



# Creating Shared Value

Annual Report 2019



**Reckitt  
Benckiser**



# Table of Contents

- 01 Our partnership work around the world
- 02 Activities through our partnership approach
- 03 Key Results and Impacts
- 04 Challenges and Learning
- 05 Goals for 2020





# Our global partnership work on palm oil and rubber

## A Global Strategy for Responsible Sourcing

In 2019, we continued our partnership work on palm oil and rubber focused on increasing supply chain traceability and transparency, building smallholder resilience programmes, improving monitoring systems and strengthening engagement relationships.

### PALM OIL

Origin in 2 countries

### RUBBER

Origin in 1 country

 Staff engaged

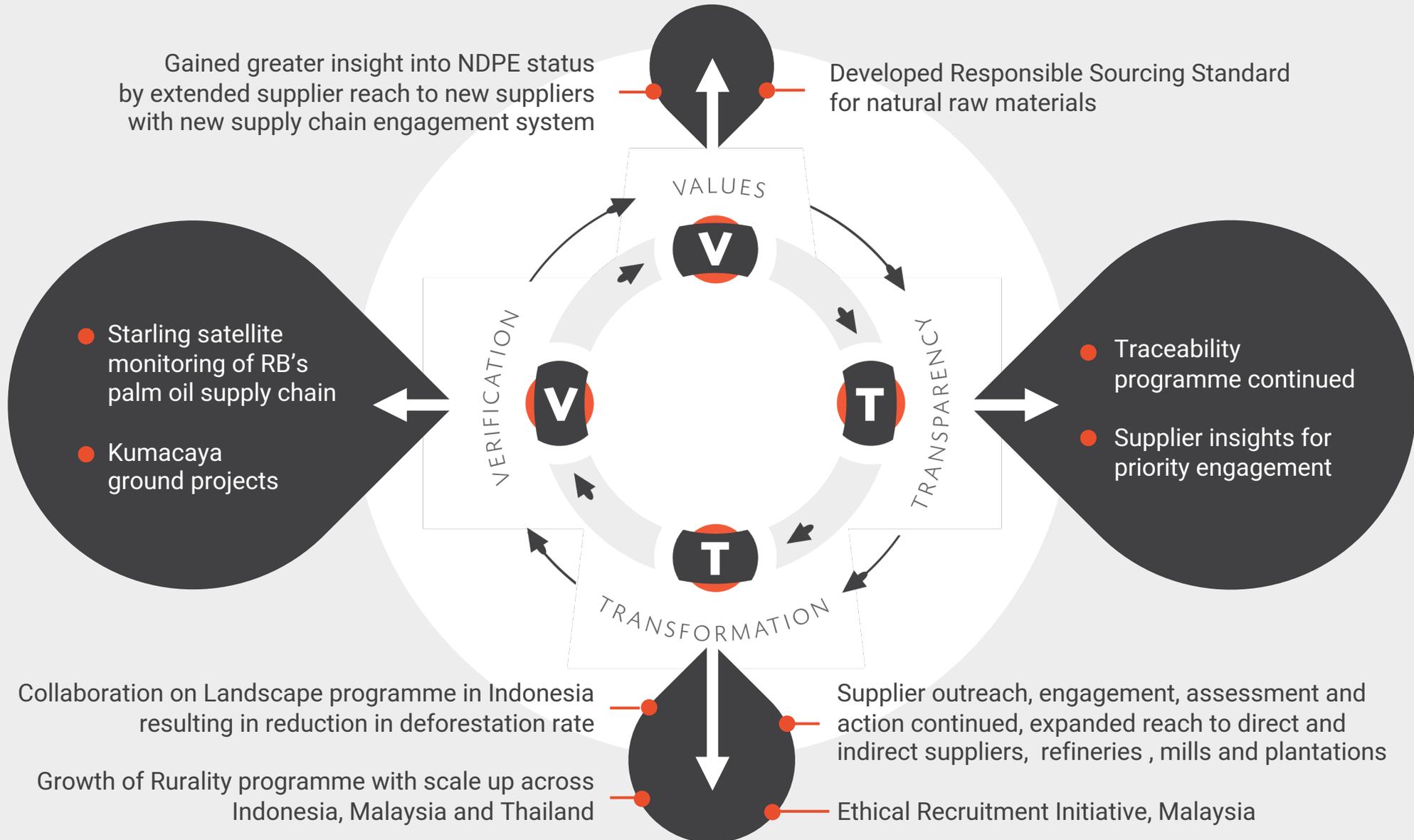
 Staff engaged & Field work

 Supply chain engaged





# 2019 activities through our partnership approach





# 2019 Key partnership results and impact

## Values, Transparency & Transformation

### Responsible Sourcing Standard

Advised on revision of RB standard aligned with relevant policies and supply chain industry insight

### Supply Chain Assessment System: Engagement for Policy Implementation

5 RB surfactant suppliers completed EPI questionnaires providing visibility of their NDPE performance for the first time

### 1,524 global mills

Updated public global mill list with 1,524 unique pathways of mills coming into RB's palm oil supply chain. [See this link for the global mill list.](#)

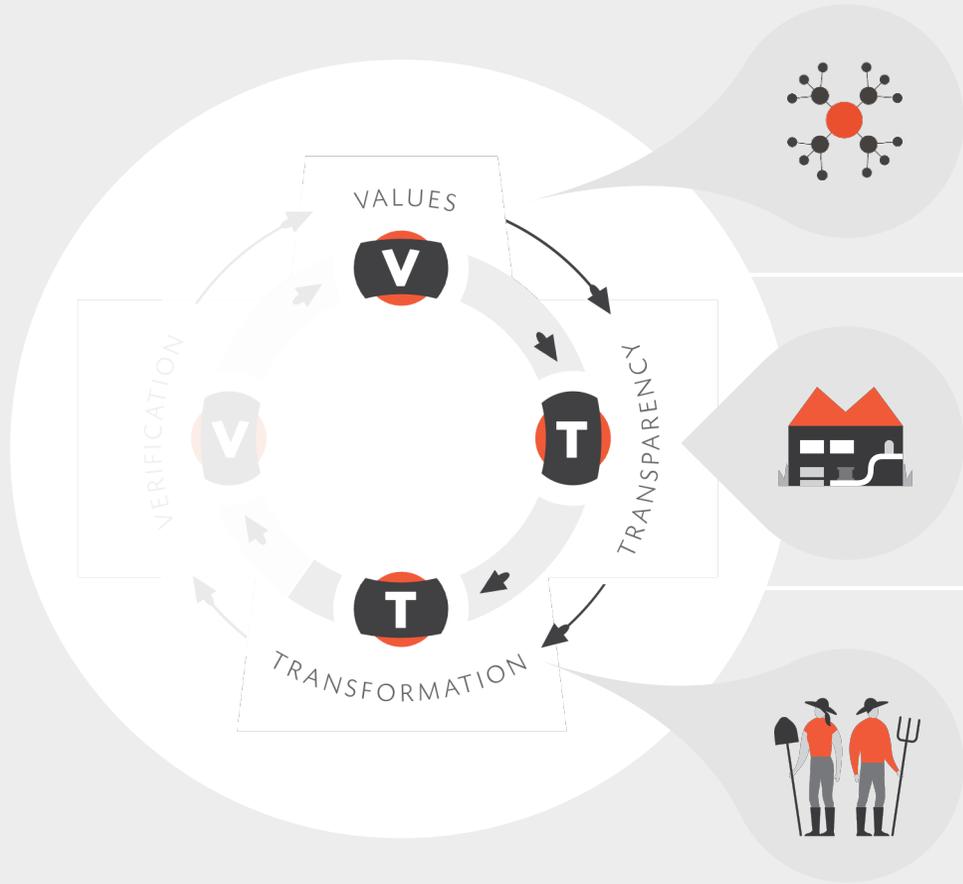
**90%** traceability to mill for year end 2019, up from 88% in 2018  
Target going forward > 95%

### Rurality work in Indonesia, Malaysia & Thailand

Since the start of the projects:

- **2,681 farmers** have participated in Rurality activities
- **555 farmers** are implementing better farming practices through support and guidance provided by Rurality
- **499 farmers** have diversified their on-farm activities to increase income and resilience

In 2019 **1,193** individual and group **training** exercises were completed with farmers, mills, intermediaries, schools, farmers' associations, partner institutions and government agencies.





# 2019 Key partnership results and impact

## Transformation work in Indonesia

### Aceh Tamiang

- **100%** of plantations and mills **trained** on NDPE and best practices
- **66% decrease** in **deforestation** since beginning of programme

### Southern Aceh

- **82%** of plantations and mills **trained** on NDPE and best practices
- **67% decrease** in **deforestation** since onset of programme



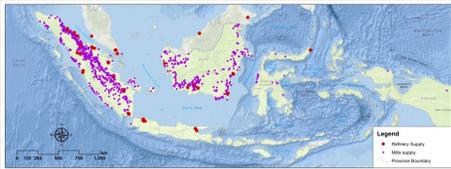
- 2095 households directly impacted by **Participatory Conservation Plans** in 5 forest frontier villages
- **3 agricultural demonstration plots** providing continuous rural training opportunities
- 245 people directly **trained** through Livelihood Programme
- 56 palm oil plantations and mills provided with NDPE policy & implementation **trainings** across 4 thematic workshops
- 3,000+ workers newly covered by **No Exploitation agreements**
- 87% of target companies (26 of 30) provided with labour trainings
- **Collective Action Plan** developed and agreed upon with government, covering 36 plantations & 10 mills
- **Technical guidance** credited with inspiring district-wide licensing moratorium and review
- 1,400 hectares **HCV/HCS forest mapped and protected**
- 12 concessions and 2 mills newly covered under **Forest Protection agreements**



# 2019 Key partnership results and impact

## Transformation work in Malaysia and Indonesia

### → Risk profiling



Risk profile & deep-dive follow up on high-risk suppliers in Indonesia and Malaysia

Analysed forest ownership and forest cover change to identify priority areas most at risk of conversion to oil palm and likely drivers of deforestation.

led to:

public-private integrated deforestation strategies

resources to allow mills in sensitive areas to advance No Deforestation policies and address deforestation alerts and risks

### → Tools 4 Transformation



T4T mill level monitoring system adopted by RB supplier representing c10% RB volume

2 fair recruitment case studies in IOI's mill and estate in Malaysia

### → Ethical Recruitment



120 participants from business, government, civil society and NGOs at [Ethical Recruitment Forum](#)



[Video](#) on worker retention strategies in Malaysia's palm oil industry



[Good practice tool](#) in Migrant Worker Retention Management in the Plantations Sector

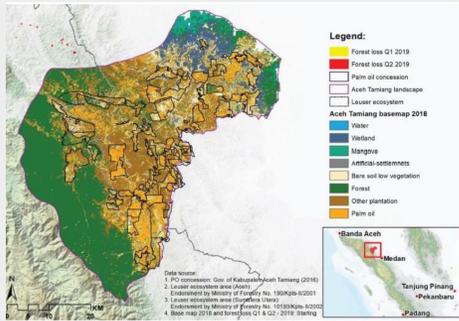


[Insights](#) into Malaysian Palm Oil SME's recruitment practices

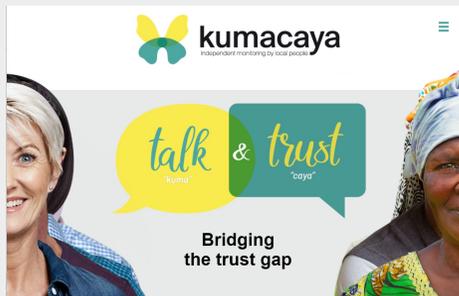


# 2019 Key partnership results and impact

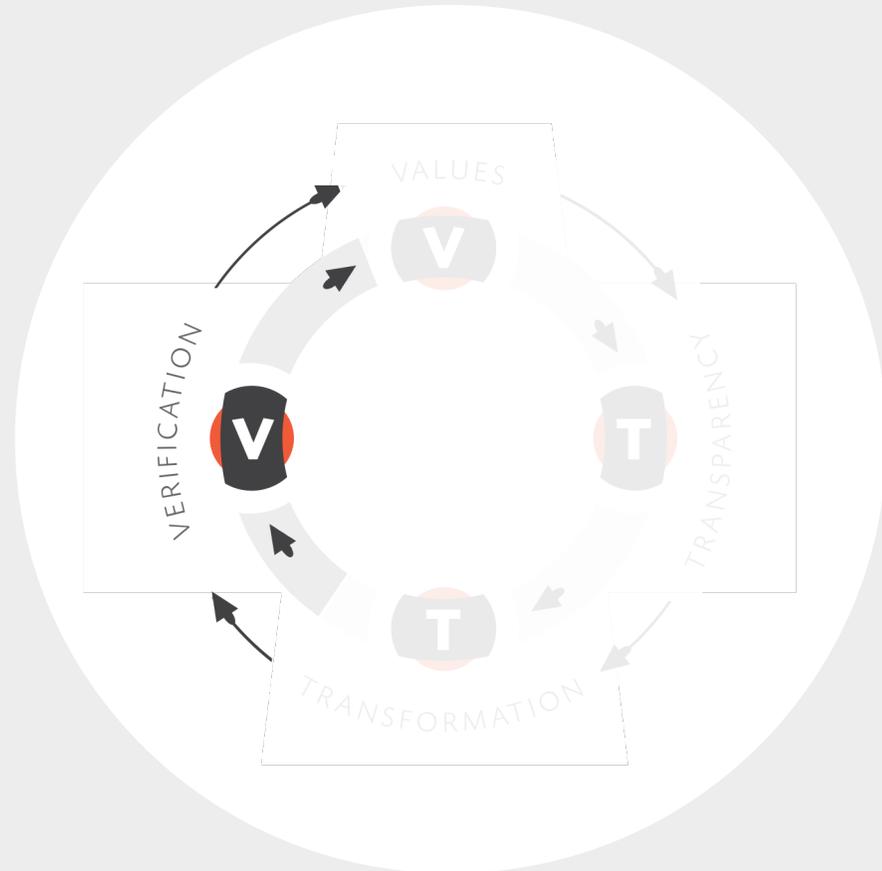
## Verification



100% of RB's palm oil supply chain monitored through [Starling satellite service](#)



3 Kumacaya monitoring [projects](#) provided on-the-ground insights from local CSOs





# Challenges & Learning



## Challenges

- RB's large global palm oil and rubber supply chain requires **consistent, tailored engagement of a high number of suppliers** and stakeholders to generate impact.
- **Obtaining more detailed mill to plantation data** has been slow, due to the nature and degree of connections at smallholder farmer level.
- Tackling **human rights** issues in palm oil supply chains have roots beyond RB's supply chain and involve engagement with stakeholders in other countries and with governments.
- **Balancing forest conservation** goals with promotion of resilient smallholders and thriving communities is a fundamental challenge.
- RB's unwavering commitment to implementation of their **Responsible Sourcing Standard** will need dedicated and targeted actions and changes at the origins of their supply chains.
- Ensuring the **social, biodiversity and environmental impacts** and progress of the suite of projects, can be measured and consistently reported against.
- **Covid-19** restrictions on ground work in 2020.



## Learning

- The **strength and trust** in the RB-EF partnership allows for close, frank and fruitful dialogues. This is key to addressing the complex social and environmental issues associated with Responsible Sourcing.
- In 2019 we increasingly saw the importance of **alignment and collaboration among supply chain actors** – up and downstream - to address shared challenges which has continued in 2020. It is clear that RB cannot reach their targets alone.
- **Innovation is key** for sustainable supply chains and is prioritised in our work together. It requires taking risks and trying new approaches, which can be uncomfortable but is essential to meeting our shared goals.



# | Where we are going



## Goals for 2020

- Improving supply chain visibility and coverage
- Scaling up & accelerating deforestation verification
- Supplier engagement and action planning follow up including further alignment of Responsible Sourcing Standard
- Building smallholder resilience and labour rights promotion in palm oil and rubber
- Stakeholder engagement at local, district and national scale in palm oil and rubber