



# Modern slavery transparency statement

## Introduction

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015. It sets out De La Rue plc's actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year 1 April 2015 to 31 March 2016.

De La Rue recognises that it has a responsibility to take a robust approach to slavery and human trafficking. The organisation is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

## Organisational structure and supply chains

This statement covers the activities of the De La Rue Group, of which De La Rue plc is the ultimate parent company.

De La Rue is a manufacturer of banknotes, passports, identity solutions and product authentication and traceability products for sale to customers across the world. We have manufacturing sites in the UK, Malta, Sri Lanka and Kenya.

De La Rue procures a wide range of goods and services from both the United Kingdom and overseas. Raw materials such as cotton are purchased from Europe, Asia and North and South America, other materials such as chemicals, security components and capital equipment are purchased from manufacturers and distributors in the UK, Europe and the US. Engineering equipment is purchased from the original equipment manufacturers in the UK, Japan and Europe.

## Relevant policies

The organisation operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Business Code of Conduct** – It is essential that De La Rue maintains the trust and confidence of our customers, and everyone it deals with, both inside and outside De La Rue, by demonstrating complete integrity in the way that De La Rue and its business partners behave. De La Rue's Code of Business Principles sets out our core values and standards and is the foundation of our ethical framework. All employees and business partners are without exception required to follow the Code of Business Principles when representing De La Rue (the code is a key part of the new employee induction process worldwide and third party partners also receive training).
- **Whistleblowing policy** – De La Rue's whistleblowing procedures enable employees to report concerns about the application of the Code of Business Principles or business practices within the Group. The procedures encourage raising issues either internally or via the De La Rue Codeline, an independently run telephone helpline. The Board of Directors receives details of any issues raised and how they have been followed up.
- **Anti-Slavery & Human Trafficking Policy** – De La Rue's Anti-Slavery & Human Trafficking Policy sets out our zero tolerance approach to modern slavery and provides guidance to employees on implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chain.

## Supplier Due Diligence & Risk Assessment

De La Rue undertakes commercial and operational due diligence when approving new suppliers, and regularly audits and reviews its existing suppliers. We carry out risk assessments of our supplier base by identifying suppliers which, either as a result of geographical location, industry sector or nature of commercial transaction, are considered to be at medium to high risk from a slavery and human trafficking perspective.

De La Rue has identified the key area of risk in its supply chain as raw materials suppliers of products such as cotton comber used in the manufacture of secure paper. Suppliers which are now identified as being medium or high risk are required to complete corporate social responsibility questionnaires which focus on identifying slavery or human trafficking issues within the supplier's organisation and their supply chain. The output of such questionnaires are analysed, risks assessed, and supplier audits are arranged as required.

## Contractual Controls

De La Rue has amended its standard supplier contractual terms to include obligations on suppliers to comply with the Modern Slavery Act, conduct regular slavery and human trafficking risk assessments in their own supply chain, implement appropriate controls to prevent modern slavery and human trafficking and to notify De La Rue immediately if they become aware of slavery or human trafficking in their supply chains. Suppliers which breach these obligations will face appropriate actions which could include termination of contracts.

## Board approval

This statement has been approved by Board of Directors of De La Rue plc, who will review and update it annually.

A handwritten signature in black ink, appearing to read 'MS', is positioned above the name and date of the signatory.

Martin Sutherland, Chief Executive Officer  
Date: 29 September 2016