production line teams, receive this training. Anybody not completing the training by the deadline cannot access their workplace systems until they have been trained. The remaining 4% comprise of employees leaving the Company during the period the training is conducted, together with those other employees on long-term leave for a variety of reasons including maternity or sick leave. 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.

The Code of Conduct also encompasses aspects of human rights, and training on the Code familiarises employees with human rights and our approach. This helps employees and contractors understand modern slavery and human rights risks and gives them a mechanism to flag any issues that arise.

- **Human Rights and Responsible Business** – We run compulsory human rights e-learning for our management globally. 894 people completed this in 2019, bringing the total number of employees trained around the world to 10,480, 99% of RB's management. We aim to maintain this level while following up with the few yet to be trained. We assess the self-reported effectiveness of our training through an optional survey at the end of the course. Those who responded in 2019 rated the effectiveness of the training as 4.59 out of 5. They also rated the quality and interactivity of the course as 4.52 out of 5.

During 2019 we also conducted quarterly briefing seminars with relevant employees to update them on our programme requirements, activities and challenges, creating a forum for extra training and awareness. Having these channels of communication and training enables our employees to have greater awareness of our human rights policies and risks to facilitate greater identification and remediation of modern slavery risks within our value chain.

## Speak Up service

We know it can be hard for employees to speak out when they see behaviour against our Code, so we're working hard to create an encouraging and supportive environment. Speak Up, our confidential online and freephone service, is growing in strength. This offers all RB employees, contractors and third parties a trusted channel to raise concerns around violations of our Code of Conduct, local laws and regulations, 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 and oversight is provided by the Ethics and Management Committee and the Board Audit Committee.

In 2019, we received 466 cases for investigation through Speak Up, our formal whistleblowing channel, some of which may raise human rights questions. 136 cases were initially identified as potentially raising concerns of issues contrary to our policy on human rights and responsible business. Following investigations, 49 were substantiated and none were related to forced labour or human trafficking. This increase since 2018 can be attributed to greater awareness of Speak Up amongst employees.



To find further information on our Speak Up line, the type of reports received relating to human rights and our respective actions taken please see:

**Business Conduct:** <https://www.rb.com/media/5753/business-conduct.pdf>  
**RB's Human rights and responsible business across our value chain insight**

# Governance

**Our Board of Directors is responsible for the overall stewardship of the Company and delivery against strategy, through our executive leadership team. This includes setting our values and standards, and overseeing sustainability and corporate responsibility. They have regular discussions about the risks and opportunities for the Company and which sustainability presents (sustainability itself is considered one of the Company's key risks), and conducts a formal review at least once a year.**

The Board delegates regular oversight of sustainability to a subcommittee, the Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee. The Committee meets quarterly to review our progress against our sustainability strategy, and performance against our 2020 targets including performance on human rights. Meetings are attended by the CEO, who has accountability for sustainability performance at executive level. He is joined at the meetings by the Finance Director and other senior executives.

At managerial level, we have two committees that deal with sustainability matters, the Compliance Management Committee (CMC) and the Ethics Management Committee (EMC), both chaired by our CEO. They are responsible for overseeing the implementation of compliance and ethics activities across the Company, in conjunction with functional department heads. Many companies have just one ethics and compliance function – we have deliberately separated these committees because compliance is very much about meeting rules and regulations, whereas ethics is about the spirit of doing business with integrity. By having separate committees that work together, we believe we can better address both.

This year we began to establish new risk committees at business unit and global level which report to the CRSEC. These strengthen the identification and management of risk, an activity developed by the CMC. These new committees will replace the CMC during 2020. This structure provides

quarterly updates to the CRSEC and Board on sustainability issues and risks, including ongoing performance against targets to enable their ongoing oversight of activity.

Within the business, our Corporate Affairs & Sustainability function leads strategy development and compliance, while programmes are implemented by our Brands, Supply Chain, and Safety, Quality, Regulatory Compliance (SQRC) teams. SQRC is responsible for the health and safety of our people, and for product safety and quality, including regulatory compliance with product standards. Both the SQRC and Corporate Affairs functions report directly to the CEO.

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 programme. Any breaches of these policies can be confidentially reported through our internal Speak Up hotline service.



# Actions we are taking to ensure the respect for human rights and responsible business practices within our value 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. To reinforce our policies and standards, we have a proactive monitoring programme to identify and address any shortfalls in our business and value chain.

We have a dedicated team, with regionally-based resources, who manage our human rights and responsible business programme. The team includes four regional human rights compliance leads provided by Intertek who work with suppliers and RB teams to manage the programme within the various regions.

Additionally, within our highest risk regions – ASEAN and South Asia, North Asia, Middle East and Africa – we have our own Regional Social and Human Rights Managers who work with our own sites, suppliers and partner with local procurement teams. This provides a collaborative approach to delivering sustained improvements. Alongside our global team, these experts manage the programme at a regional level, involving relevant members of our Procurement, Supply Services, Manufacturing, Human Resources, Legal and Internal Audit to support on its delivery. Our programme is reviewed regularly by our senior leadership team who also steer our long-term strategy and targets.

There are five stages to the programme:



## SUMMARY OF MONITORING AND ASSESSMENT IN 2019

**Monitoring** – we monitored 653 individual sites, including 598 suppliers (third-party manufacturers, distribution and embellishment centres, and high-risk raw and packaging material suppliers) and 55 RB sites. We monitor sites in the following ways:

**Self-assessment** – 100% of RB facilities complete an annual self-assessment of compliance with our human rights and responsible business requirements on Enablon. 76% of supplier sites have a completed Sedex self-assessment questionnaire and we continue to proactively engage with those still to complete.

**Audits** – 132 supplier and 14 RB site audits were conducted with a total of 1,027 non-conformities identified.

**Corrective actions** – 85% of suppliers and 100% of RB sites audited have an approved corrective action plan in place, with 67.5% of RB site non-conformities addressed.



To find further information see:

[RB's Human rights and responsible business across our value chain insight](#)

We regularly engage appropriate internal colleagues through our monthly compliance reports and quarterly town hall briefings to provide updates on our programme requirements, activities and challenges, best practice and success stories creating a forum where additional engagement and training can be delivered. In 2019, we further enhanced our supply chain data reporting capabilities and insights, by developing a human rights dashboard that will further support our Supply teams understand key human rights risks and supplier compliance and performance levels.

We also ran a workshop in December for our senior leadership focusing on our human rights agenda and the role we must play in the coming years. The workshop was supported by our partner, the DIHR, and focused on how we can better embed respect for human rights into our business.

# Actions we are taking to ensure the respect for human rights and responsible business practices within our value chain continued

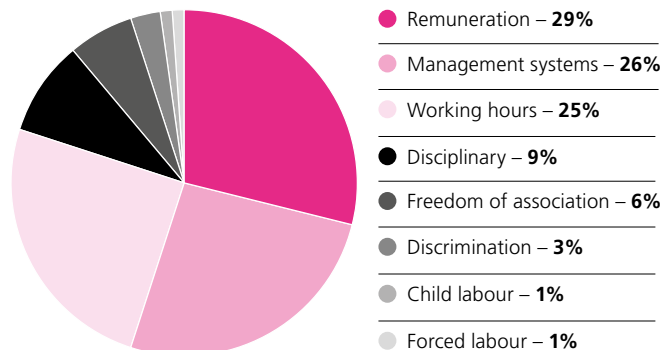
## Our own sites

All our manufacturing facilities and distribution centres are included in our programme. They complete an annual self-assessment. If identified as high-risk, the site undergoes an announced audit at least every three years or sooner if merited by the latest audit result.

2019 saw audits of 14 of our factories in Mexico, China, Thailand, Indonesia, India, Russia, Brazil, Singapore and South Africa. These identified 86 issues contrary to our standards, primarily related to contract worker remuneration and working hours. The audits also highlighted the sites' management systems to ensure contract labour and service providers working on our sites consistently meet our expectations. The most significant issues we raised related to prevention of forced labour or human trafficking and child labour. Our audits identified one issue concerning deduction from a worker's salary by a staffing agency for essential work items: safety boots. These were subsequently provided free of charge as we stipulate. In one case, there was a lack of documentation to confirm the age of temporary workers. This was also swiftly investigated and satisfactorily addressed.

After each audit, the site develops a robust corrective and preventative action plan (CAPA) which we record in our Enablon management system. The CAPA is reviewed by the Global Human Rights team with monthly reports on progress compiled for global and regional management. 100% of sites audited in 2019 have an approved CAPA in place, with 67.5% of the issues raised already satisfactorily resolved. We will continue to work with these sites in 2020 to ensure the remaining issues are satisfactorily addressed and continue to audit and monitor our high-risk production sites.

## ISSUES CONTRARY TO OUR STANDARDS



To see a complete breakdown of the findings identified through our 2019 auditing activities please see:  
[RB's sustainability Insights 2019 – Human rights and responsible supply chains](#)

During 2020, while maintaining the urgent supply of products to help tackle the COVID-19 situation, we have also taken a number of measures to safeguard our teams. For example, across our factories and offices in India, China and South East Asia, a whole range of health and safety protocols have been implemented, including temperature screening and social distancing on the factory floor, through to the provision of face masks and sanitisers. This has been further supported by the provision of isolation rooms for suspected cases within the workplace and proactive communication campaigns on the COVID-19 situation and preventative measures that employees can take to protect themselves. Recognising the hardship that many families faced, we have instigated increased pay schemes to support our teams, including contractors while also ensuring meals, transport and, where needed, accommodation for people at our sites. Similar measures have been developed to support logistics teams including drivers transporting products to customers.



Image above: Lockers put into workers' accommodation to safely keep passports and other important documents

## CASE STUDY

### MODERN SLAVERY AND HUMAN TRAFFICKING – TACKLING PASSPORT RETENTION IN PRACTICE

We audited our Singapore factory in 2018 and identified our contract labour provider had retained the workers' passports for safe keeping without the workers' written consent. Given the severity of the issue, we re-visited the site in 2019 to check on the steps taken to address this issue and identified that the labour provider had simply obtained written consent from their workers. On identifying the issue, the site management worked with the contract labour provider to explore ways in which passports could be stored safely while always accessible by their owners. The solution was to provide lockable storage for each worker within their accommodation block, enabling the passports to be returned. To ensure this remains effective and is sustainable, we developed a site due-diligence process for our contract labour providers. Our site Human Resources team periodically checks to ensure no original documentation is retained and workers are always provided with secure lockers.

# Actions we are taking to ensure the respect for human rights and responsible business practices within our value chain continued

## Our supply chain

Due to the scale of our supply chain, we focus on higher risk supplier categories and are systematically expanding our due-diligence activities over time. In 2019, we continued our work with third-party manufacturers, distribution and embellishment centres. We also extended the reach of our programme to include higher-risk raw and packaging material suppliers. Extending our scope even further, we carried out a due-diligence pilot of promotional goods suppliers in China. We plan to expand this in 2020.

We require all suppliers included in our programme to complete a Sedex self-assessment questionnaire and undergo a site level risk-assessment based on the supplying site's inherent country risk using the indicators below:

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

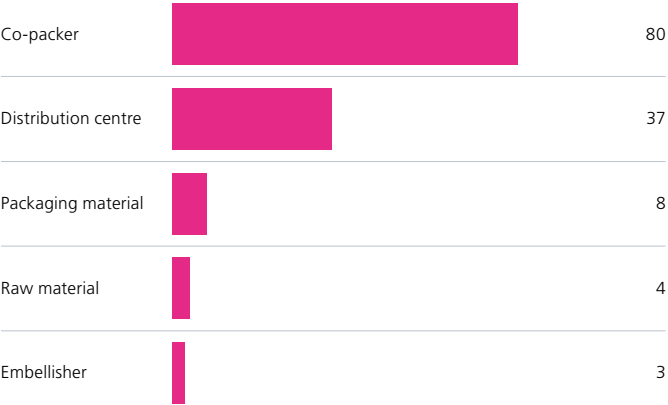
These indicators help us look at the site risk and also allow us to look for indicators that relate to modern slavery and human trafficking. Additionally, where one is available, the audit rating from the most recent audit is considered in this overall site risk.

In 2019 we updated our supplier data, to ensure we only assess active suppliers. This reduced the number of suppliers included in the programme to 598. The site risk profile as it relates to country risks of these suppliers is: 38 (6%) critical, 256 (43%) high 137 (23%) medium and 167 (28%) low risk. 76% of these suppliers have a completed Sedex self-assessment questionnaire. We believe the self-assessment questionnaire is a useful tool in helping suppliers understand the policies and procedures to implement within their facilities and supply chain to best manage labour standards, health and safety, environmental compliance and business integrity. We therefore, continue to proactively engage with those outstanding.

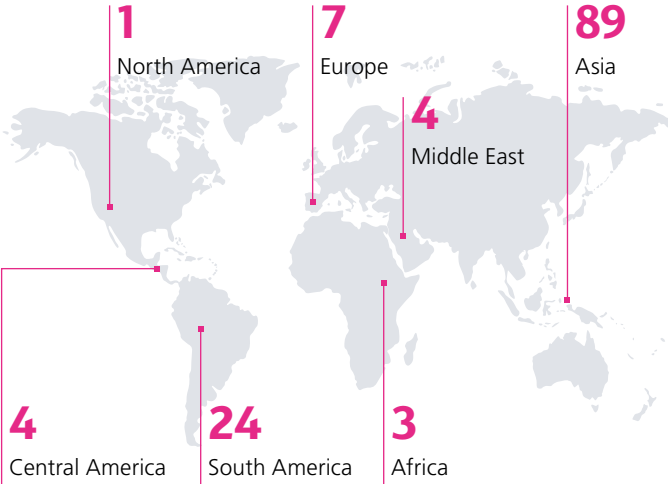
Sites assessed as critical or high-risk undergo a site audit to assess compliance at least every three years. This may be sooner where the most recent audit suggests the need for more frequent follow up. In addition, all third-party manufacturers, distribution and embellishment centres located in emerging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

In 2019, we audited 132 supply chain manufacturing sites across seven regions, which employ 41,442 workers.

## AUDITS BY SUPPLIER TYPE

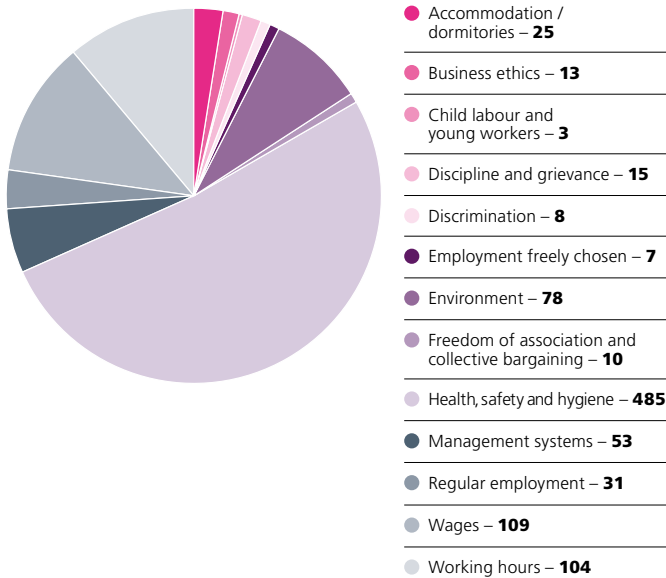


## SUPPLIER AUDITS BY REGION



In 2019, our audits identified 941 contraventions of our standards. While a high number, this was lower than the 1,403 found in 148 audits in 2018.

## NON-COMPLIANCES BY POLICY CLAUSE



Over half of the non-conformities (52%) identified related to health and safety, with fire safety the most common issue. Other common health and safety issues concerned worker health and first aid, chemical and machine safety, and provision of adequate personal protective equipment. Wages and working hours represented 23% of all non-conformities. We identified issues concerning payments of social insurance, minimum wages and overtime premiums, maintenance of accurate and understandable payslips, missing or incomplete employment contracts, excessive overtime, absence of a weekly rest day, and poor record keeping.

We review each supplier's action plan developed after an audit. 85% of plans are in place or being finalised, and we are working with suppliers to finalise the remainder. We subsequently monitor progress and will audit again to verify that actions have been completed.

The actions taken range from changes to policy and management systems through to improved worker training, particularly for health and safety. Examples of supplier improvements include: fire safety and machine guarding, new shift patterns for better working practices, and production



# Actions we are taking to ensure the respect for human rights and responsible business practices within our value chain continued

planning to prevent excessive overtime. One key area involves managing agents who provide contract labour where workers are often vulnerable to exploitation.

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 45% 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 efficiency and sustainability of corrective actions.



Further details of our findings and remediation measures is outlined in RB's sustainability Insight 2019 – Human rights and responsible supply chains

## Findings related to slavery or human trafficking and how we are tackling them

In 2019, we found seven non-compliances with our policy on forced labour. This was less than 2018 where we found 17 issues and we are working closely with the suppliers to address matters.

- Three instances related to an absence of or inadequate policy on no forced labour – two were in Latin America and one in Africa. All are now closed, with suppliers having implemented the required policies.
- One incident involved deductions made from wages for personal protective equipment and other essential work items. The supplier has now ensured these deductions have ceased.
- Two cases involved retention of ID papers or passports without signed consent letters from the employees involved and the final incident involved the retention of cash deposits by agents for workers wanting to return home during their employment term. These three cases were identified at suppliers in Malaysia and have subsequently been addressed; however, they represent only a small part of the issues we are aware of and currently tackling.

The root cause of forced labour is complex and often multi-faceted with a combination of factors and interrelationship at its origin. There is no 'one size fits all solution'. We tailor our approach based on the specific circumstances, location and broader societal and cultural challenges that might be present.



## CASE STUDY

### ACTIONS WE ARE TAKING TO TACKLE FORCED LABOUR AND POOR EMPLOYMENT PRACTICES WITHIN MALAYSIA

Towards the end of 2018, our programme identified issues amounting to forced labour within two of our Malaysian suppliers. They involved passport retention, poor living accommodation, discrimination as well as unethical recruitment practices for migrant workers. Such practices are common, even systemic, within employment practices in Malaysia. In 2019, we implemented a collaborative approach to tackle these issues, working not only with suppliers but also our peers, customers and NGOs. We have made good progress but recognise that there is more work to be done to deliver systematic change. Some of the key changes we have developed with these two suppliers include:

- Better migrant worker accommodation, with significantly improved facilities and space.
- Returning passports to workers and providing personal lockers to allow workers to keep their own passports safely.
- Revising migrant worker employment terms and conditions to ensure consistency with the terms provided to local Malaysian workers, particularly for annual leave, working hours, medical check-ups and subsidies for food and transport.
- Stopping the common practice of holding a security deposit for workers wanting to visit their home country before the end of their contract.
- Piloting a scalable, five-step approach towards recruitment fee remediation to tackle excessive recruitment fees paid by migrant workers and the debt it leaves those workers in. Our approach focuses on developing responsible recruitment practices that employers can use in the future, and reimbursing existing workers for recruitment fees. We've made good progress with this pilot and will continue our activity in 2020.

# Actions we are taking to ensure the respect for human rights and responsible business practices within our value chain continued



## CASE STUDY

### RECRUITMENT FEES AND OUR COMMITMENT TO THE 'EMPLOYER PAYS PRINCIPLE'

Over the last three years we have focused much of our attention on tackling those aspects of forced labour which are more visible and where we have a greater ability to drive change. This may be by utilising our leverage with suppliers. We focus on preventing passport retention, enabling freedom of movement, improving employment terms and conditions and improving company provided accommodation. One of the remaining hurdles is tackling excessive recruitment fees workers have incurred to secure employment. Many of these fees have not been charged by our supplier or service provider. They are levied by a whole host of middle men in the labour supply chain who charge migrant labourers for transportation, passport and visa processing, medical examination costs and other unspecified processing or service costs. Fees can range from a few hundred to \$5,000 USD. It can take up to three years to repay these fees, with most migrant workers incurring debt to pay for them. While they remain, these debts often make it impossible for a worker to leave their employers.

The issue is widespread, not just in Malaysia but in a number of countries. Given its systemic nature, we can only drive long-lasting change through advocacy and multi-stakeholder collaboration. To help, we have a number of bilateral partnerships, and are active members of AIM-Progress. In 2019, we also became members of the Consumer Goods Forum (CGF). We are committed to supporting their efforts to eliminate forced labour by upholding the CGF's Priority Industry Principles in our own operations and supply chain:

- Every worker should have freedom of movement.
- No worker should pay for a job.
- No workers should be indebted or coerced to work.

We will incorporate these principles into a planned update of our human rights policy in 2020 to strengthen our requirements concerning responsible recruitment. We will also use the learnings from the Malaysian recruitment fee remediation pilot to scale up activity in other suppliers and countries where the issue is prevalent.

## Moving beyond compliance to deliver sustained improvements in supplier capability

We believe audits are a useful tool in understanding supply chain risk, identifying issues and working with suppliers to deliver improvements; however, they are not effective on their own. We are therefore investing increasing resources to establish collaborative partnerships with key stakeholders to drive sustained improvements in human rights. We will deliver these through our growing internal team of regionally-based social and human rights professionals.

Our suppliers are an essential part of our business. Many, particularly those within developing markets, do not yet have the capabilities or resources to tackle many of the systemic labour, health and safety and environmental challenges they face. Our own challenge is to make sure that remedial actions are not simply applied to the one issue identified in the audit but are also applied consistently across the site and in the future. Success here is grounded in behavioural change, where site managers and workers begin to see social and environmental management as core practice and beneficial to business. This does take time to develop. We are applying 'beyond audit' approaches through our supplier capacity building programme and worker surveys to build and strengthen supplier awareness of good practice, the human rights issues behind this and the opportunities it creates for both suppliers and their employees.

# Actions we are taking to ensure the respect for human rights and responsible business practices within our value chain continued

During 2019, we significantly increased our delivery of targeted capability-building activities. We focused on third-party manufacturers, distribution and embellishment centres in South and South East Asia, the Middle East and Africa. Our approach was to provide support on audit remediation and general technical advice to increase our suppliers' ability to sustain improvements in standards. In high-risk areas, we focused on forced labour indicators. This included collaborative training workshops, on-site visits and provision of guidance on relevant issues. In addition, monthly best practice in the form of guidance materials, e-mail guidance and posters are shared with these suppliers on key topics. We completed 40 collaborative training workshops in 2019, our most to date.

In 2019, we also piloted a worker-centric survey tool developed by AIM-Progress and SEDEX. This provides greater insight on whether workers feel respected, safe and have income security and progression. **Worker Wellbeing Assessment** provides an effective mechanism to give workers a voice. It allows us to better understand working conditions in our supply chain so we can work with our suppliers to drive improvements for workers. We will be extending use of the Assessment tool in 2020.

Our success is grounded on the effectiveness of our suppliers and their ability to deliver human rights in our value chain. Building their capacity to do so will remain our focus during 2020 and beyond. At the same time, we are working to enable our suppliers to remain effective during the current COVID-19 crisis. For example, we have kept in close contact with suppliers to monitor financial conditions and apply extraordinary trading terms when required, support them on logistics and worked with their government stakeholders where needed. We are also developing approaches to continue our audits, capacity building and worker voice activities virtually to ensure the continued production of much-needed products reach consumers, whilst ensuring human rights are respected and livelihoods protected within our supplier's teams.



**2,790**  
direct supplier sites, distribution and embellishment centres



**598**  
high-risk direct supplier sites, distribution and embellishment centres included in our programme



**456**  
sites with a complete self-assessment questionnaire



**132**  
sites audited in 2019



**941**  
audit non-conformities



**112**  
corrective action plans submitted or not required



## CASE STUDY

### INSPIRING OUR SUPPLIERS TO IMPROVE WORKING PRACTICES

For many of our suppliers, forced labour, business integrity, fair wages, working hours and fire safety remain the most pressing issues. RB co-sponsored the AIM-Progress Responsible Sourcing Forum in São Paulo in July 2019. Our suppliers attended workshops offering practical solutions to their challenges, with many saying that the forum had inspired them to improve their practices.



Promoting this type of event and integration, positions RB in a prominent role as a company that is concerned not only with complying with all legal requirements, but also defining and shaping the market with a high ethical standard, care for the environment, the community, employees and their partners and suppliers.

**Fabio Noronha**  
Supply Services Director for Brazil



# Actions we are taking to ensure the respect for human rights and responsible business practices within our value chain continued

## High-risk natural raw materials

To deliver both our responsible sourcing and our human rights commitments, we map the origins of our key natural raw materials, focusing on agricultural ingredients such as palm oil, latex, dairy and paper. We recognise the range of human rights and ecosystems risks that exist in these up-stream supply chains at farm level and in primary processing. These include debt bondage, child labour and damage to ecosystems which can result in a loss of the 'services' such as water that are vital for the livelihoods and wellbeing of people in that community. To address these challenges, we work with a range of partners to build solutions across our supply chain; working with suppliers, farming communities and civil society, including NGOs such as EF.

This can only prove successful when we have visibility of our raw material supply chains. We are committed to a high level of transparency in our supply chains, which can be challenging when they are characterised by a high number of producers supplying a small number of processors, as is the case for palm oil. This is why 2020 will be the third year we publish the names and locations of over 1,500 palm oil processing mills that provide oil to our suppliers. With this level of transparency, we can work with our suppliers to understand actions needed at the plantations supplying mills and continue to improve the conditions for the workers and communities that serve them.

Our aim is to ensure the long-term social and environmental sustainability of our supply chain partners and the communities they serve. In key commodities, palm oil and latex, we invest in a range of programmes that are community-centric, delivering impact for farmers, their families and communities and supporting human rights.



## PALM OIL

- In Malaysia, we continue to support an EF programme to improve the ethical recruitment and treatment of migrants working in palm oil plantations and processing mills. During 2019, we supported a multi-stakeholder forum on ethical recruitment for the palm oil industry. EF and the UN International Organisation for Migration (IOM), worked with 120 participants from government agencies, palm oil companies, recruitment agencies, as well as civil society and NGOs. Two thirds of those attending were from the Malaysian palm oil industry. The forum highlighted the need for human rights-based due-diligence of recruitment by companies in upstream supply chains. Solutions focused on developing and strengthening company recruitment policies, awareness raising on the issues, and increasing knowledge of processes in the labour supply chain that can give rise to exploitation and debt-bondage. A number of our suppliers attended, including the management of a palm oil mill we had supported with a training and assessment day in 2018 focused on labour and health safety management. This group presented the progress made to improve their engagement with workers since the training.
- RB supported the development of a human rights-based due-diligence tool on ethical recruitment to support companies to implement their 'no exploitation' policy commitments. The tool was developed by EF with feedback from various stakeholders. In 2020, we will continue to support EF's work to improve supplier capacity by rolling out this tool among select suppliers. This will help suppliers to understand migrant labour recruitment corridors and tackle the risks of exploitation. We will also work with EF in strengthening similar awareness at government level to support more effective labour migration policy.
- RB supported a study that examined recruitment costs and practices amongst small and medium sized companies in the peninsular Malaysian palm oil industry. The study interviewed the management of two palm oil mills, one estate, and one contractor and a labour agent in Malaysia together with 58 migrant workers. This led to valuable insights into both employers' recruitment practices and employees' experience from the recruitment process. There was a lack of dedicated policies and guides for good practices by employers and a strong reliance on agents in the recruitment process. Less than half of the workers interviewed had signed any employment contract in Malaysia. Going forward we will trial the due diligence tool with selected RB up-stream suppliers to create scalable change.

## LATEX

- We have been working to build strong and stable relationships between farmers, first-tier buyers and other key stakeholders along the latex supply chain. This helps strengthen traceability and enables engagement to support standards.
- Our programme has assessed supplier sites to ensure compliance with our human rights and responsible sourcing standards. In 2019, the Sustainability team visited supplier sites in Malaysia and Thailand to assess them against our standards. This also improved our understanding of the best ways we can support the livelihoods of small holder farmers and plantation workers in 2020 and beyond.
- RB has supported smallholder programmes such as Rurality through EF to improve livelihoods and social conditions. These programmes aim 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 the use of tools and improved trading relationships. In 2019, the project trained 520 farmers to diversify incomes. As a result of this training and support 214 farmers diversified their livelihood, increasing household income by up to 30% (based on a selection of case studies from this group).



# Partnerships and collaboration

Many of the social and human rights issues we face within our value chain are systemic and embedded in societies and economies. To tackle these in a meaningful way, we recognise that collaborating with industry, governments and other societal actors is essential. We are involved in a number of partnerships and collaborative initiatives:

## Danish Institute for Human Rights

Our purpose is to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world, so it's critical we act with full respect for all the people in our value chain. To achieve this, we are increasing our focus on integrating the UN Guiding Principles on Business and Human Rights (UNGPs) into our organisation and have partnered with the DIHR to support us with this journey. We began in 2019 with two major pieces of work:

- 01** An assessment of our human rights performance across RB through the lens of the UN's Guiding Principles – resulting in 35 recommendations for improving our day-to-day activities. The recommendations ranged from how we embed human rights into our corporate policies and procedures, through to our positioning on specific issues such as contract labour management, procurement practices, company tax payments, working hours, wages, and human rights training. We have started to review and prioritise these recommendations and have commenced implementation in 2020.
- 02** Our first country level human rights impact assessment assessing our direct and indirect human rights impacts along the value chains of our Durex and Enfa brands in Thailand. We plan to publish the report in 2020 – sharing our learnings and the plan for preventing, mitigating and remedying adverse impacts transparently. We shall also provide regular public updates on our progress. Building from this pilot, we will consider the best ways to carry out similar assessments in the future.



## CASE STUDY

### HUMAN RIGHTS SENIOR LEADERSHIP WORKSHOP

In December, we organised a human rights workshop for our senior leadership team in London in collaboration with our partner the DIHR. Our CEO and key members of RB's leadership team gathered with external stakeholders to discuss ways to strengthen and reinforce RB's approach to human rights across the entire value chain. Additional insights were provided by a leading human rights policy campaigner along with human rights specialists from law firms, NGOs, global retailers and peer companies.

The workshop sought to develop our senior leadership's understanding of existing and emerging global human rights issues and to highlight any relevant dilemmas for RB. It is part of a broader engagement programme reaching out to stakeholders on key human rights topics. Further sessions are planned with relevant experts and RB personnel to address DIHR recommendations on specific topics.



# Partnerships and collaboration continued

## AIM-Progress



We are leading members of AIM-Progress, a forum of leading Fast-Moving Consumer Goods (FMCG) manufacturers and common suppliers working 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. The goal of AIM-Progress is to positively impact people's lives and ensure respect for human rights, while delivering value to members and their supply chains. RB is on the leadership team and co-chairs the Capacity Building work stream. This year we co-sponsored their Responsible Sourcing Forum in São Paulo, Brazil, meeting with almost 300 other companies. We led a session on the mutual benefit in sharing 21,000 suppliers' audits among members, reducing duplication for suppliers.

## Consumer Goods Forum



RB is a member of the Consumer Goods Forum, working with other leading brands, manufacturers and retailers who share a commitment to social and environmental sustainability. By working together on these issues, and through safe, resilient and sustainable value chains, we aim to increase our collective impact.

## Earthworm Foundation



RB has worked with EF since 2013. We have 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. EF recently assisted RB in developing new policies and standards for responsible sourcing which will be launched in 2020. EF continues to advise us on these and wider industry sustainability issues. Our 2019 programme of work focused on palm oil and latex supply chain analysis to build dialogue with suppliers and ensure their use of ethical recruitment techniques and management of labour. EF will continue to carry out social and labour standards assessments of fresh fruit bunch processing mills within our palm oil supply chains and the other EF 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 EF's human rights Respect team to advocate for improved policies on human rights by our suppliers and governments.

## Sedex



We are members of Sedex, one of the world's leading ethical trade service providers, working to improve working conditions in global supply chains. Sedex is a collaborative platform that enables the sharing of social and environment data, including indicators related to forced labour and modern slavery, between suppliers, buyers and customers to improve responsible and sustainability business practices within global supply chains.

In November 2019, RB's Regional Social and Human Rights Manager for ASEAN and South Asia took part in a panel discussion on responsible supply chain practices at the Sedex South East Asia conference, in Bangkok, Thailand. The panel discussed regional forced labour and human trafficking challenges together with the solutions and tools companies can implement to tackle them. The need for multi-stakeholder collaboration was raised to drive the systematic change required to tackle forced labour and human trafficking. During the discussion, we outlined our journey to integrate human rights into our business and how we are transitioning our approach to supplier engagement from a compliance to a more partnership orientated approach.

# Looking forward

**We recognise the need to do more and are committed to continuously improving our approach to ensure respect for human rights and to tackle modern slavery across our value chain. As we look forward to the next 12 months, we will focus our activity on the following areas:**

- **Continuing our efforts** to tackle modern slavery, with a focus on recruitment fees as we pilot collaborative approaches to support ethical recruitment but also ensure those who have incurred excessive recruitment fees are reimbursed.
- **Reviewing and commencing implementation** of the recommendations from the Danish Institute for Human Rights corporate gap analysis to integrate respect for human rights throughout our business.
- **Publishing** our Thailand Human Rights Impact Assessment and the actions we are going to take in response to the findings and look to conduct further assessments.
- **Expanding** our supply chain due-diligence and engagement activities to other supplier categories.
- **Increasing activity** beyond audits to enable an approach more focused on partnerships to deliver sustained improvements in supply chain standards.
- **Developing and launching** our 2020 human rights strategy to include our priorities and approaches for the years to come.

**All of these will strengthen the work we do with communities in our value chain. In 2020, when the world is collaborating to tackle a crisis for humanity, we will continue to strengthen our human rights agenda and support the health of those communities, our teams and our partners throughout our value chain.**



### Listening to our stakeholders

Reporting effectively across our many sustainability issues and providing regular updates on our programmes and activities is always a work in progress. So we appreciate your feedback – what should we keep doing, and where can we do better?

Email us at [sustainability@rb.com](mailto:sustainability@rb.com)

### Or write to:

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<https://www.rb.com/media/5706/sustainability-insights-2019.pdf>



To view our 2019 Annual Report see  
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