

## A responsible business

De La Rue provides governments with the products, services and insights to enable participation, protection and the implementation of standards.




**Martin Sutherland**  
Chief Executive Officer

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.

We increasingly hear from our customers that we can achieve the greatest impact on sustainable development efforts by active collaboration. 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. The following illustrates our SDG alignment. I am proud to acknowledge the fundraising and charitable giving of employees around the world. This has a great impact on our local communities.

 Watch the interview about responsible business  
[www.delarue.com/ar2018](http://www.delarue.com/ar2018)



Being responsible is at the core of our business.



 Find out more about UN Global Compact  
[www.unglobalcompact.org.uk/](http://www.unglobalcompact.org.uk/)



### 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

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



### Maintain Foundations

SDGs which we continue to support

## Enabling participation

Financial and social inclusion are two of the biggest challenges today. According to the World Bank, 38% of the world's population do not have a bank account. Eighty five per cent of worldwide payments are still made with cash. One in six women say that a lack of identity documents is the reason why they can't open a bank account.<sup>1</sup>

In 2017, there were an estimated 258m international migrants<sup>2</sup> globally. 665.6m people were forcibly displaced, of which 22.5m were refugees<sup>3</sup>.

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. We, at De La Rue,

- 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<sup>4</sup>, UNHCR<sup>5</sup> and IOM<sup>6</sup> 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.



### Award winning DLR Analytics™

Access to trusted banknotes whether in a rural location or in a city, is critical for those who rely on it. This is particularly evident in times of crisis when people require humanitarian aid. However, even in stable environments, cash always enables economic growth, stability and financial inclusion, particularly for women, who are less likely to have a bank account. Making sure that cash is available and of an acceptable quality is essential. De La Rue has a long history of helping central banks in times of crisis, whether it is after the fall of an old regime or the emergence of a new state. The cash cycles and factors impacting the demand for cash are hugely complex to monitor and manage. In 2017 De La Rue launched DLR Analytics™, which helps issuing authorities improve demand forecasting and budget

planning. This service standardises the language and calculations behind cash cycle analytics, enabling issuing authorities to more directly learn from the experiences of others. DLR Analytics™ can help issuing authorities ensure that banknotes are available and consequently that businesses can continue to participate in both the local and the global economy. Analytics also offers central banks the opportunity to be transparent and to qualify their decision-making regarding their cash cycle management.

Helping our customers with forecasting and analytics also helps our business. We are able to plan resources more effectively because we can analyse trends in the whole market. To date, 70 issuing authorities have signed up to DLR Analytics™ – almost half of the world's total.



Find out more about the Future of Cash  
[See page 08](#)



### Enabling participation through identity

The Government of Antigua and Barbuda has decided that it would like to make it simpler for people in the country to interact with the government and to improve the ease of doing business. To do this, they have chosen to work with De La Rue and a local IT company (ACT) to transform the Civil Registration and Vital Statistics system. This will provide people with a trusted legal identity from

birth. Midwives will be able to notify the government that a birth has taken place on mobile technology and the birth will be verified and registered centrally. With their legal identity, people will be able to access key services, pay taxes and set-up businesses more easily. De La Rue and local firm ACT have based the solution on local laws and are proud to be able to build and deploy replicable models in the region and globally, bolstering Antiguan skills and industry.



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<sup>1</sup> The World Bank.

<sup>2</sup> International Migration Report 2017, UN DESA.

<sup>3</sup> UNHCR figures.

<sup>4</sup> ICAO – International Civil Aviation Organisation.

<sup>5</sup> UNHCR – United Nations High Commissioner for Refugees.

<sup>6</sup> IOM – International Organisation for Migration.

A responsible business continued

## Enabling protection

Illicit trade is a hindrance to economic growth. One in ten 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<sup>1</sup>. 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<sup>2</sup>.

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



### Raising charitable funds through innovation with Disney and the UK Government's GREAT Campaign

The release of Star Wars: The Last Jedi caused great public interest during 2017. To celebrate this event while showcasing the best of British innovation and raising funds for a worthwhile cause, we teamed up with the UK Government's GREAT campaign and the Walt

Disney Company. 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 Together for Short Lives, a 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.



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### Enabling protection through track and trace solutions

Our authentication and traceability solutions help governments clamp down on illicit trade of tobacco, alcohol and other goods, and effectively recover tax from the sale of genuine products in their country. We have worked hard to create both a product and commercial solution that offer sustainability for our customers. The approach we have come up with requires no upfront capital investment from the government and ensures that proceeds of the scheme are reinvested into the solution and its expansion. This in turn helps the government collect more tax revenue. We also make sure that the implementation causes minimal disruption across the tobacco and alcohol organisations that are



impacted and provide transparent reporting mechanisms to build trust between government, De La Rue and product suppliers.



Visit us online  
[www.delarue.com/ar2018](http://www.delarue.com/ar2018)

<sup>1</sup> Joossens L, Merriman D, Ross H, et al. How eliminating the global illicit cigarette trade would increase tax revenue and save lives. Paris: International Union against Tuberculosis and Lung Disease, 2009.

<sup>2</sup> The World Bank

## Implementing standards




**Edward Peppiatt**  
Company Secretary and  
General Counsel  
ELT sponsor for responsible business

At De La Rue, we recognise the importance of integrating sustainability into daily businesses. This is the only way to achieve the UN's 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 opportunities. We have begun incorporating our sustainability thinking into different functional teams and are working to measure and report our impact and actions to meet both statutory and non-statutory requirements.

Last year's materiality assessment enabled us to identify that we can have significant positive impacts in delivering strong institutions (SDG16) and Quality Education (SDG4). Alongside these, we recognised we had to focus and improve in the areas of Health and Wellbeing (SDG3), Gender Equality (SDG5) and Innovation (SDG9). We committed to maintaining momentum across the environmental goals and providing decent work and economic growth (SDG8), and to acting as a responsible producer and consumer (SDG12). Collaborating for the goals (SDG17), to end poverty (SDG1) and reduce inequalities (SDG10) remain the foundations of our business.

Over the next pages, we offer some highlights of our activities and our statutory reporting in areas including human rights, labour rights, the environment and anti-corruption.

 Watch the full interview with Edward Peppiatt here [www.delarue.com/ar2018](http://www.delarue.com/ar2018)

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 become the norm. Being a member of the Banknote Ethics Initiative (BnEI) as well as the


Secure Identity Alliance provide us with platforms to drive positive changes in our industries towards the highest product and ethical standards. Below are a couple of examples of the work we have done this year.



### Working with our suppliers to understand ethics in our supply chain

We conducted a key supplier survey with PricewaterhouseCoopers LLP to identify the level of understanding of social, economic and environmental impacts in our supply chain. We evaluated their approach to ethics so that we could fully understand any issues and drive responsible business activity in our supply chain. Suppliers were assessed for their understanding of Corporate Social Responsibility

(CSR). 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. Based on our findings, we are creating a specific De La Rue supplier CSR policy, and will embed this into our procurement governance processes. This robust approach is supported by building awareness of sustainability issues in the procurement team.

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**BANK OF ENGLAND**

JOINT CHARTER | STRENGTH IN PARTNERSHIP




DeLaRue

### Working with the Bank of England on Responsible business activities

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.

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A responsible business continued

## Implementing standards



**Richard Hird**

Chief Commercial Officer  
ELT sponsor for inclusion & diversity

Our products and services provide trust and security to billions of people around the world. We must ensure that we provide that same sense of trust and security to our staff and those helping to deliver our products and services within our supply chains. We are continuously striving to ensure that wellbeing, human rights and labour rights are protected in our supply chain, in our business and in our customer solutions.



**Jo Easton**

Group Director of Human Resources



Watch the full interview with  
Richard Hird and Jo Easton here  
[www.delarue.com/ar2018](http://www.delarue.com/ar2018)

## Human Rights

We treat our employees fairly and equally 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 impacts 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.

**Our aspiration, as detailed last year, is to have an inclusive and diverse workforce. We aim to:**

- **employ a diverse workforce which reflects our communities and customers**  
By working with our recruitment partner Optamor we have introduced changes to our recruitment process, which seeks to remove bias. For example, CVs are now provided to our managers absent of details not relevant for the role, such as gender and name. By working with Optamor we are also starting to see a richness of management information allowing us to assess our talent acquisition process and start using data to inform decisions.
- **benefit from advantages of a diverse workforce, where inclusion becomes the normal way of working**  
The De La Rue Board, the Executive Leadership Team, Senior Leaders, HR Managers, Union Representatives and Ethics Champions have all received an introductory training session on unconscious bias. In addition to this we have run a number of open sessions across the organisation which will continue over the coming year.

We have also provided an infographic on unconscious bias that is accessible to all employees. We view this training as a key step in developing an inclusive culture but acknowledge that the true value comes from exploring our organisational biases and putting in place action plans to remove any barriers.

- **celebrate diversity by recognising that everyone is an individual and has a contribution to make**

We have held a number of Women's Network Events this year, providing both men and women with the opportunity to hear external speakers, create informal networks with colleagues and to discuss and debate topical issues relating to inclusion. De La Rue uses Insights Colourworks profiling which helps our employees to understand themselves and the teams that they work within. This enables employees to recognise the value of diversity of thought and communication style and improve their ability to communicate with others.

- **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 better than the UK figure of 17.4% (ONS provisional mean) or 18.4% (ONS provisional median, October 2017), but far from our goal of zero. As part of our Inclusion and Diversity Strategy we have a long-term commitment to eliminate this gap. We can confirm that the data published in our report satisfied the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

De La Rue has ambitions to improve female representation at senior and executive management levels of the business to 25% by 2020. As at the end of this financial year, the percentage was 18%.

We fully support the principles set out in the UN Declaration of Human Rights, in particular with regards to equal opportunity and freedom from discrimination. We have effective management systems in place to protect human rights. Our Code of Business Principles (see our Corporate Governance report on page 72) 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 CodeLine 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.

On a regular basis we conduct employee surveys. We work closely with the relevant trade unions and other employee representatives and report to all employees the outcomes of these meetings.

We communicate all relevant news, business and financial updates. To do this we hold regular town hall meetings, conduct conference calls, update our Sharepoint intranet, send email blasts and publish monthly site magazine style news updates. These are adapted to the audience, whether all staff, a country, a site or department.

The business has remedial processes in place should there be any human rights' infringements. These include claims procedures and trade union engagement procedures.

Gender diversity as at 31 March 2018	Female	Male	Female	Male
Employees	845	1,874	31%	69%
Senior Management	7	30	19%	81%
Executive Management	1	6	14%	86%



**Accessible training and support for our employees around the world**

Within 2017/18, we have broadened our educational offering to all levels in the business. We have rolled out unconscious bias awareness sessions across the business to help our people understand more about themselves and how they can reinforce inclusivity through their actions. Other new courses included storytelling, presenting

with charisma, influencing and stakeholder management skills. In 2018 we will continue the offering and focus on team and individual performance. We will build technical skills and capability through utilisation of the apprenticeship levy where practical. A big focus will be the implementation of a Learning Management System and an increase in bite-sized learning which will improve the accessibility of content for all employees.

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**Understanding migrant rights**



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 2017, we took part in a panel discussion on International Cooperation

and Governance of Migration in the Trusteeship Council Chamber at UNHQ in New York. We continue to help identify best practice approaches to create secure and accessible identities across borders.

View our accreditation at [www.delarue.com/ar2018](http://www.delarue.com/ar2018)

A responsible business continued

## Implementing standards



**Bryan Gray**

Chief Operating Officer  
ELT sponsor for labour rights

We directly employ over 2,700 people and provide livelihood to thousands more indirectly across our global supply chain. Improving health and safety and protecting labour rights for people in our supply chain as well as in our business is a priority for us. We are proud that we have the highest health and safety standards and that we can influence our local communities by sharing best practice on labour rights.

## Labour Rights

### 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 out 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.

We are pleased to report that we achieved the following health and safety objectives for 2017/18:

- To maintain a world class Lost Time Injury Frequency Rate per 200,000 worked hours below 0.62 (LTIFR)
- To continue to demonstrate manufacturing site improvements within our internal HSE audit levels programme
- To continue to drive a good level of health and safety training across all employee levels within our business including NEBOSH certificates, IOSH Managing Safely and more Making Good Safety Decisions modules
- To ensure that all new machinery meets good safety standards prior to use. In addition, ensure that all machines being moved or refurbished as a result of the footprint restructuring project undergo independent safety assessments, with safety upgrades as required

The following objective is in progress to complete by the end of 2019:

- To bring all the manufacturing sites under the central OHSAS18001 certification

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. More details on our Company policies and procedures around health and safety and wider labour rights can be found on our website.

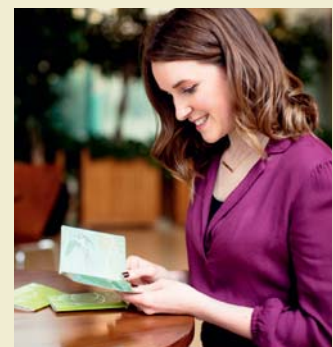
We have set the following new objectives for health and safety and labour rights for 2018/19:

- To maintain a world class LTIFR per 200,000 worked hours of less than 0.6
- 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 inspections programmes
- To cascade more certified (e.g. NEBOSH, IOSH) health and safety training and deliver four 'SAFE' training modules



### SAFE campaign promotes health and mental wellbeing

As per our strategy, we focused on building greater understanding of health and wellbeing. Education has centred on two principal themes: musculoskeletal (keeping active) and mental wellbeing. Events have varied by site, led by the local management teams, understanding what it is most relevant to their employees. Activities such as 'Working body' seminars led by a physiotherapist at our Overton site, supporting care of the musculoskeletal system and line manager workshops at our Gateshead site to help identify mental wellbeing issues and how to support employees. We held an outdoor team building event promoting activity at our site in Kenya and 16 people across



our UK sites have also been accredited as Mental Health First Aiders. We will look to raise further awareness in the coming year, as part of our journey towards greater integration of both physical and mental wellbeing in our health and safety policy and practices.



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### Collective bargaining in Malta

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.



**Bryan Gray**

Chief Operating Officer  
ELT sponsor for environment

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.

## Protecting the environment

### Delivering against objectives:

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 tCO<sub>2</sub>e 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



### Polymer vs cotton: Measuring the environmental footprint of the new £5 and £10 with the Bank of England

The Bank of England is taking steps to reduce the environmental impact of banknotes, including recycling the vast majority of banknotes that are no longer fit to use. The Bank's decision to move to polymer banknotes will have lasting environmental benefits.

In 2017, we helped the Bank obtain independent certification from the Carbon Trust on the carbon reduction delivered by switching £5 and £10 banknotes from paper to polymer. We continue to work in partnership with the Bank on other responsible business activities.



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Our goals/objectives for 2018/19 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

### Energy saving at Gateshead

At our Gateshead site, we have commenced a £1.9m five year energy saving contract with Siemens. Covering chillers, compressed air systems, lighting, boilers and building management system improvements, the agreement will deliver an estimated 5MWh energy saving each year from year two onwards, based on predicted electricity and gas usage.



A responsible business continued

### Greenhouse gas emissions year on year comparison for FY 2017/2018

Type of emissions	Activity	2017-18		2016-17		% Difference in emissions
		tCO <sub>2</sub> e	% of total	tCO <sub>2</sub> e	% of total	
Direct (Scope 1)	Natural gas	26,156	32.2	39,240	37.6	(33.3)
	Other fuels	707	0.9	888	0.9	(20.5)
	Process emissions	1,197	1.5	1,197	1.1	0.0
	Fugitive emissions	393	0.5	75	0.1	422.2
	Owned vehicles	99	0.1	119	0.1	(16.8)
	<b>Subtotal</b>		<b>28,552</b>	<b>35.2</b>	<b>41,520</b>	<b>39.8</b>
Indirect (Scope 2)	Electricity	30,350	37.4	36,084	34.6	(15.9)
	<b>Subtotal</b>	<b>30,350</b>	<b>37.4</b>	<b>36,084</b>	<b>34.6</b>	<b>(15.9)</b>
Indirect other (Scope 3)	Rail travel	5	0.0	5	0.0	(0.9)
	Air travel	6,961	8.6	7,426	7.1	(6.3)
	Non-owned vehicles	0	0.0	0	0.0	
	Water	1,538	1.9	1,900	1.8	(19.1)
	WTT all scopes	13,801	17.0	17,357	16.6	(20.5)
	<b>Subtotal</b>	<b>22,306</b>	<b>27.5</b>	<b>26,689</b>	<b>25.6</b>	<b>(16.4)</b>
Total gross emissions (tCO <sub>2</sub> e)		<b>81,208</b>		104,294		(22.1)
Renewable electricity (tCO <sub>2</sub> e)		<b>0</b>		0		
Electricity exported to grid (tCO <sub>2</sub> e)		<b>238</b>		949		(74.9)
Total net emissions (tCO <sub>2</sub> e)		<b>80,970</b>		103,345		(21.7)

### Intensity metric

	2017-18	2016-17	% Difference
Total gross emissions (tCO <sub>2</sub> e)	<b>81,208</b>	104,294	(22)
Total net emissions (tCO <sub>2</sub> e)	<b>80,970</b>	103,345	(22)
Revenue (£m)	<b>474,000,000</b>	461,800,000	3
Tonnes of gross CO <sub>2</sub> e per million GB £ turnover	<b>171</b>	226	(24)
Tonnes of net CO <sub>2</sub> e per million GB £ turnover	<b>171</b>	224	(24)

The numbers have been re-based following best practice.

Methodology: The table and the calculations has been created using the most recent DEFRA emission factors and complies with DEFRA mandatory greenhouse gas reporting guidelines.

Scope 1, 2 and significant Scope 3 emissions have been calculated and reported. To comply with recent changes to DEFRA 2014 emission factors guidelines we have also provided a breakdown of 'well to tank' emissions that fall into an additional Scope 3 category. Emissions associated with water consumption have also been calculated. All raw data, calculations and emissions factors have been internally audited by Carbon Clear.

### Further environmental stewardship

As a business, we take a precautionary approach to environmental challenges:

- We are aiming towards zero to landfill
- We have delivered consistent 2% reduction strategies and are now moving towards science based goals where possible
- We have a Group HSE Sustainability policy and ISO 14001 certification

We undertake initiatives to promote greater environmental responsibility:

- We install LED lighting at sites as we refurbish our facilities
- Our research and development function reviews and assesses environmental impacts of new products being developed according to a technical manual. Examples exist but due to commercial sensitivities are not available for disclosure

- Instead of shredding and incinerating our Safeguard® polymer notes we provide our customers with the opportunity to recycle them with Yes Recycling Ltd

For further details about our ongoing environmental stewardship and accreditations can be found at [www.delarue.com](http://www.delarue.com)

## Implementing standards



**Selva Selvaratham**  
Chief Technology Officer

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.

### Anti-corruption and ethics

We continue to support Global anti-corruption 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.

### Further examples of anti-corruption and ethics

- We are members of the International Chamber of Commerce Anti-corruption 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 integrity standards
- Advocate for countries to include weighted ethical requirements and support of relevant SDGs in their central government tender processes
- Help central banks implement DLR 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

Full details of our ongoing governance and anti-corruption activities, our policies, procedures and legislative alignment can be found at [www.delarue.com](http://www.delarue.com)



### Transforming our sales partner remuneration

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. A rolling Agent Transition Plan is being

implemented 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 the Banknote Ethics Initiative commitments – and we believe that we are one of the Initiative's leading members in this respect.



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