



Global Compact Scope or Principle	Criteria for Global Compact Advanced Level	The De La Rue approach	Where to find out more (hyperlinks)
Implementing the 10 Business Principles into Strategies and Operations	Criterion 1: The COP describes mainstreaming into corporate functions and business units	At De La Rue, we recognise the importance of Responsible business activity becoming integrated into business as usual. Sustainable development outcomes are embedded within our brand purpose, to enable everyone to participate securely in the global economy. Our mission, our method of realising this, is to provide governments and commercial organisations with the products and services that enable countries to trade, companies to sell, economies to grow and people to move securely around an ever-more connected world. Whilst De La Rue is proud of its charitable giving and the fundraising efforts of staff around the world, we increasingly hear from our customers that the biggest impact we can have as a business is to engage in the sustainable development efforts of our customers and amplify them through our direct business dealings, all the while with the highest standards of governance and ethics. As part of our continued commitment to the UN Global Compact and its principles, we have assessed our materiality against the SDGs with some of our key partners and stakeholders and understood where we have most impact, both positive and negative. Our latest work to amplify and mitigate these respectively are detailed in this	Annual Report 2018 Our Strategy Our Vision Annual Report 2018 videos Code of Business principles Our Governance procedures Our Policies and Procedures Code of Business Principles Code Line Ethics Committee Ethics Champions
		annual report. Our supplement sustainability report further details	UK Recruitment Policy



	our ongoing policies and procedures across our commitments to Human Rights, Labour Rights, Anti-corruption and the Environment and combined, these two documents make up our Communication of Progress to the UN Global Compact.	Anti-Harassment Policy Anti-slavery and Human trafficking policy
Criterion 2: The COP describes value chain implementation	At De La Rue, we recognise the importance of integrating Responsible Business activities into business as usual. This is the only way to achieve the UN's Sustainable Development Goals (SDGs). Over the last year, we engaged our employees, customers, investors and suppliers in order to help understand our impacts, our responsibilities, our associated risks and our opportunities. We have begun incorporating our sustainability thinking into our different functional teams and are working to consistently measure and report our impact and actions to meet both statutory and non-statutory requirements. In 2017, we worked with PWC to analyse 65 key suppliers in order to identify the level of their understanding of their social, economic and environmental impacts. We also evaluated their approach to ethics so that we could fully understand and drive responsible business activity in our supply chain. Suppliers were included in the project according to the following criteria: high De La Rue spend; perceived modern slavery risk; and maturity of CSR understanding. A series of questions helped determine the suppliers' understanding of CSR, the KPIs or metrics they used to assess their impact, and how they control their supply chain - as well as their policies and procedures on slavery and human trafficking. The survey found that most, but not all, suppliers have a CSR or sustainability policy at a corporate level but some do not necessary publish them publically. Three suppliers requested De La Rue input into drafting policies. The majority of suppliers have policies	Annual Report SDG alignment in 17/18 Annual Report Inclusion and Diversity interview with Richard and Jo BNEI Board Membership SIA membership Bank of England Joint Charter case studies



and standards related to Human Trafficking and Slavery. We noted that

9 suppliers did not have specific policies, however domestic country-specific laws essentially covered this topic. Anti-bribery and corruption policies are well established across all the suppliers we assessed. Most suppliers provided comprehensive responses accompanied by internal and external documentation illustrating their policies on anti-corruption. Based on our findings, we are creating a specific **De La Rue supplier CSR** and sustainability policy, and will embed this into business-as-usual procurement governance processes. We have supported this robust approach by reviewing the awareness of sustainability issues in the procurement team.

Through a partnership with Optimor we are streamlining our talent acquisition process while ensuring fair recruitment processes. For example, we have introduced blind CVs. We have also updated our careers page and have highlighted our commitments to ethics and wider sustainability to ensure we only attract socially minded employees. All HR and hiring managers in the UK have been trained on the new system.

We are now three years into a five-year programme to change the way our sales partners are remunerated. Our aim is to reduce risk to the business while recognising all the work carried out by our partners, which may not always result in an order. A rolling Agent Transition Plan is being used to change partner remuneration as agreements become due for renewal. The majority of partners are now engaged under the new scheme, which is based on Banknote Ethics Initiative commitments - and we believe that we are one of the Initiative's leading members in this respect.

We are members of the ICC Anti-corruption Committee and the Business Ethics Initiative. We regularly participate in high-level round table discussions with HMG to discuss how they can work more





effectively and collaboratively with UK businesses to tackle corruption	
associated with exports to countries with high ratings on the corruption index. (SDG 16 and 17)	
We work to ensure that we drive best practice in our industry through our Board memberships of the Banknote Ethics Initiative and the Secure Identity Alliance. Both have strong codes of conduct and we will continue to use our influence to push for further transparency and accountability in our sector.	



Human Rights Management Policies and Procedures

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights

Criterion 4: The COP describes effective management systems to integrate the human rights principles

Criterion 5: The COP describes effective monitoring and evaluation mechanisms of human rights integration Our brand purpose is to enable everyone to participate in the Global Economy through our core products and services that underpin the integrity of trade, personal identity and the movement of goods.

We work with international partners to lend our experience and expertise in developing processes and systems to support human rights. One example of this is our participation at the UN Global Compact for Safe, orderly and regular migration as a specially accredited organisation.

Our **Code of Business Principles** (CBP) ensures that all employees uphold our values and principles. The CBP was reviewed and relaunched in 2016 and our nine core principles are regularly reviewed to ensure that they continue to underpin the way in which we conduct ourselves and work on a daily basis. If an employee is found to have acted in breach of the CBP, the Group takes appropriate action to address that breach including disciplinary action and ultimately terminating employment in the most serious cases.

Our policy is to treat all employees fairly and equally in recruitment, training, development, promotion and in their terms and conditions of employment. This is irrespective of their gender, transgender status, sexual orientation, religion or belief, marital status, civil partnership status, age, colour, nationality, national origin, disability or trade union affiliation.

Our focus this year has been on deepening our understanding of what inclusion and diversity means in practice and how it is advantageous to

Annual Report

Our Mission

Our Purpose

Our Values

Gender Pay Gap Disclosure

Ethics Committee

Remuneration Committee

Centre for Learning

Risk Committee

UN Global Compact for Migration Participation

Policies and procedures

UK Recruitment Policy
Anti-Harassment Policy



our business. We have also concentrated on identifying why getting this right is so critical to wider society as well as our business, and on providing our managers with further tools and training to recognise and be ready to respond to any issues.

As detailed last year, our mission is to have an inclusive and diverse workforce. We aim to:

• Employ a diverse workforce which reflects our communities and customers

Through a partnership with Optimor we are streamlining our talent acquisition process while ensuring fair recruitment processes. For example, we have introduced blind CVs. We have also updated our careers page and have highlighted our commitments to ethics and wider sustainability to ensure we only attract socially minded employees. All HR and hiring managers in the UK have been trained on the new system.

• Benefit from advantages of a diverse workforce, where inclusion becomes the normal way of working

We have commenced the roll-out of unconscious bias training sessions across our UK sites. The sessions encourage functional teams to celebrate diversity, to understand biases and how they work, and to identify how we can ensure that we encourage diversity and inclusion in our everyday working.

 Celebrate diversity by recognising that everyone is an individual and has a contribution to make

During the year, we delivered Insights personality training sessions to functional teams. In addition, we established a Women's Network in our Viables site and hosted three networking events to encourage women's equal participation in the workplace.

Anti-slavery and Human trafficking policy

Code of Business Principles

Escalation Procedure

Code Line

UK Grievance Procedure

UK Disciplinary Appeals
Procedure

UK Grievance Procedure

Employee Assistance Programme

Mental Health First Aiders

Trade Unions engagement statement



• Eliminate the gender pay gap

As at 5 April 2017, we had a gender pay gap of 10.04% (mean) or 9.74% (median). This is less than the UK figure of 17.4% (ONS provisional mean) or 18.4% (ONS provisional median, October 2017). As part of our Inclusion and Diversity Strategy we have a long-term commitment to eliminate this gap. See our supplement report for full details as reported on 12 January 2018. We can confirm that the data published in our report satisfied the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Furthermore, our ambition is to improve female representation at senior and executive management levels of the business to 25% by 2020.

Gender diversity as at 31 March 2018

Gender diversity as at 31 March 2018	Female	Male	Female	Male
Employees	845	1874	31%	69%
Senior Management	7	30	19%	81%
Executive Management	1	6	14%	86%

We fully support the principles set out in the UN Declaration of Human Rights, in particular with regard to equal opportunity and freedom from discrimination. We have effective management systems in place to protect human rights. Our Code of Business Principles (see governance section) covers human rights issues including employment principles, health and safety, anti-bribery and corruption and the protection of personal information.

The Code also embraces whistleblowing—we seek to provide an environment where employees can raise concerns via a variety of mechanisms, including a Code Line which is managed by an external third party, an internal Ethics Committee to which issues can be flagged



and a network of Ethics Champions across the group where issues can be raised in confidence. Every manager and employee has responsibility for the implementation of our **equal opportunity policy and training** is provided to employees and newly appointed line managers in equal opportunities and associated policies and procedures such as stress management, grievance and anti-harassment. The business has in place remedial processes should there be any human rights infringements including claims procedures and trade union engagement procedures. The business has an HR team at each site which is sensitive to local issues. All employees sign the Code of Business Principles as part of their contract with De La Rue. Inclusion and Diversity activities are ongoing in the business, from unconscious bias training for all managers, insights personality sessions for all teams around the company, and a new recruitment process which will use blind CVs to limit possibilities for discrimination. Our **Ethics Champions** at each site are passionate volunteers who provide channels of communication to all employees and can support escalation and grievance procedures. Our Ethics Champions ensures that each site has local support and representation for Code of Business Principles matters and continues to play an integral part in ensuring that strong De La Rue values are embedded across the business. Our **Communications Champions** too are volunteers who take on a role to enable colleagues to raise concerns and be supported.



We have also introduced **Mental Health First Aiders** in our Head Office Site this year. These volunteers are trained to offer support and to steer their colleagues to the appropriate support procedures in the company and externally as requested. In the event of an escalation and infringement on human rights, we have discrimination claims procedures which includes tribunals, Trade Unions engagement procedures. Risks of this nature are actively managed in our Risk Management process. De La Rue takes its responsibilities for supporting Human Rights very seriously and has robust measuring mechanisms in place to ensure that they are upheld. This ranges from monitoring the signature of the Code of Business Principles forms completed at joining the company, to receiving statistics about employee welfare from the Employee Assistance Programme. We also monitor reports from Code Line and ensure that we gather feedback and concerns from our networks of Communications Champions and Ethics Champions at all of our sites.



Labour Management Policies and Procedures

Principle 3:
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labour.

Principle 5: The effective abolition of child labour.

Principle 6: The elimination of discrimination in

Criterion 6: The COP describes robust commitments, strategies or policies in the area of labour

Zero tolerance of modern slavery and human trafficking

Recognising that our responsibilities extend beyond our own organisation, we work closely with main suppliers and contractors to ensure that their health and safety processes are robust. We take a firm approach to slavery and human trafficking. We are absolutely committed to preventing slavery and human trafficking in our corporate activities, and in our supply chains. Our **Modern Slavery Transparency statement** sets outs our stance in compliance with the Modern Slavery Act 2015. Suppliers are obliged to abide by the United Nations Convention on the Rights of the Child and International Labour Organisation Conventions 138 and 182. As part of our ongoing procurement programme, we monitor our key cotton comber and linter suppliers.

During the year, we experienced zero prosecutions for infringing health and safety laws or regulations. All our main manufacturing sites have maintained **OHSAS18001 certification for their health and safety management systems**, following external audits by accredited providers.

Right to collective bargaining and freedom of association

During the year, we successfully concluded an agreement with the local trade union in Malta regarding our employees. This agreement ensures a further three years of good working conditions and higher than local average wages for our people, as well as a positive outcome for our organisation.

We have set new objectives for Health and Safety and Labour rights for 2018/19. These are:

 To maintain a world class Lost Time Injury Frequency Rate per 200,000 worked hours of less than 0.6 (LTIFR)

Annual Report

Implementing standards

Malta collective bargaining case study

Ethics Committee

Policies and Procedures

Ethics champions

Code of Business Principles

UK Employee Forum – The transnational Information and Consultation of employee Regulations- UK

European Employee Forum -European works council directive

Modern Slavery act statement
UK Migrant worker policy



respect of		
employment and occupation	 To maintain our strong HSE training delivery performance of over 2,000 man-days per year To achieve >92% of conformance to our Zone 'SAFE' EHS 	UK Policy for the appointment of contractors
	inspections programmes To cascade more certified (e.g. NEBOSH, IOSH) H&S training and	UK Recruitment Policy
	deliver four 'SAFE' training modules	UK Security Screening Policy
		DLR Redundancy Policy
		UK Retirement Policy
		UK Disciplinary
		UK Grievance Procedure
		UK Flexible working policy
		UK migrant worker policy
		Global Stress management Policy
		Sri Lanka – Employment of women, young person and children Act
		Sri Lanka – Termination of employment Policy
		Sri Lanka – Trade unions



	Sri Lan agreer	ka – Collective nent
		The Constitution of Labour Relations
	Kenya	– Employment Act
	Kenya Act	- Labour institutions
	Kenya	– Labour Relations Act
		Occupational Health fety Act
	Kenya Act	– Work injuries benefit
		national Hospitalnce Fund Act
	Protect	om of Association and etion of the Right to ise Convention, 1948 7)



	Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
	Forced Labour Convention, 1930 (No. 29)_
	Abolition of Forced Labour Convention, 1957 (No. 105)
	Minimum Age Convention, 1973 (No. 138)
	Worst Forms of Child Labour Convention, 1999 (No. 182)
	Equal Remuneration Convention, 1951 (No. 100)
	Discrimination (Employment and Occupation) Convention, 1958 (No. 111)_



Criterion 7: The COP describes effective management systems

to integrate the labour principles

Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration At De La Rue, we monitor labour rights through certain KPIs which include – internal training uptake such as training for staff e.g. Making Good Safety Decisions, unconscious bias training. Health and Safety indicators include – Lost time accidents, Sickness, Near Miss

Reporting, training days, Employee Assistance Programme usage, UK payment policy

We conduct both **internal and external audits** for Health and Safety, Environment, OHSAS 18001, Machine safety and compliance audit, Labour rights governance structures amongst others.

The business has in place remedial processes should there be any labour rights infringements including claims procedures and trade union engagement procedures.

The business has an HR team at each site which is sensitive to local issues

All employees sign the **Code of Business Principles** as part of their contract with De La Rue

Our **Ethics Champions** at each site are passionate volunteers who provide channels of communication to all employees and can support escalation and grievance procedures. Our Ethics Champions ensures that each site has local support and representation for Code of Business Principles matters and continues to play an integral part in ensuring that strong De La Rue values are embedded across the business.

Our **Communications Champions** too are volunteers who take on a role to enable colleagues to raise concerns and be supported.

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Code of business principles
Gender pay gap reporting

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Modern Slavery Statement

Inclusion and Diversity

Learning and Development

Women's Network

Employee Survey

Employee Forum – UK and European

Trade union consultations

Communications champions

Ethics Champions



De La Rue takes its responsibilities for supporting Labour Rights very seriously and has robust measuring mechanisms in place to ensure that they are upheld.

This ranges from monitoring the signature of the Code of Business Principles forms completed at joining the company, to receiving statistics about **employee welfare** from the **Employee Assistance Programme**. We also monitor reports from Code Line and ensure that we gather feedback and concerns from our networks of Communications Champions and Ethics Champions at all of our sites.

In the event of an escalation and infringement on labour rights, we have discrimination claims procedures which includes tribunals, Trade Unions engagement procedures. Risks of this nature are actively managed in our Risk Management process.

To ensure fair and equal labour rights in the organisation, **De La Rue** has a robust management process around Personal Performance Reviews, Talent and performance Capability Reviews, Personal Enhancement Plans, Personal Development plans. These are accompanied by rigorous and transparent talent calibration reviews and regular reviews of sales commissions and bonus structures.



Environmental Management Policies and Procedures

Principle 7:
Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9:
Businesses should encourage the development and diffusion of environmentally friendly technologies

Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

At De La Rue we provide training across all areas of occupational health, safety, environment and fire safety and we deliver some 2000 man days of recorded training each year across these disciplines.

Our **Group HSE Sustainability policy** lays out our environmental aims and our overall sustainability aims which include compliance to all applicable environmental legislation and other requirements and any applicable environmental permits. Overall we ensure that adequate resources are made available to ensure our environmental management system is supported to identify significant impacts and risks to our business. We aim to reduce the HSE impacts of our operations products and services by using HSE good practice solutions. We publicly report on our HSE performance via our annual report and website.

All of our main sites are certified to **ISO14001:2015** and most of these sites are now under the Group ISO Certification for this standard and the final two sites are being incorporated under the Group in 2019/20.

We track key environmental KPIs on a monthly basis (waste, energy, water usage) and this data is also confirmed at each financial year-end where sites complete an environmental questionnaire to create an overall environmental summary using DEFRA conversion factors to provide annual reporting on our environmental performance (GHG/Carbon) for our stakeholders. We also subscribe to the Carbon Disclosure Project and FTSE4Good.

As well as having environmental qualifications and capability at Group level, all of our Site HSE Advisers also have formal environmental qualifications and we continue to develop these roles along with general environmental education at each of the sites.

Our three year HSE strategy plan includes an environmental sustainability row which includes the overall aims over the next three years. This is supported by a tactical implementation plan covering environmental sustainability.

Annual Report

Bank of England Carbon Trust accreditation

ISO 14001 certification

GHG table

SAFE Campaign

Gateshead energy saving case study

Policies and Procedures
Group HSE Sustainability
Policy



Our **Code of Business Principles** training and booklet covers HSE subject area as a priority reinforcing our ethical values in this area. By planning ahead and striving towards environmentally friendly approaches to doing business, we are able to minimise risk and our negative impact on our local environment, while ensuring the sustainability of the products we offer and securing the future of our manufacturing sites.

We undertake a competence review on an annual basis for key HSSE leaders in the business and through the HSSE structure to ensure we maintain continuing professional development and strong skills on environmental aspects.

The cascade process to ensure employees are correctly informed about environmental measures, business values, behaviours and performance requirements are included in induction training and followed up with local departmental training as appropriate for the aspects and impacts concerned. Employee HSE Information Booklets are also provided to support induction training sessions.

We were pleased to have met the following 2017/18 environmental objectives:

- To continue with our ISO14001 certification alignment for all manufacturing sites to ensure all sites are covered by the central certificate and one external audit process. Apart from Sri Lanka & Kenya which are scheduled for end of 2019, all sites have the central certificate. We will be meeting the new ISO14001:2015 standard as recommended for transition
- To reduce our greenhouse gas emissions in tCO2e related to output by 2% per annum over a three year period ending 2017/18 To reduce solid waste sent to landfill by 2% related to output per annum over a three year period ending 2017/18



	 To develop a wider sustainability programme covering HSE, tracked by KPIs. We are now tracking several environmental KPIs and working to set new science-based targets at end of 2018/19 Our goals/objectives for 18/19 are: To measure key environmental KPIs in the changed business during the year to enable the business to set science-based targets that are realistic for the next two to three years To review all products and main processes, identifying all significant carbon impacts in order to drive an investment and change programme To review our supply chain in order to improve our sustainable procurement and reduce carbon impact To include Sri Lanka and Kenya in our ISO14001:2015 Group Certification by the end of 2019 	
Criterion 10: The COP describes effective management systems to integrate the environmental principles	By planning ahead, we are able to minimise risk and our impact on our local environment, while ensuring the sustainability of the products we offer and securing the future of our manufacturing sites. Businesses should support a precautionary approach to environmental challenges; • We are aiming towards zero to landfill with a marked reduction year on year. • We set ourselves ambitious goals – last year we aimed and achieved 2% reduction strategies/goals.	Annual Report Bank of England Carbon Trust accreditation with Thinkstep case study GHG emissions table Yes Recycling partnership



		 We have a combined Group HSE Sustainability Policy and certification to 14001 to promote sharing of best practices across our global footprint. We have created a partnership with Yes Recycling which enables recycling of polymer banknotes Undertake initiatives to promote greater environmental responsibility; We continue to install LED lighting across many sites as we refurbish areas We helped the Bank of England to obtain Carbon Trust certification for the new polymer £5 and £10 – mapping out the lifecycle of our products We have started a review of supply chain ethics and will continue to work with our key suppliers towards improved environmental stewardship 	Policies and Procedures Group HSE Sustainability Policy
d n e	Criterion 11: The COP describes effective monitoring and evaluation mechanisms for environmental stewardship	Technical manual within our R&D function reviews and assesses Environment impacts of new products/security features being developed – examples exist but due to commercial sensitivities are not available for disclosure At De La Rue we take our environmental responsibilities very seriously. Each manufacturing site has at least one Health, Safety and Environment advisor. We are proud to have all of our sites under a group ISO 14001 certification which provides our management system and documentation to manage environmental stewardship. Our efforts are supported from the Executive Leadership team and is supported on a daily basis by the Group HSE manager and the Group HSE Committee.	Annual Report Ethics Committee Governance procedures Policies and Procedures Group HSE Sustainability Policy



We have **environmental incident reporting mechanism** across all sites as well as alternative channels through Ethics Champions and Communications Champions networks. These are in place to ensure employees are empowered to raise any environmental concerns. Procedures to deal with any concerns are in accordance with group policies and processes including access to the whistleblowing hotline Code Line as well as internal grievance and escalation procedures.

Our Leadership conducts an internal environmental audit every 2 years at every site. These reviews are against the group environmental standards.

Senior Management reviews the Group's 14001 Management each year. Site level management reviews these every 6 months and feeds the relevant information into the Group Review.

Incidents are raised at the local level as a non-conformance under 14001 and investigated with corrective actions according to the EMP006 document. Concerns are handled by raising a corrective action report after the investigation. There is always a full audit trail.

Ethics Committee

Code of Business Principles

14001 Guidelines

Communication Champions

Ethics Champions

Code Line

EMP006 Documentation



Anti-Corruption Management Policies and Procedures

Principle 10:
Businesses should
work against
corruption in all its
forms, including
extortion and
bribery.

Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption

We help to build strong institutions, creating trust and encouraging inclusive and fair societies. It's what we do and have done for over 200 years.

We continue to **support Global anticorruption efforts** through the provision of our core products and services. In order to function, central government cash, identity and authentication services require integrity, robustness and trust to be built-in. This not only determines how we act as a supplier, but also means that we strive to design solutions that can be implemented by the customer. Whether digital services or physical documents, our solutions have anti- corruption and anti-counterfeit features built into their core.

Our membership of the UNGC helps us to amplify our efforts with our customers as well as our ethical behaviour in our business, our industry and our supplier base. Membership helps to ensure that governance and ethics remain at the heart of the products and services we provide to customers.

Our Code of Business Principles (CBP) outlines De La Rue's core commitments, what they mean and how they should be implemented at all levels within the company. It applies to employees as well as contractors, suppliers, joint venture partners and representatives of De La Rue worldwide. A booklet outlining De La Rue's CBP is issued to all new joiners who are required to read the details then sign and return a declaration form to confirm that (1) they have received, read and understood the CBP, (2) they understand their responsibilities and obligations under this code, (3) if they are uncertain they will seek advice and (4) if they are aware of any breaches of the Code which are

Annual Report

Ethics Committee

Ethics Champions

Code of Business Principles

Ethics Video

Third Party partners case study

Policies and Procedures

Code Line

Bribery and corruption group policy – summaries on our website audited by Good Corporation

Third party partner policy



ongoing, they will raise this through the appropriate channels. Guidance is given on the routes individuals can take to raise concerns, including the confidential option of using the De La Rue Code Line, which is managed by a third party on behalf of De La Rue. The principles we uphold are: Health, safety and the environment we are committed to keeping our employees safe in the workplace and behaving in an environmentally responsible manner Fairness and respect we work hard to create an environment where everyone is treated fairly Records and reports we will ensure our records and reports are accurate and true Conflicts of interest we will not allow personal or family interests to influence our professional judgement or activities Protecting personal information we will protect personal information and use it only in accordance with data protection law Competition and anti-trust laws we are committed to competing in an open and fair manner Bribery and corruption we will ensure that neither we nor our representatives offer, pay, seek, accept or encourage bribes Gifts and hospitality we can offer and accept only modest and appropriate gifts and hospitality Insider trading and confidential information we will not use confidential or inside information for our own or others' personal aain



The De La Rue Code of Business Principles is **endorsed by our CEO and supported by our Executive Leadership Team and Board through the Ethics Committee** established in 2013. They meet twice per year.

Our Code of Business Principles provides the structure of our policies and procedures in terms of ethics and Anti-corruption. We have a strong Third Party Partners due diligence processes which is mirrored in our procurement function. All of our Commercial teams are trained and monitored for Anti-Bribery and Corruption training and conduct.

Ethics is critical to De La Rue and we ensure that all employees and partners realise the importance as soon as they engage with De La Rue. HR conducts security Screening for all new applicants and every new starter signs the Ethics form and the code of business principles. We ensure that our Corporate Ethics Video is shown at induction.

Further examples of anti-corruption and ethics:

- We are members of the International Chamber of Commerce Anticorruption Committee and the Banknote Ethics Initiative (BnEI). We regularly participate in high level round table discussions with the UK Government to discuss how they can work more effectively and collaboratively with UK businesses to tackle corruption associated with exports to countries with high ratings on the corruption index (SDG 16 and 17)
- We work to ensure that we drive best practice in our industry through our board memberships of the BnEI and the Secure Identity Alliance. Both have strong codes of conduct and we will continue to use our influence to push for further transparency and accountability in our sector



 We are working in collaboration with the Bank of England to align and improve the implementation of our approaches to embed sustainability principles in our supply chains, as part of our Joint Charter (SDG 12) Goals and objectives for the BnEI, and for our own ethics management: Continue to advocate for better collaboration between UK Government and businesses to tackle corruption and to export British
 Advocate for countries to include weighted ethical requirements and support of relevant SDGs in their central government tender processes Help central banks implement De La Rue Analytics™ to enable accurate data-driven forecasting and procurement
 Implement an Anti-Bribery and Corruption annual affirmation to be conducted by the Senior Leadership Group and customer facing personnel. The aim is to remind people of their obligations and confirm that they comply with legislation and our Code of Business Principles Create and roll-out a Supplier Code of Conduct Goals and objectives for Banknote Ethics Initiative, and for our own
ethics management: Continue to advocate for better collaboration between HMG and UK businesses to tackle corruption and to export British integrity standards.



	 and support of relevant central government ter Help central banks implacturate data-driven for Implement an Anti-Bribe conducted by the Sfacing personnel. The obligations and confirmour Code of Business F 	lement De La Rue Analytics to enable precasting and procurement. ibery and Corruption annual affirmation to Genior Leadership Group and customer aim is to remind people of their m that they comply with legislation and	
Criterion 13 describes ef managemen to integrate corruption p	to the business while recompartners, which may not a Transition Plan is being use agreements become due finow engaged under the nethics Initiative commitment the Initiative's leading medium we are members of the IC Business Ethics Initiative. Tound table discussions with the systems of the IC Business Ethics Initiative.	nto a five-year programme to change the e remunerated. Our aim is to reduce risk gnising all the work carried out by our lways result in an order. A rolling Agent ed to change partner remuneration as for renewal. The majority of partners are new scheme, which is based on Banknote ents - and we believe that we are one of embers in this respect. CC Anti-corruption Committee and the We regularly participate in high-level ith HMG to discuss how they can work boratively with UK businesses to tackle	Annual Report Ethics Committee Risk Committee Code of Business principles Third Party Partners case study Memberships of ICC, BEI, BNEI, SIA



	corruption associated with exports to countries with high ratings on the corruption index. (SDG 16 and 17)	Ethics in Supply chain case study
	We work to ensure that we drive best practice in our industry through our Board memberships of the Banknote Ethics Initiative and the Secure Identity Alliance. Both have strong codes of conduct and we will continue to use our influence to push for further transparency and accountability in our sector. We have carried out a study with our key suppliers on ethics.	Policies and Procedures Ethics Champions Code Line
Criterion 14: The COP describes effective monitoring and evaluation mechanisms for the integration of anticorruption	Our policy is to ensure that Human Resources security screen new job applicants prior to offer. Every new starter signs the Ethics form and the code of business principles and our Corporate Ethics Video is shown at Induction. To ensure that employees continue to act in a responsible way, we monitor anti-corruption practices and engagement in several ways including an employee survey which asks whether 'De La Rue encourages you to act in an honest and ethical way'. We provide refresher training on the Code of Business Principles and pre-conference training for our commercial teams to avoid anti-competitive behaviour. We have Ethics Champions in all sites who are trained and who come together for a conference every 18 months where we can share experiences and best practice approaches to embed responsible behaviour. We also have a central Gift Register which all employees must keep up to date.	Annual Report Ethics Committee Policies and Procedures Ethics Champions Code of Business Principles Security Screening Policy Central Gift Register Code Line BNEI Good Corporation Audit



	Our leadership team reviews reports from our monitoring systems and processes on a six-monthly basis.	
	Review mechanisms include Ethics Committee meetings, Agent Transition Plan steering committee meetings, Code Line reports and Gift register reports	
	Audits of our policies and procedures are carried out by the Good Corporation as part of our board membership of the Banknote Ethics Initiative.	



Taking Action in Support of Broader UN Goals and Issues

Scope: Taking Action in Support of Broader **UN Goals and Issues**

Criterion 15: The COP describes core business contributions to UN goals and issues

Criterion 16: The COP describes strategic social investments and philanthropy

Criterion 17: The COP describes advocacy and public policy engagement

Criterion 18: The COP describes partnerships and collective action

To understand our alignment to the Sustainable Development Goals, an internal team conducted an audit. This is available in our Annual report. Case studies and evidence for this can be found in our 17/18 Annual Report.

Lead

SDGs where our impact is significant and where we will continue to lead



Focus and Improve

SDGs where we have the opportunity to improve and achieve great impact



Maintain Momentum

Maintain Foundations

SDGs which we continue

to support

SDGs where we must maintain our strategies in order to ensure we continue to make an impact









Sustainable development lies at the heart of our business – to enable everyone to participate securely in the global economy. We provide governments and commercial organisations with the products and services that enable countries to trade, companies to sell, economies to grow and people to move securely around an ever-more connected world.

Annual Report

Responsible Business Section

Strategic Report case studies with SDG Icons

Policies and Procedures

Physical Security

Personnel Security

Cyber security

Business Continuity Management

Privacy and Data Protection Policies



While we are proud of our charitable giving and the fundraising efforts of staff around the world, we increasingly hear from our customers that we can achieve the greatest impact by active collaboration on sustainable development efforts. By working together, we can amplify the impact of our sustainability initiatives while supporting the highest standards of governance and ethics.

As part of our continued commitment to the UN Global Compact and its principles, we have assessed our materiality against the UN Global Compact Sustainable Development Goals (SDGs) with some of our key partners and stakeholders and gained a detailed understanding of where we have most impact, both positive and negative.

ENABLING PARTICIPATION

Financial and social inclusion are two of the biggest challenges today. According to the World Bank, 37% of the world's population do not have a bank account. 85% of worldwide payments are still made with cash. 1 in 6 women say that a lack of identity documents is the reason why they can't open a bank account.

In 2017, there were an estimated 258m international migrants globally. 66.5m people were forcibly displaced, of which 22.5m were refugees. International cooperation and trust in legal identities has never been more important to ensure that people's human rights are protected wherever they are.

Now more than ever, it is critical for governments to be able to support their populations with robust and efficient cash cycle



logistics and legal identity management systems. These systems enable participation in society and protection from fraud and mistreatment. Accessibility of cash and the provision of secure and trusted legal identities underpin the integrity of society and enable it to function efficiently.

At De La Rue, we

- work to ensure banknotes are secure, trusted and available for use in 140 countries around the world
- have provided 22m people with identity documents this year, enabling secure, safe and orderly migration as well as access to services
- provide the largest food agency in the world with secure food vouchers which enable humanitarian rations to be delivered
- work with ICAO, UNHCR and IOM on international standards and approaches to migration and documentation.

Over the last year, we have created new tools and products which equip governments to understand the needs of their populations and to make decisions based on data. You can read more in our case studies on DLR Analytics™ and new civil registration system for Antigua and Barbuda.

ENABLING PROTECTION

Illicit trade is a hindrance to economic growth. 1 in 10 cigarettes consumed globally are thought to be illicit and cost governments billions in lost tax revenue. Counterfeit goods are on the rise. The estimated value of the global counterfeit market is expected to reach



\$2.8tr in 2022. The consequences of illicit trade are far reaching and damaging for society. They include the stunting of socio-economic growth, increased risk to citizens' health, the fuelling of criminal activity and damage to brand reputations. To combat illicit trade, the authenticity of products needs to be guaranteed from source to consumption.

Differing tobacco and alcohol taxation levels across regions and borders leads to tax evasion and avoidance. Worldwide tax non-compliance has been estimated to cause 164,000 premature deaths a year. The World Bank states that new consensus seems to be emerging to globally enforce corrective tax instruments, on goods whose consumption creates social negative externalities, such as tobacco.

De La Rue has a long established history of combating illicit trade and tax evasion:

- We secure \$30bn of commercial supply chain goods each year with some of the world's biggest brands
- We produce 1.6bn uniquely traceable identifiers each year enabling

governments and organisations to trace goods around the world

- We work with governments to implement Product Authentication and Traceability solutions to reduce the volume of illicit dangerous cigarettes and alcohol available to buy in the country
- A tax stamp scheme on tobacco in Kosovo recouped \$12m in tax and reduced smuggling by 61% in the first year of implementation

At De La Rue we recognise our responsibility to protect the privacy of its stakeholders and of the data that we work with. Our data protection and data security policies and procedures reflect this.



Equally important is our commitment to protect the physical security of our business as well as to protect the security of our personnel. Our security policies provide details of this.

IMPLEMENTING STANDARDS

As the largest commercial security printer in the world, we take our responsibility seriously. We recognise that our influence can help ensure that international standards and best practice around ethics and governance become the norm. Our annual report features details of how we implement and support our stakeholders to implement standards around human rights, labour rights, protecting the environment and anti-corruption and wider ethics standards.

Security standards, whether physical or digital, are inherent to our business and are embedded across our organisation. Whether it is to protect the data and privacy of our customers and their valued stakeholders, to protect our manufacturing sites and our personnel, our security policies and procedures provide the highest standards of security.

In addition to this, our Business Continuity Management policies and procedures enable De La Rue to prepare for, respond to and recover from any major incident or interruption that causes or is likely to cause disruption to the business and our customers. We are also able to offer our Business Continuity Management experience to our customers for their solutions.



DE LA RUE'S COMMITMENT TO THE COMMUNITY

To celebrate the release of *Star Wars: The Last Jedi*, we teamed up with the UK Government's GREAT campaign and the Walt Disney Company to raise funds for a worthwhile cause – Together for Short Lives. We produced 1,000 limited edition and 50 premium exquisitely designed Star Wars™ commemorative banknotes, which were sold and auctioned for £186,000. All proceeds were donated to the UK based charity, which supports children's hospices and the 49,000 children with life-threatening and life-limiting conditions in the UK, and their families.

De La Rue Charitable Trust, in the past 2 years alone, has supported 85 different charities with £98,000. 30 were UK based charities with UK benefit; and 55 were for overseas benefit through UK charities. In the same period, the Trust also matched employee fundraising efforts for their chosen charities totalling £37,000.

De La Rue's Advanced Partner Programme has helped to fund the building of classrooms and a village for street children in Rwanda. We also sponsor the African Innovation Prize charity which works alongside the Kigali Institute of Science and Technology to inspire entrepreneurship and introduce students to the fundamentals of running and leading their own business.

De La Rue 4 Good in Basingstoke. Our empowered and purpose driven employees drive a very active De La Rue 4 Good initiative which runs several successful local community events each year. De La Rue was a runner-up in the local Inspire Business Awards in 2015 in the Business and the Community category



De La Rue 4 Good activities fall across three areas, fundraising, education and 'doing and donating'.

Our employees vote annually for a local charity to benefit from fundraising activities in the year. Activities over the last 5 years have raised over £30,000 for five deserving local charities;

- Sebastian's Action Trust
- St Michael's Hospice
- Hampshire and Isle of Wight Air Ambulance
- Basingstoke Young Carers
- Saxon Wood School

Educational activities, mostly through the Basingstoke Consortium, include employability skills training; offering year 9 pupils advice on interviewing skills, on the use of social media and perceptions of good and bad behaviour. We also engage with *Step into Industry* – a shadowing programme where local school children can come and experience office culture.

On an on-going basis, our employees donate everything from kitchen equipment to baby clothes, to tents and sleeping bags for local charities such as Inspero Community Project, Camrose Centre for the Homeless, The YOU Trust, Women's Wisdom and Step by Step.

Our people

A new women's network launched in 2017 also enables networking and proactive discussions about enabling women in the workplace. This is open to all our employees in the local area and include



speakers and networking opportunities. This year we have also held an external event to which employees were encouraged to attend.

Our environment
Our Viables employees have recently celebrated World Environment
Day with a week of awareness campaigns to change wasteful
behaviours, handing out free re-useable cups and educating fellow
employees about recycling, local conservation and environmental
impacts of our products.

As an international business operating in around 140 countries,
De La Rue regularly takes part in many events around the world,
which involves huge amounts of travel. In order to reduce the
impact of this on the environment, De La Rue has agreed to offset

at these events. Working with Carbon Footprint Ltd, De La Rue has estimated it will save 268 tonnes of CO_2 – which is the equivalent of around 29 homes' energy use in a year or the CO_2 emissions of 30,156 gallons of gasoline*.

all travel and accommodation cost for all De La Rue delegates and

exhibitors



Corporate Sustainability Governance and Leadership

Scope: Corporate Sustainability Governance and Leadership Criterion 19: The COP describes CEO commitment and leadership

Sustainability impacts every aspect of our business. We help governments protect their revenue, citizens to participate securely in the global economy and brands to safeguard their intellectual property. Our commitment to sustainability is expressed through our support for the UN Global Compact

In December 2017, we were proud to renew our participation in the UNGC in recognition of the key role that the UNGC plays in promoting the highest ethical standards. Joining the UNGC is a clear demonstration of the progress we are making in our five year transformation programme, which addresses a number of initiatives, including sustainability. The UNGC is a voluntary initiative whereby companies align strategies and operations with universal principles on human rights, environment and anti-corruption, and take actions that advance societal goals. It is based on commitments of chief executives to implement universal sustainability principles and to take steps to support the UN Sustainability Development Goals (SDGs). These goals aim to encourage individuals, organisations, governments and the international community to communicate and collaborate more effectively and to ensure that everyone has the right to prosper in the future.

We recognise the role that businesses can play in the achievement of the SDGs. As our Chief Executive Officer Martin
Sutherland commented at the time of De La Rue's original signing,
"Our business fights against counterfeiting every day and we aim to enable legal identity and social inclusion for our customers

Integrated Annual Report 2018/19

Ed Responsible Business video



	the world. As a result, many of the SDGs are at the heart of what we do. We are proud to demonstrate that we are a responsible business – in the services we provide, the way we work and the contributions we make to the communities in which we operate."	
Criterion 20: The COP describes Board adoption and oversight	Ed Peppiatt, our Company Secretary and Legal Counsel is our Executive Leadership Team Sponsor for our membership of the UNGC and sits on the Board alongside the CEO. Each member of our ELT is also responsible for the UN Business Principles. Our CCO, Richard Hird is our ELT sponsor for our diversity and inclusion strategy, alongside our HR Director Jo Easton. Our COO, Bryan Gray takes his responsibilities of Labour Rights, health and Safety and environmental strategy very seriously, with a large proportion of his team working in the manufacturing environment. Our CTO, Selva Selvaratham, is passionate about embedded trust and ethics into all of our products and services. His commitment is to support Ed Peppiatt as General Counsel, to embed it into our business, but also to promote anti-corruption and integrity through our projects with our customers.	Annual Report CEO Responsible Business and UNGC commitment Ed Peppiatt Responsible business video Implementing standards section of the annual report
Criterion 21: The COP	At De La Rue, we recognise the importance of integrating Responsible Business activities into business as usual. This is the only way to	Annual Report



describes stakeholder engagement.

achieve the UN's Sustainable Development Goals (SDGs). Over the last year, we engaged our employees, customers, investors and suppliers in order to help understand our impacts, our responsibilities, our associated risks and our opportunities.

We have begun **incorporating our sustainability thinking into our different functional teams** and are working to consistently measure and report our impact and actions to meet both statutory and non-statutory requirements.

Our annual report highlights some of our activities and our statutory reporting in areas including Human Rights, Labour Rights, the environment and anti-corruption. Further details, case studies, our ongoing activities and our policies and procedures can be found on our website.

Our **engagement in Industry Associations and Initiatives**, such as the Banknote Ethics initiative and the Secure Identity Alliance, enable us to discuss sustainability issues with customers, suppliers and employees.

Through our **Joint Charter with the Bank of England**, we have identified opportunities for collaboration at our Debden manufacturing facility over the coming 12 months. These include medium-term plans to share knowledge about sustainability, to work together to engage our people in wellbeing initiatives, and to protect the environment by introducing joint energy reduction plans and waste management strategies.

As a specially accredited organisation, De La Rue participates in the preparatory process for the **Global Compact for Safe, Orderly and Regular Migration**. In July, we took part in a panel discussion on International Cooperation and Governance of Migration in the

-Industry: Banknote Ethics

Initiative Secure Identity Alliance

-Customers: Bank of England Joint Charter

-Supply Chain: Ethics survey case study

-UN agencies: Specially Accredited Organisation for the Global Compact for Migration





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