



# Business conduct

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## Introduction

It's more important than ever to foster a culture of integrity in everything we do – from our business activities to our stakeholder relationships. Our consumers must trust that we are doing the very best for their health when we ask them to buy our products. And we must uphold our high standards and values across the world.

As a top FTSE company with a product range utilised by people, including young children, and with sizeable trade in high-risk countries, we take our responsibility seriously. Our purpose is to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world, and we know this comes with and demands unstinting levels of responsibility. We are guided by our values, laid out in our compass that affirms our commitment to “Do the right thing. Always.” We act responsibly and with integrity; put consumers and people first; seek out new opportunities; strive for excellence; and build shared success.

Being responsible has always been at the heart of RB, beginning with our founders some 200 years ago. But we know that today this is core to our business, to our success and to the way we are viewed by consumers. We have been strengthening our approach over time, sometimes on a complex but rewarding journey to drive cultural change across RB.

Like many other businesses, there is a challenge – and one that we are fully committed to tackling – finding the right balance between encouraging the best of our entrepreneurial culture while working responsibly and with integrity. So we're working hard to create an environment where employees do the right thing, especially when the choices are hard. This is the foundation of our Code of Conduct and compliance programme.

Our compliance programme has eight pillars aligned to our values and principles aiming to:

- Identify compliance risks so they can be mitigated and controlled in good time.
- Develop good lines of communication to foster a culture of integrity.
- Implement policies and procedures, as well as strong controls, to monitor compliance with these guidelines and with local and international laws and regulations.
- Deliver effective and innovative training and education.
- Detect problems and respond quickly with corrective actions.



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## 2019 highlights

### Our work this year

In 2019, we launched new global and business unit risk, sustainability and compliance committees to strengthen our oversight of risk – more details are in our [Sustainability governance, reporting and assurance insight](#). These committees support our well-established Corporate Responsibility, Sustainability, Ethics and Compliance Committee (CRSECC), a sub-committee of the Board, in its duties around corporate responsibility, including ethical conduct, legal and regulatory compliance.

Here we highlight key aspects of our work in 2019.

### Risk assessment and monitoring

As a key element of RB's Compliance Programme, in 2019 we conducted risk assessments in more than 30 countries to help RB leaders to be aware of the challenges they are facing and to develop action plans to mitigate those risks. We also designed a new control framework to monitor compliance with our [Healthcare Professionals Global policy](#) and our [Breast Milk Substitutes Marketing policy](#).

### Spotlight on GDPR

With the implementation of the European General Data Protection Regulation, we developed an awareness programme to help our employees understand their responsibilities, including Group-wide policies, procedures and guidance documents. We appointed a Group Data Privacy Officer (DPO) and created a Group Privacy Office to support the DPO in overseeing and maintaining our privacy risk framework. This is consistent with our vision to create a 'Privacy by Design' culture, where the privacy rights of our employees, consumers and business partners are at the heart of all projects and future innovation we develop. We are committed to protecting any type of personal data wherever it exists and we do not collect or retain such data without proper business justification. In 2019, there were no substantiated complaints received concerning breaches of customer privacy or data.

### Communication

During 2019 we developed a completely new Ethics & Compliance website for all our employees to access our key policies, procedures and materials they can use to help them understand what RB is expecting from them.

### Policies

Our corporate responsibility framework comprises our Code of Conduct, policies on key topics, procedures we follow and reporting tools. Our policies and reports cover our position on a comprehensive range of issues and are available on [rb.com](#).

In 2019, we launched a new [Global Anti-Money Laundering and Sanctions policy](#), which aims to ensure that every business transaction we enter into complies fully with anti-money laundering and anti-terrorist financing laws, as well as with trade sanctions regulations that restrict activities with certain countries, entities or individuals around the world.

We also developed a completely new robust policy to regulate our interactions with healthcare professionals and healthcare entities. This was an important step in mitigating bribery and corruption risks, which have been one of our major inherent risks.

We rolled out these new policies in both our business units, working with the leadership teams to implement them. We trained personnel in key functions such as Finance and Procurement, through webinars and face-to-face training sessions.

### Working with third parties

Beyond our own employees, it's critical that everyone in our global value chain – contractors, vendors and distributors – upholds our high standards. During the year we developed a new third-party Code of Conduct. By making clear what the requirements are for working with RB, this is helping us to strengthen business relationships, building more trust with our suppliers and vendors. We also conducted around 8,000 due diligence assessments of third parties to ensure we're working with reliable partners. This year we also took strong remedial action and terminated business relationships with some third parties whose activities and approach were not in line with our standards and posed a threat to RB's reputation.

### Training

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.

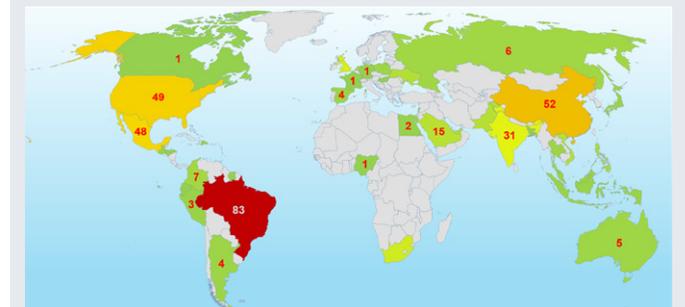
### Speak Up service

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 and contractors a trusted channel to raise concerns around violations of our Code of Conduct, local laws and regulations, or any unethical behaviour.

Our Speak Up policy protects employees from any reprisals as a result of sharing their concerns. Our Ethics and Compliance team looks into all reported issues, which could also be grievances with management or allegations of harassment or bullying. We deal with each case as we see fit – sometimes giving formal warnings or even terminating contracts. And where we see trends, we develop new policies and training for everyone.

Since our awareness campaign at the end of 2018, we've seen an increase in the number of cases reported to Speak Up: 466 this year, an increase of 57% compared with 2018. In part this is to be expected as we increase awareness of the service and also develop the culture of our organisation in line with our new business strategy. We investigate issues promptly, and independently. Those investigations can lead to both changes in working practice and disciplinary action where appropriate to address matters.

### Speak Up case locations



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## Looking to 2020 and beyond

We're releasing a completely new Code of Conduct in 2020 that will include key points from our Group policies that help all our employees understand what RB is expecting from them and ensure compliance with international laws and regulations. It will also incorporate new guidelines to help our leaders make good decisions when facing challenging situations. The new Code will be more user-friendly for our employees and contractors, with integrated video and interactive PDFs linking to related policies and procedures.

We're also making our mandatory yearly compliance training, which covers our Code of Conduct, Anti-bribery and Corruption and Speak Up materials, more engaging, particularly for our younger, more digitally-focused employees. It will combine video, animation and games to make it easier for all our people to be engaged and committed to complying with our standards.

And, in 2020, we will launch a global educational campaign, Honest Reflections on Ethics, to help employees feel safe in uncovering problems, asking questions, discussing trade-offs and sharing real-life challenges around compliance.

And finally, we'll roll out a new, efficient risk-based due diligence programme for third parties around the world. This will assess their commitment to RB values, policies and procedures, and help us ensure we can trust in those partnerships.

## 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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