



HEALTH ▸ HYGIENE ▸ HOME

# Slavery and human trafficking statement



**Reckitt Benckiser Group plc (RB) financial year 2017**  
As required by section 54(1) of the Modern Slavery Act 2015

## Our progress in 2017

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“According to International Labour Organisation (ILO) estimates around 25 million people are in forced labour. Tackling this is challenging and can only be achieved through more collaboration and focus by both state and non-state actors, with companies such as ours playing an important part given their global reach and influence.

Our company purpose is to make a difference by giving people innovative solutions for healthier lives and happier homes. We cannot achieve this purpose if the most fundamental human rights are not respected within our value chain. We therefore are committed to actively playing our part in working collaboratively with our suppliers and partners to enhance human rights, and strive to eradicate forced labour and human trafficking within our value chain.

2017 saw significant enhancements to our Human Rights and Responsible Business programme which is indicative of our commitment. We improved internal governance and oversight through the Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Board Committee; established a dedicated Human Rights team to improve programme robustness and increase the support provided to local RB teams and suppliers; increased supply chain due diligence with over 100 audits conducted; supported supplier capability building workshops in the United Arab Emirates and India; and launched mandatory human rights training for management employees, which was completed by 11,873 colleagues.

We are proud of the step change delivered in 2017 but recognise the need to do more, particularly in terms of proactive engagement and partnership with external stakeholders. We have a range of initiatives planned for 2018 which will further enhance our approach to ensuring human rights are respected and the eradication of slavery and human trafficking.”

This statement was approved by the Board of Reckitt Benckiser Group PLC on 3<sup>rd</sup> May 2018.



Rakesh Kapoor, CEO  
May 2018



Rakesh Kapoor  
CEO

## Our organisational structure, business and supply chain

Reckitt Benckiser Group PLC (RB) is a FTSE 20 company headquartered within the UK, and is the world's leading consumer health and hygiene company. Our vision is a world where people are healthier and live better. Consequently, our purpose is to make a difference by giving people innovative solutions for healthier lives and happier homes. We have over 40,000 employees globally based in offices, R&D centres, production facilities and logistics centres in 63 countries. Our products are sold in over 190 countries and our total net revenue in 2017 was £11.5 billion.

**FTSE 20**  
company headquartered in UK

**40,000+**  
employees

**190+**  
countries our products are sold in

**50+**  
production facilities worldwide

**£11.5bn\***  
net revenue in 2017  
\* pro forma RB and MJN combined NR

**25m**  
products sold daily

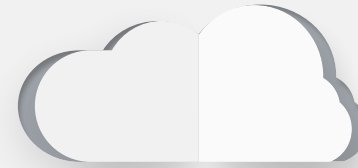
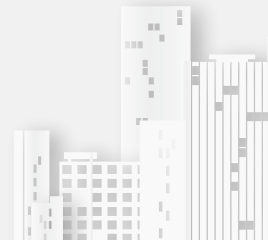


## Our organisational structure, business and supply chain (continued)

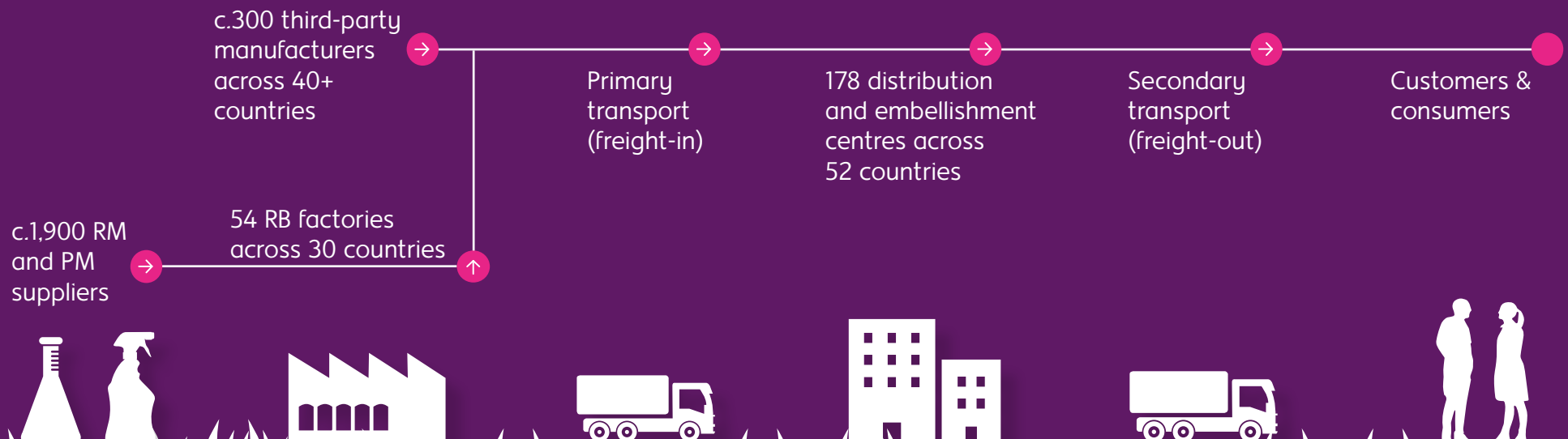
We have a truly global supply chain with 25 million products sold daily manufactured in 54 RB production facilities and approximately 300 third-party manufacturers across 40+ countries. Our 54 manufacturing facilities source raw and packaging material from around 1,900 suppliers at a local, regional and global level depending on the type of material.

We also have a whole host of indirect suppliers providing us with services such as logistics, warehousing, office services and supplies, etc.

Some of our suppliers are large, multinational companies with substantial business and ethical conduct programmes of their own. Smaller, local companies – for example, within our Development Markets (DvM) area – may not have such formal conduct programmes in place, but can still be excellent suppliers. Our suppliers are chosen based on quality, cost, location and compliance to our policies and standards, including our Policy on Human Rights and Responsible Business, which includes a requirement of no slavery or human trafficking.



### Our supply chain



# Our policies relating to slavery and human trafficking

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

We recognise the important role businesses play in society and the responsibility we have in helping ensure human rights are respected. Our commitment to respecting human rights is publicly disclosed through our Code of Conduct and specifically RB's Policy on Human Rights and Responsible Business, which was developed using a range of internal and external expertise and was influenced by the UN Guiding Principles on Business and Human Rights (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.

- 🔗 Read our Policy on Human Rights and Responsible Business [here](#)
- 🔗 Read our Code of Conduct [here](#)

We do not accept any human rights violations within our own operations and supply chain. If we cause or contribute to any such impacts, we will co-operate in, or provide for, appropriate and legitimate processes to remedy these. We recognise the complexity of human rights issues and the limitations on what we are able to control and influence; therefore, our approach to remediation focuses on stakeholder collaboration and transparency. We believe the best resolution in the interest of improving practices is to work with our supply chain to resolve issues rather than immediately terminating business relationships; however, should we believe a party is not providing appropriate support to remedy issues, we will immediately terminate our business relationship with them.

We also have a specific standard for the responsible sourcing of natural raw materials, which references the need to source raw materials in a way that goes beyond applicable laws and regulations, respects human rights, safeguards health & safety, protects the environment and generally supports the contribution of business to achieving sustainable development.

- 🔗 Read our Standard for the Responsible Sourcing of Natural Raw Materials [here](#)

## RB's governance structure for the 2017 financial year:



## Governance

The Chief Supply Officer and Chief Human Resources Officer are the owners of our Policy on Human Rights and Responsible Business. As of January 2018, 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.

Board level oversight is provided by the Corporate Responsibility, Sustainability, Ethics and Compliance Committee (CRSECC), who supports the Board, along with the CEO, in overseeing the implementation and progress of RB's sustainability strategy and reviewing performance. This Board committee meets quarterly and is attended by the CEO and other executives. The business also has two operational management committees led by the CEO, the Compliance Management Committee (CMC) and Ethics Management Committee (EMC), who are responsible for overseeing the effective implementation of risk management policies and procedures, including in relation to human rights, across the Group.

As of 1 January 2018, RB has split into two separate business units, Health and Hygiene Home. Each business unit management team is fully accountable for the implementation of compliance and ethics activities, including in relation to human rights, within their individual business unit.

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.



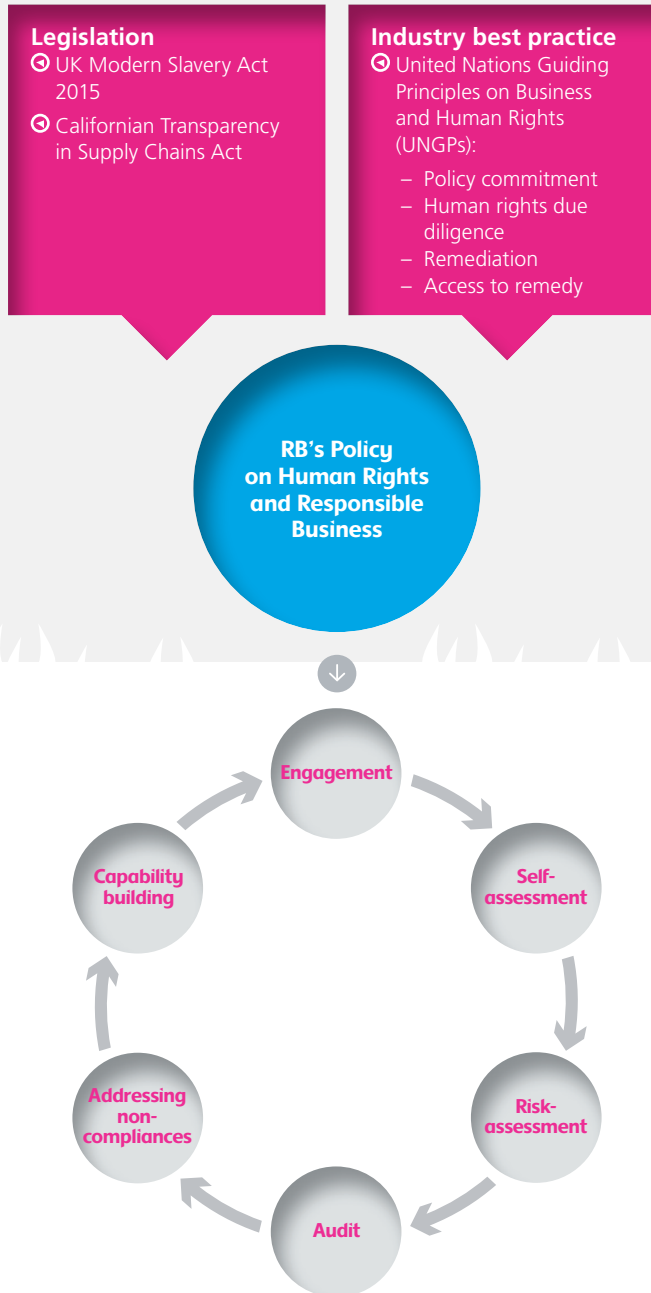
# Due diligence relating to slavery and human trafficking

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

We are acutely aware of the risk of slavery and human trafficking within our supply chain and the varying risk between industry sectors and specific supply chains. Our supplier base has been reviewed to determine which areas are at greatest risk from a labour, (including slavery and human trafficking), health & safety, environmental and business integrity perspective. This process was conducted using internal and external expertise with consideration given to a range of factors, including country of operation, commodity supplied, sector profile, etc. Through this process, the following supplier groups were identified as high risk and in need of further due diligence: third-party manufacturers, embellishers, distribution centres and selected raw and packaging material suppliers predominantly located in countries within Latin America, the Middle East, Africa, North and South Asia. We also regularly 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 key risks and best practices to address these.

As a result of our engagement and auditing activities, we have attained a greater understanding of our supply chain and the issues within it. One of our greatest areas of risk concern the use of migrant and third-party labour in factories and offices, particularly within our operations and supply chain in the Middle East and Malaysia. These are markets which utilise migrant labour from South Asian sub-continent countries, such as Bangladesh, Nepal, India and Pakistan. The common issues we have identified concern passport retention, poor living conditions, unreasonable wage deductions, excessive recruitment fees, non-payment of legally required wages and overtime premiums, employment contracts not being issued, etc.

Our programme will continue to conduct risk-based due diligence of our operations and supply chain across these supplier groups and geographies to identify and address these challenging issues.



## 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 alone are not sufficient, so we have a proactive compliance-monitoring programme focused on continuous improvement, to enable us to identify and remediate any deviations from our policy within our business and supply chain. In 2017, we significantly enhanced the robustness and capabilities of our Human Rights compliance programme by establishing a dedicated team with regionally based resources. We established a partnership with Intertek, who provide four regional Human Rights leads who partner and engage with suppliers and internal teams to manage the programme within their respective regions. Within our highest-risk regions – South Asia, Middle East and Africa – we have directly employed human rights experts who proactively engage with suppliers and local Procurement teams at a level previously not possible, resulting in a more collaborative approach to delivering sustained improvements in labour, health & safety, environment and business integrity standards within a challenging supply chain.

This new team manage the programme at a global and regional level, involving relevant stakeholders from Procurement, Manufacturing, Human Resources, Legal and Internal Audit to support with delivery. The programme is reviewed regularly by our senior leadership team, who take active interest, participate and steer our long-term strategy and targets.

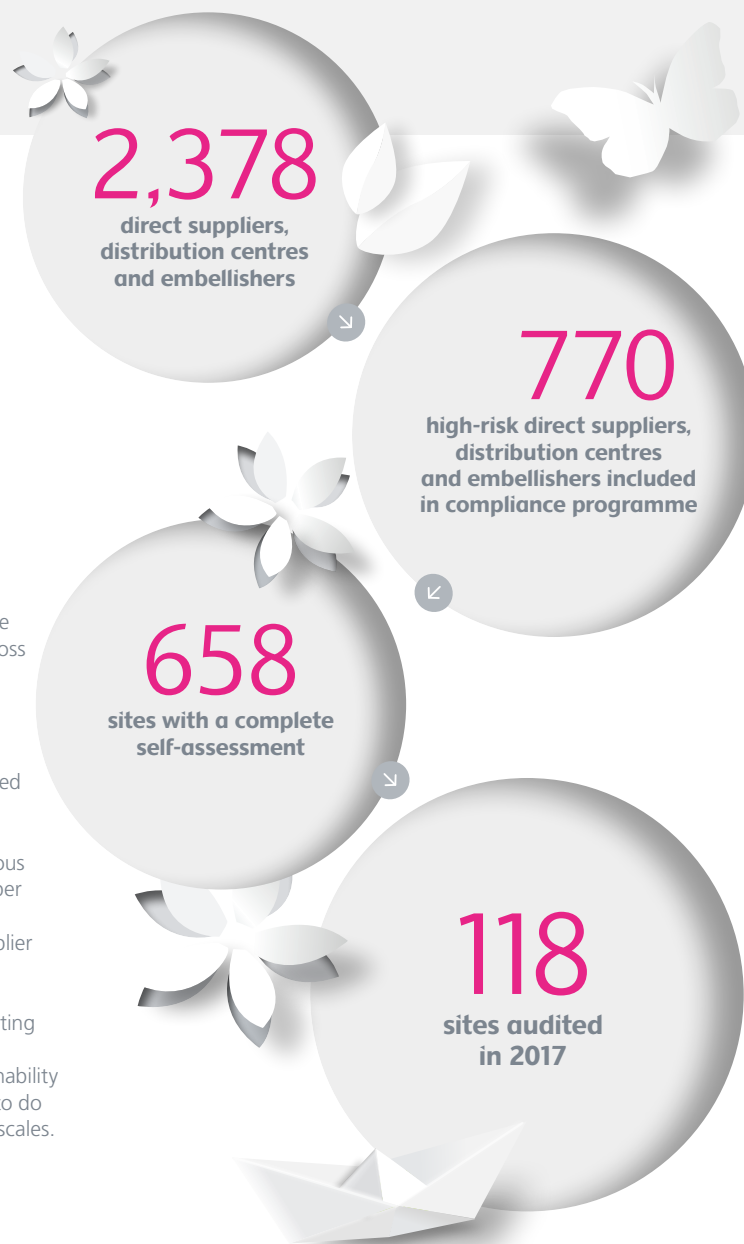
## Due diligence relating to slavery and human trafficking (continued)

### Human rights due diligence for our supply chain

To ensure a comprehensive but efficient approach to managing risks in our supply chain, we take a risk-based approach towards conducting due diligence. This allows us to ensure our resources are effectively deployed to the areas of highest risk. We are currently focusing on high-risk direct suppliers (i.e. all third-party manufacturers and selected packaging and raw material suppliers predominantly located within developing markets), distribution centres and embellishers located within developing markets.

Currently, we have 770 suppliers included in the programme, amounting to 844 individual sites, 82% of which have completed a self-assessment. We believe the self-assessment is 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, health & safety, environment and business integrity. Once in the programme, we conduct a site level risk assessment to determine which sites require an onsite audit. In 2017, we conducted 118 supply chain audits across 22 countries within Latin America, Middle East, Africa, South and North Asia. Through our 2017 supply chain audits, we identified 1,545 non-conformances with the majority of issues concerning health & safety (49%), working hours & remuneration (20%), environment (15%) and management systems (5%). We also identified 16 non-conformances with our 'No forced labour' clause across 14 suppliers. Seven issues were minor in nature, relating to missing or inadequate policies and procedures. Nine issues were more serious and concerned worker passport/ID cards being retained by a number of suppliers located within the Middle East and Pakistan. Of these nine issues, eight are closed and we are still working with one supplier on ensuring appropriate action is taken urgently.

We are always committed to supporting our suppliers in implementing robust corrective and preventative actions to ensure sustained improvements in working conditions. Our Procurement and Sustainability teams directly engage with suppliers to support and will continue to do so until all issues are satisfactorily resolved within appropriate timescales.



### How we are tackling passport retention

Our Human Rights and Responsible Business policy clearly outlines that a 'facility/company shall not require delivery up of any part of any personnel's salary, benefits, property or documents in order to force such personnel to continue working for the company'. The intent is to ensure that no worker is, or feels, in a position that they are forced to work for an employer. It is fundamental that all freely choose to work and have the freedom to leave their site of employment at the end of their shift, and leave employment after reasonable notice is given.

In regions where the use of migrant workers is common, such as Malaysia and the Middle East, it is fairly common for worker passports to be retained by the employer for safekeeping. This is primarily driven by the fact that many workers live in communal accommodation where there is an increased risk that passports are misplaced and the corresponding implications for both the worker and the visa sponsor.

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 are held by their 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 that the following measures are in place:

- ③ No financial deposits/visa fees are paid to secure employment.
- ③ Signed passport submission consent forms in the worker's native language.
- ③ A clearly understood process by which workers can request their documents back at any time.
- ③ Clear employment termination periods with no 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.

## Due diligence relating to slavery and human trafficking (continued)

### RB collaborates with peers and suppliers on Human Rights challenges within the Middle East

In order to increase focus on Modern Slavery issues within our supply chain, RB co-sponsored an AIM-Progress supplier workshop in Dubai focused on the challenges associated with recruiting and managing migrant labour. Speakers from FSI Worldwide and Verité provided our suppliers with an overview of the complexity of the challenges faced within the region, the systemic challenges associated with implementing anti-forced labour standards and examples of best management practices supported by local supplier testimonials.



#### 2017 audits:

- ③ 94 Copackers
- ③ 19 third-party Distribution Centres
- ③ 4 raw and packaging material suppliers
- ③ 1 Embellisher

#### 16 non-conformances related to forced labour:

- ③ 14 suppliers in the Middle East, Pakistan & China
- ③ 7 issues related to policies and procedures
- ③ 9 issues related to passport/ ID retention

### High-risk raw materials – Palm Oil

We have ensured extensive programmes are in place to help us achieve transparency and transformation in our commodity supply chains, including our commitment to there being zero exploitation of workers or communities. The production of palm oil continues to be linked with deforestation and poor labour practices, as highlighted in several third-party reports. In 2017, we maintained a focus on raising standards of human rights in our palm oil supply chains by supporting research into labour standards in the supply sheds of a refinery that supplies RB. We also supported a detailed programme of work with a specific mill in that supply chain, focused on improving labour management practices, through policy development and hands-on training and engagement. In 2018, we will ensure that learnings from this project inform the wider roll-out of best practice across relevant mills supplying the refinery. We continue to maintain due diligence of supplier compliance with our human rights standards more widely by working with a specialist consultancy that will assess priority mills, following work with our refineries last year.

Ⓜ For more information on RB's palm oil responsible sourcing programme, [see our approach](#)





## Due diligence relating to slavery and human trafficking (continued)

### Human Rights due diligence for our internal operations

All our manufacturing facilities and distribution centres are included in our compliance programme and required to complete an annual self-assessment and undergo an announced audit if identified as high risk. In 2017, we conducted audits of 11 factories and seven distribution centres in high risk geographies, in addition to three pilot audits of our commercial offices within the Middle East and North Africa. Through these 21 audits, 172 non-conformances with our requirements were identified, with the five most common issues concerning remuneration (24%), excessive working hours (17%), inadequate management systems (16%), disciplinary measures/procedures (9%) and forced labour (9%). We promptly remediate any areas of non-compliance and have internal processes to monitor progress towards this. In 2017, 59% of the issues raised were satisfactorily resolved, with action plans in place for the remaining issues.

Of the issues identified in 2017, 9% (16) were non-conformances with our 'No forced labour' clause across four of our manufacturing facilities, one distribution centre and two commercial offices. The issues varied from minor findings, such as missing policies and documentation, to more serious findings, such as passport/ID retention without consent, excessive recruitment fees and the inability to terminate employment contracts prior to the end of a worker's visa term. These more serious issues were identified within sites in the Middle East, Malaysia and Pakistan, and specifically concerned third-party labour. On identifying these issues, we immediately engaged with the labour providers concerned to ensure action that was in the best interest of workers was taken. We unfortunately did have to terminate a relationship with one labour provider, as their sub-contractor was unwilling to support us with our repeated requests to meet our expectations.

Through our audits, it became clear that many of the issues identified concerned third-party labour working within our sites. We have therefore created a detailed standard outlining specific due diligence for the employment of third-party labour, which will be launched in 2018 to help address this gap. Once this standard is launched, we shall look to broaden the scope of our internal audit programme to include our commercial offices and R&D facilities.



## Continual improvement



### Employee training

We developed and launched an interactive human rights eLearning course to provide our employees with an 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. This course was mandatory for all management employees globally, and to date the training has been taken by 11,873 employees, representing 76% of all management level employees. We will continue to follow up with those outstanding in 2018 to ensure they complete the training. In order to assess the effectiveness of the training, there was an optional survey at the end of the course. We had 6,124 responses and achieved an effectiveness rating of 4.59 out of 5.



### Proactive engagement and partnership

Proactive engagement 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. Currently, much of our activity is focused on our own employees, our suppliers and our peers; however, we do recognise the importance and value of increasing the scope of our engagement and plan to do so moving forward. Here are some of the key areas of activity in 2017:

#### Peer and supplier collaboration

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 in Europe and GMA 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 work stream which seeks to promote responsible sourcing practices throughout the supply chain. In partnership with AIM-Progress member companies, we co-sponsored and attended two supplier capability building events over the course of 2017 – New Delhi, India and Dubai, UAE.

➔ Learn more about AIM-Progress [here](#)



## Continual improvement (continued)

### Assessment of effectiveness in preventing Modern Slavery and moving forward

Global supply chains are complex and obtaining transparency of suppliers and issues beyond tier 1 is challenging. This, coupled with the constantly evolving nature of the human rights debate, means that we need to regularly review and update our approach to ensure it remains effective. The measures outlined above show the steps we are taking to investigate our own operations and supply chain, and proactively remediate instances of slavery or trafficking identified. We also have developed a range of internal KPIs around training, audits, reviews and closure of non-conformances to ensure continuous progress.

We are committed to positively enhance Human Rights and Responsible Business practices across our value chain, and therefore our areas of activity broadly fit under two pillars:

- **Effectively ensuring compliance** – Confidence that we and our supply chain partners operate responsibly by respecting basic human rights and applicable local laws.
- **Proactive engagement & partnership** – Fostering collaborative relationships and proactively engaging with key stakeholders to improve the credibility and effectiveness of our approach to enhancing human rights across our value chain.

We have a range of activities planned for 2018 that will further enhance the effectiveness of our programme. Key 2018 areas of focus include:

- Increasing the scope and scale of our audit programme to include high-risk raw and packaging material suppliers.
- Further explore our indirect supply chain to identify additional high-risk commodities where due diligence is required.
- Ethical recruitment of migrant labour.
- Exploring a strategic human rights partnership with an external partner to enhance the effectiveness and strategic direction of our programme.
- Supplier grievance mechanisms to provide those within our supply chain access to confidential mechanisms to raise issues to our attention for remedy.
- Risk-assessing additional supply chains and geographies where beyond tier 1 due diligence is required.
- Continuing proactive engagement with suppliers through physical supplier workshops conducted in partnership with AIM-Progress or independently.

“Companies like RB play an essential role in ensuring human rights are respected within our global supply chains. We have a responsibility to safeguard the most vulnerable and to provide safe and equitable employment conditions that enable people to lead more fulfilling lives and achieve their full potential.

We are on a journey of continuous improvement and regularly review and externally benchmark our programme. We have made a number of improvements in this year’s disclosure to increase our levels of transparency.

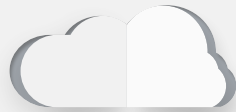
Moving forward, we are actively exploring more opportunities for partnerships, as well as the use of emerging technologies like blockchain, that can help further strengthen transparency and compliance. Only through greater collaboration can we make an impact at scale.”

**Miguel Veiga-Pestana**  
(SVP Corporate Affairs & Sustainability)





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## Contacts

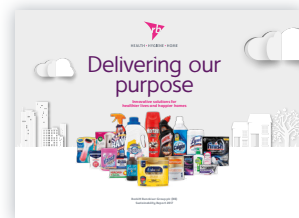
If you have any comments or queries on this report or our sustainability performance, please contact:

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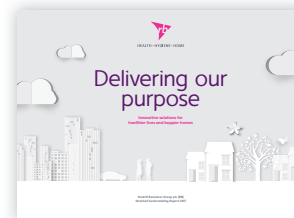
## Email

For more information, contact us at [sustainability@rb.com](mailto:sustainability@rb.com)  
[www.rb.com](http://www.rb.com)

To learn more about our **betterRB** strategy and approach to sustainability read:



[Sustainability Report 2017](#)



[Detailed Sustainability Report 2017](#)



[Annual Report 2017](#)



[Website](#)