



**PZ Cussons plc**

## **Slavery and Human Trafficking Statement for the year ended 31 May 2018**

This Statement is made pursuant to Section 54 of Part 6 of the Modern Slavery Act 2015 and sets out the steps which we have taken since our previous Modern Slavery Statement and during the financial year ended 31 May 2018 to ensure that slavery and human trafficking are not taking place in our supply chains or in any part of our business.

This statement covers all of the companies within the PZ Cussons Plc Group, both within the UK and overseas (the "Group").

### **Introduction**

As stated in our previous statement, our approach to business is encapsulated in our Good 4 Business (G4B) principles which seek to Create Sustainable Value for all of our stakeholders, including our shareholders, customers and consumers, business partners, local communities and our employees. We believe that sustainable, long term value is only possible in an environment which is open, honest and fair and which treats all stakeholders with respect and integrity. Good 4 Business is rooted in strong values dating back to the foundation of the business in Africa in the 1880s and is based on four key areas of focus:

- Business Governance & Ethics
- Environment
- Sourcing
- Community and charity

The integrity of our supply chains, including ensuring that there is no slavery or human trafficking, is a priority for the Board of Directors and the Group as a whole.

### **Our organisational structure, business and supply chains**

PZ Cussons Plc is a FTSE-listed international consumer products business which operates (itself and through members of its Group) in selected markets in Africa, Asia and Europe and has its headquarters in the UK. We produce, market and sell some of the world's best known and loved brands in the following categories: personal care and beauty, home care, food and nutrition, and electricals.

The Group manufactures products in each of its categories in its own factories across multiple countries. In addition, a proportion of total sales is derived from finished goods which are manufactured by third parties. The Group is reliant on a wide range of raw materials for the production of its products, both within its own manufacturing processes and the wider supply chain. Respecting human rights and other ethical and environmental issues in the wider supply chain is a responsibility which must also be borne by our suppliers but we play an active role in supplier development and have adopted various means to clearly communicate our expectations.

### **Our policies and standards**



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## **Slavery and Human Trafficking Statement for the year ended 31 May 2018**

The Group maintains written policies which strictly prohibit the use of slavery or human trafficking in its supply chain. Our Good 4 Business framework strongly condemns - and provides that we shall have no involvement whatsoever in - forced labour, child slavery or any practice which is exploitative of children or exposes them to risk of harm. We will not work with third parties who are involved in any such practices.

These principles are also set out within the Group Procurement Code of Business Conduct (the "Procurement Code of Business Conduct") which contains guidance for the Group's procurement team on the Group's values and appropriate business practices. We expect businesses throughout our supply chain to adopt and enforce equivalent policies in their own operations and to encourage their suppliers to do the same. In addition, direct suppliers are required to confirm their compliance with the relevant laws and regulatory standards in all countries in which we operate.

In this regard, in April 2017, we enacted the PZ Cussons – Code of Conduct Document (the "Supplier Code of Conduct"). While the Procurement Code of Business Conduct is primarily an internal document to inform and regulate the actions of our employees, the Supplier Code of Conduct is primarily an external document applying to our suppliers. Under the Supplier Code of Conduct, our suppliers are expected to commit to all applicable laws and our Good 4 Business principles, including a 'zero tolerance' policy when it comes to unethical business behaviour such as forced and child labour; prohibitions on the use of slavery or human trafficking in the supply chain; and freedom of workers to form associations for collective bargaining.

We are currently rolling out the Supplier Code of Conduct to all our suppliers. To date, more than 60% of our direct suppliers in our home care and personal care categories have formally confirmed their alignment to the Supplier Code of Conduct, and we are making progress in our other categories.

The Group has in place a long-established whistle-blower system (our "Speak Up Policy") which encourages and enables employees as well as suppliers to raise confidentially (and anonymously if desired) any concerns or issues related to business conduct or activities, including in respect of slavery or human trafficking. This is in operation in all of the countries where the Group operates and is regularly refreshed and promoted. For the financial year ended 31 May 2018, we did not receive any complaints via the Speak Up Policy from either our employees or suppliers relating to slavery or human trafficking.

We comply fully with legislation relating to the limitation of working hours and minimum pay in all countries where we operate. In all of the countries in which we operate we seek to benefit local communities through programmes targeted at the preservation of the environment and the development of the health, wellbeing or enlightenment of the communities we support.

### **Due diligence and assessment of risk**



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We seek to identify and do business with companies which have values and standards which are consistent with our own, including working to cascade these expectations throughout their own supply chain. As such, 75% of volumes of our crude palm oil and palm kernel oils are sourced from suppliers with No Deforestation, No Peat, No Exploitation (NDPE) commitments, with the expectation that this will be increased to 100% shortly .

A full global audit programme is in operation across all third party manufacturing suppliers. Audits are conducted every 2-3 years, with more regular audits (annual or twice yearly) conducted in respect of any supplier which has given rise to any concerns or in respect of which an action plan has been established. Our preliminary assessment is based upon geography (including an assessment of countries considered to be at higher risk of slavery or human trafficking), the commodity purchased, supplier performance and the nature of the business transaction.

In the past one year, the number of our third party suppliers in our home care and personal care categories who are accredited with the Supplier Ethical Data Exchange (SEDEX) has increased from 50% to 79%.

We terminate relationships with suppliers if issues of non-compliance with our policies are identified and/or non-compliance is not addressed in a timely manner.

### **Effectiveness reviews and performance indicators**

We are currently reviewing the appropriate performance indicators by which we may most effectively assess the effectiveness of our reviews. We plan to implement industry best practices in respect of monitoring the compliance status of suppliers.

### **Training and building capability**

The Group Procurement Code of Business Conduct provides practical guidance and advice in respect of a range of potential situations and real-life examples. In recognition of the key role played by the Group's Procurement team in ensuring compliance with our values throughout the supply chain, all members are required to review the Code annually with their manager and to renew their commitment to the Code in writing.

Where our audits identify any concerns or areas for improvement, we work actively with our suppliers to apprise them of our expectations and the reasons for our approach and to help them develop their own standards and policies to match our own.

This Statement is approved by the Board of Directors.

**Alex Kanellis**

**Group Chief Executive**

**20 March 2019**