

# Sourcing forest commodities: A nature and people positive approach 24 July 2023



## **Approach**

Forests cover almost a third of the world's land area and contain the majority of the world's land-based biodiversity. They provide a wide range of ecosystem services including sources of water, food and act as carbon sinks that are essential to combat climate change. These ecosystems also house essential social and cultural value and provide livelihoods for millions. Despite this, around 10 million hectares of forest are lost annually<sup>1</sup>.

Reckitt recognises that global demand for natural raw materials puts pressure on the environment, contributing to the decline of wildlife and biodiversity. Interventions to reverse these negative impacts, or to go beyond this and deliver a measurable positive impact, are complex – they must consider all the environmental, social and economic drivers to be effective.

Reckitt is committed to protecting and strengthening ecosystems with a focus on nature-based solutions. We are firstly prioritising those natural raw materials we may use with the highest risk for negative eco-system impacts, considering our relative dependency on these for our brands and product range. Priority materials include latex, palm oil, fragrances, dairy, and paper and board. Beyond these, other lower volume natural raw materials are progressively being addressed, including soy, cocoa and sugar. Sourcing raw materials sustainably is central to our Natural Raw Material Sourcing Standard, and one means by which we invest in sustainable value chains. The link to our Natural Raw Material Sourcing Standard can be found in the section below.

As part of our sourcing approach for natural raw materials our partnership with Oxford University's Nature Based Insetting (NbI) initiative is enabling us to measure our impact on biodiversity in priority natural raw material value chains by 2030. NbI's analysis will ensure our investment in nature-based solutions in key value chains is targeted to deliver the most effective, measurable, positive impacts on nature. These biodiversity focused pilots complement our ongoing activities to address any human rights risks and ensure the people and communities within our value chains can access sustainable livelihoods.

Within this report, as part of our commitment to the work of the Consumer Good Forum (CGF) Forest Positive Coalition, we share our approach to sourcing raw materials from forest ecosystems. All data in this report relates to January – December 2022. To align with these public reporting requirements this report focuses on palm oil, soy, and paper and board. Beyond these, we also source latex, another commodity which can be sourced from forest areas. Further information on latex can be found in our annual Sustainability Insights report, the link to which can be found below.

<sup>&</sup>lt;sup>1</sup> https://www.unep-wcmc.org/en/news/earths-biodiversity-depends-on-the-worlds-forests

### Policy commitments and standards

Reckitt is part of a complex global supply chain, from warehouses and manufacturing units, to plantations and smallholder farmers. We are committed to ensuring that stakeholders within our shared supply chains meet applicable laws and achieve international standards as outlined in our standards and policies. We ask our Business Partners to own and uphold these values, communicating them onward to their suppliers, while monitoring and strengthening compliance within our shared supply chains.

The following standards and policies are pertinent to natural raw materials sourced from forest ecosystems and provide additional context on Reckitt expectations in addition to the information provided in this annual report are listed below and can be found on the Reckitt website:

Third-Party Code of Conduct

Sourcing for Sustainable Growth Policy

Natural Raw Materials Sourcing Standard

Natural Raw Materials Sourcing Standard: Palm Oil Appendix

Palm Oil Grievance Procedure

Palm Oil Grievance Log

Palm Oil Mill List 2022 - Fats Blends and Soap Noodles

Palm Oil Mill List 2022 - Palm Derived Surfactants

**Technical Standard: Labour and Human Rights** 

Technical Standard: Workplace Health and Safety

**Technical Standard: Environmental Protection** 

Annual report: Modern Slavery Act Statement

Annual report: Sustainability Insight 2022

Annual report: Biodiversity Insight 2022

Annual report: CDP Forests Disclosure (2021)

## Our approach to sourcing palm oil

Reckitt's approach to sourcing palm oil is outlined in full in the Natural Raw Material Sourcing Standard Palm Oil Appendix. The approach outlines our commitment to No Deforestation, No Peat, and No Exploitation (NDPE) and is implemented through our palm oil programme; the planning for this, including target setting, is completed annually.

Our palm oil programme comprises of a combination of direct supply chain activity (traceability, No Deforestation Verification and supplier engagement) and investment in the wider industry (engagement with industry groups and support to landscape programmes). The approach is outlined below. A summary of our palm oil programme plan focus areas can be found in Annex 1.

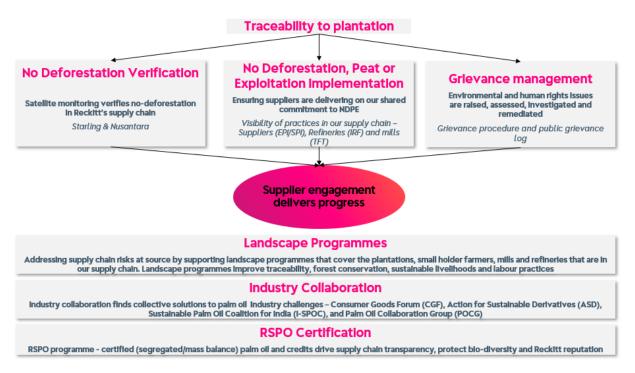


Figure 1: Key aspects of Reckitt's sustainable sourcing approach for palm oil

This approach applies to 100% of palm sourced directly; Crude Palm Oil (CPO) and Palm Kernel Oil (PKO) included in our fats blends, soap noodles and palm derived surfactants volumes. Our volumes for January - December 2022 are recorded in our Sustainability Insights report, the link to which can be found above.

#### 1 - Understanding palm oil origins

We work directly with suppliers and NGO partners to improve the transparency of our palm oil supply chain. Our fats blends and soap noodle palm suppliers supply over 80% of our palm volume and we have good visibility of these supply chains. The remaining 20% is made up of palm derived surfactants (processed derivatives of palm oil), for these traceability remains challenging in these supply chains given the extent of processing undertaken and the resulting complexity.

Working with the Earthworm Foundation (EF) on our fats blends and soap noodles supply chains, and Action for Sustainable Derivatives (ASD) on our palm derived surfactant supply chains enables us to analyse our supply chain information and take targeted actions to improve our traceability at refinery, mill and plantation over time.

#### • Direct Suppliers

A list of our direct suppliers of fats blends and soap noodles can be found below. For palm derived surfactants the list below represents the priority suppliers who supply over 90% of the surfactant volume supplied to Reckitt.

	Fats blends suppliers	Soap Noodle Suppliers		Surfactant suppliers*
-	AAK	- <u>IOI</u>	-	AARTI INDUSTRIES
-	CARGILL	- <u>MUSIM MAS</u>		LIMITED
-	<u>OLEOFINOS</u>	- NIMIR	-	AMPLUSCHEM
-	STRATAS FOODS	- ROYAL COSMETIC	_	AUCHTEL PRODUCTS
-	WILMAR PGEO	- <u>WILMAR INDONESIA</u>		LTD
		- <u>WILMAR CHINA</u>	_	BASF
		- <u>ADANI WILMAR</u>	-	CLARIANT
		- MODULUS	_	CRODA
		- RAJ	-	EVONIK
		-	-	GALAXY
			_	GODREJ
			_	HSIN TAY
			-	HUNAN RESUN-AUWAY
				INDUSTRIAL CO., LTD
			-	INCHEMICA EUROPE
			_	INDOKEMIKA GROUP
			_	INNOSPEC
			-	KAO
			_	KLK
			-	LONZA GROUP
			_	MUSIM MAS
			_	OLEON
			_	OXITENO
			-	PCC EXOL SA
			-	PETER CREMER/CREMER
				OLEO
			_	PILOT CHEMICAL
			-	POCHTECA
			-	SAI FERTILIZERS &
				PHOSPHATES PRIVATE
				LIMITED
			_	SASOL
			_	SOLVAY
			-	STEPAN COMPANY
			-	TEMIX OLEO
			_	VITUSA PRODUCTS
			-	WILMAR
			_	ZANYU
			-	ZAVOD / NORCHEM
			_	ZSCHIMMER&SCHWARZ

<sup>\*</sup>Abbreviated list of direct suppliers contributing over 90% of the surfactants supplied to Reckitt.

Table 1: List of Reckitt's palm oil suppliers by category

#### • Countries of origin:

We publish our mill list for our fats blends and soap noodle (derivative) suppliers annually on our website, this includes the countries of origin, certification status, certification date and ownership. The link to the mill list is in the Policies and Standards section above. In 2022, our traceability exercise identified 1,617 mills in our fats blends and soap noodle supply chain.

In 2022 we published the mills in our palm derived surfactant supply chain on our website, the link to the mill list is in the Policies and Standards section above. This includes countries of origin. In 2022, our traceability exercise identified 2011 mills in our palm derived surfactant supply chain; these supply 90% of our palm derived surfactant volume.

#### • Traceability:

In 2022 we made further progress on improving the traceability of our palm supply chains. This progress is captured below. Traceability data for fats blends and soap noodles comes from our annual traceability exercise with the Earthworm Foundation, and for palm derived surfactants from our annual traceability exercise with Action for Sustainable Derivatives.

Both exercises follow a similar process – request for traceability information from suppliers, which is then verified independently by Earthworm and ASD. For Earthworm the following definitions of traceable apply;

- Mills must have mill name, parent/group company name of mill, Geolocation coordinates
- Plantation Name of plantation/estate/smallholder, parent/group company name of mill, Geolocation co-ordinates of plantation, estate, smallholder. For plantation the ideal data to be used is the geolocation, however where this is not available gridshaped boundaries, GPS point and concession size are accepted. Where no data is available a 50km radius from the mill will be applied.

This produces both self-declared and verified scores. Self-declared traceability scores for 2022 are listed below.

Traceability: Jan-Dec 2022						
2022	Global suppliers – fats blends		Global suppliers – Soap noodles		Combined - fats blends/soap noodles	
	% Mill (SD)	% Plantation (SD)	% Mill (SD)	% Plantation (SD)	% Mill (SD)	% Plantation (SD)
	100%	94%	99%	80%	99%	80%

Table 2: Fats blends and soap noodles, traceability data, Jan – Dec 2022. All data is Self-Declared (SD)

Traceability: Jan-Dec 2022					
	Palm Derived Surfactants				
2022	% Refinery (SD)	% Mill (SD)	% Plantation (SD)		
	90%	82%	49%		

Table 3: Palm Derived Surfactants, traceability data, Jan – Dec 2022, all data is Self-Declared (SD)

#### 2 - No Deforestation, No Peat, and No Exploitation (NDPE) Monitoring

#### Satellite Monitoring:

We use a range of tools to monitor NDPE in our palm supply chains at mill and plantation level which align to good practice in Deforestation Conversion Free verification methodologies. To date we have focused on our fats blends and soap noodle supply chains which represent over 80% of our palm volumes.

Within these fats blends and soap noodle volumes, we focus on Malaysia and Indonesia as the majority (97%) of our volume is sourced from these countries.

Reckitt uses satellite monitoring analysis through the Earthworm Foundation/Airbus Starling platform. Our annual traceability data, combined with this satellite monitoring system enables Reckitt to verify the proportion of our fats blends and soap noodle supply chain that is deforestation-free in Indonesia and Malaysia. It also enables us to identify and verify potential deforestation incidents in our supply chain through annual No Deforestation Verification analysis and any requested grievance investigations. We then act to verify and address these with our suppliers. NDPE grievances are documented in our public grievance log as per our grievance procedure. The process of verifying de-forestation free in our supply chain by Earthworm is as follows;

- Private data on the refineries, plantations, mills and suppliers is gathered by Reckitt
- Public data is gathered (e.g. RSPO, MSPO)
- Mill lists are defined along with supply chain connections
- Volumes are defined for each supply chain tier (mills, refinery, plantation)
- Plantations are defined on best available data (to link to mills)
- Starling data on deforestation alerts is overlaid on supply chain information
- Verified de-forestation free volumes are calculated for plantations, mills, refineries, and suppliers
- Results are shared and supplier level actions agreed

Based on the fats blends and soap noodle scope above, our progress on verified deforestation-free volumes (NDV) is captured below.

	NDV 2021	NDV 2022	Year on year change to NDV scores
Fats blends	73%	90%	+17%
Soap noodles	30%	42%	+12%
Combined - Fats	33%	44%	+10%
blends and Soap			
noodles			

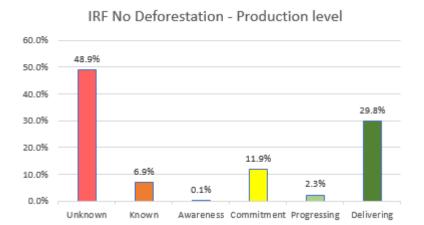
Table 4: % of volume verified as deforestation-free through satellite monitoring

In 2022, our NDV process identified that the percentage of fats blends and soap noodle palm oil volumes linked to deforestation and peat destruction remains low (0.02% fats blends volume/ 3.9% soap noodle volume). Progress on traceability, and any NDPE grievances are followed up in regular meetings with our suppliers.

In 2023 we are working with ASD to complete satellite monitoring analysis for our palm derived surfactant volumes using the Nusantara satellite monitoring tool; this will enable us to have verified deforestation-free scores for our full palm oil supply chain.

- Supply chain monitoring systems: We work with our direct suppliers to monitor compliance to our NDPE commitment in our upstream supply chains. Access to information on our supply chains is helping us to build a comprehensive picture of risk areas which we are then able to address through regular meetings with our direct suppliers.
- Engagement for Policy Implementation/EPI Lite provide us with an understanding of the
  management systems our direct suppliers use to implement NDPE in their supply chains. In 2022, we
  requested four suppliers (Wilmar, IOI, Modulus and Raj) to complete EPI with the Earthworm
  Foundation, these suppliers covered 53% of the fats blends and soap noodle volumes we source by
  volume. As follow up to the EPI analysis, in 2023 we are working with our India based suppliers to
  build capability to address NDPE risks.
- Tools for Transformation (T4T) T4T is an online portal that enables palm oil mills and plantations to
  identify gaps in NDPE implementation through a self-assessment. We supported the roll out of T4T
  within one of our major suppliers (IOI) and are exploring how we can roll out this tool more widely
  moving forward.
- Implementation Reporting Framework (IRF) Is a self-assessment tool that categorises supplier
  palm oil volumes based on risk of deforestation/peat exploitation. In 2022 we completed IRF
  analysis for two key suppliers (Wilmar and IOI) in and are expanding this in 2023 to two further
  suppliers (AAK, Oleofinos). Combined these represent 53% of our soap noodles and fats blends

volumes. Of this 29.8% of our volume is in the "delivering" category for No Deforestation at Production Level and 37.8% of our volume had IRF profiles audited by a 3<sup>rd</sup> party. The charts below capture the breakdown of status by IRF category for No Deforestation and No Peat at Production and Mill level based on the self-disclosures received. Our target is to increase each year the number of suppliers from which IRF profiles are received and the % Reckitt volume covered by IRF profiles.





#### 3 - Landscape engagement

Reckitt supports landscape approaches which, alongside traceability and NDV activities, enable us to deliver our commitment to NDPE through direct interventions at farm level.

In 2022, we supported three Earthworm Foundation led palm oil landscapes in our supply chain, Riau and Aceh in Indonesia and Sabah in Malaysia. These programmes aim to reduce deforestation rates by tackling key socio-economic drivers, such as by working with smallholder farmers to develop better agricultural practices and diversify incomes to improve livelihoods. In 2022 the three landscape programmes covered 21% of the palm oil mills in our supply chain.

We prioritise supporting landscape initiatives that;

- Are in high volume sourcing regions of palm for Reckitt, our peers and competitors (noting the value of working on cross commodity landscapes)
- Cross over with mills in our supply chain enabling us to directly address;
  - o Environmental risks (e.g. NDPE and known deforestation grievances)
  - o Social risks (e.g. child labour and known land/labour rights grievances
  - Biodiversity risks and opportunities (e.g. ability to have a measurable positive impact on nature)

Further information on each landscape programme is presented in Appendix 2.

#### 3. Grievances

Given the scale and complexity of our palm oil supply chain, a transparent and accessible process for reporting environmental or human rights violations is essential. This allows us to investigate further and remedy grievances appropriately.

In 2022, we developed a formal grievance procedure that outlines our approach, and we publicly log and respond to the grievances raised. Links to the procedure and log can be found in the Policy Commitments and Standards section above; progress is captured in the "Summary of Grievance" column, and status is updated in the grievance status column. This log contains all grievances Reckitt has been made aware of directly – this is usually through NGO engagement, public NGO reports, or NDPE grievances identified by our NGO partner Earthworm who lead on our traceability and NDV exercises. Progress on addressing grievances is updated each time the log is published.

We prioritise the highest risk grievances as these have the largest negative impact and/or pose the greatest risk to our supply chains. Grievances are followed up directly with our fats blends and soap noodle suppliers. For our palm derived surfactant suppliers, we engage through the ASD grievance process, or directly as necessary. Our approach is described in full in our Grievance Procedure and is aligned with the Consumer Goods Forum Forest Positives Coalition Monitoring and Response Framework (MRF).

#### 5 - The Roundtable on Sustainable Palm Oil (RSPO) Programme

We are members of the RSPO and only source from suppliers that are RSPO members and committed to the same goals. Our RSPO commitments were updated in 2020 and are captured below. Meeting these targets will ensure 80% of our palm oil volumes (soap noodles & fats blends) are supporting the RSPO programme by end 2023, and 100% by 2026.

Palm oil sourced	RSPO Programme coverage commitment	Target Year to achieve 100%	Progress as of end-2022
Fats blends	100%	End-2022	100%*  *93% Segregated, 5% Mass Balance, 2% Credits
Soap Noodles	100%	End-2023	40%
Palm Derived Surfactants	100%	End-2026	11%

Table 5: RSPO programme support by palm type

#### 6 - Supplier engagement and industry collaboration

Collaboration is essential to address the endemic issues in the palm oil industry. We collaborate with:

a) Our suppliers - In 2021 we held a townhall where our fats blends and soap noodle suppliers were informed of our updated Natural Raw Material Sourcing Standard and Palm Oil Annex requirements. Our fats blends and soap noodle suppliers attended this meeting, representing over 80% of the palm volumes we source. Following this, we have regular meetings with all these suppliers to improve NDPE compliance. Meetings focus on traceability and NDV score improvement, as well as resolution of grievances. Our sourcing requirements are also communicated via, and included in, supplier contracts.

In 2022, we added sustainability criteria to the supplier performance scorecard owned by our Procurement team. This includes targets on traceability, NDV and grievances and scores are discussed with suppliers in our regular meetings.

In 2022, we also held a workshop with our India based suppliers to identify challenges they face in meeting NDPE commitments and will be supporting these suppliers to build capability in this area in 2023.

b) Industry Groups - We partner with the wider industry through our membership of the RSPO, Consumer Goods Forum (CGF) <u>Forest Positive</u> and <u>Human Rights</u> Coalition of Action, Palm Oil Collaboration Group (POCG) and the Sustainable Palm Oil Coalition for India (I-SPOC) Earthworm Foundation and Action for Sustainable derivatives.

We engage regularly with many of our surfactant suppliers through Action for Sustainable Derivatives (ASD), the lead industry group for derivative suppliers seeking to improve their traceability and NDV scores and engage collectively with key industry bodies such as the RSPO. Working with our suppliers through ASD enables us to improve performance across the industry, as well as for our direct suppliers. For suppliers this approach works well as it is more efficient and reduces individual customer requests for similar information. By participating in the development of the ASD workstreams, including traceability, we encourage our own suppliers, and the broader industry to progress. 21% of our palm derived surfactant volume is supplied by ASD members.

We also engage with ASD's work on grievances, Earthworm Foundation derivatives group and directly engage with palm derived surfactant suppliers to resolve NDPE grievances.

## Our approach to sourcing paper & board

The majority of Reckitt's products use paper and cardboard packaging and this proportion may grow as there is potential to move from plastic to paper-based packaging solutions. For primary packaging, like product cartons, we usually combine virgin paper from certified origins with recycled paper. For the boxes used to transport products, we also use the highest practical percentage of recycled cardboard.

Reckitt's Natural Raw Material Sourcing Standard outlines expectations for all suppliers, including those supplying paper and board; all suppliers are informed of this within their contracts. The link to this document is in the Policy Commitments & Standards section above.

Our commitment, and supplier requirement, is for 100% of paper and board to either be recycled or from origins approved by the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), or Sustainable Forestry Initiative (SFI) by 2025. This applies to both direct suppliers and co-packers and is communicated to them annually as part of our supplier engagement process which collects data on progress towards targets.

Annually Reckitt contact 100% of direct paper and board suppliers to collate data on the materials purchased. The request requires suppliers to provide information on the certification type supplied to Reckitt (FSC/PEFC/SFI, virgin/recycled/mixed) and evidence (FSC/PEFC/SFI Certificate) to support the purchase. There are additional questions on chain of custody, uncertified material, material origins and company commitment to sustainability. From the data gathered, progress against our target is calculated and non-compliant volume is identified. Our Procurement team then work with suppliers with non-compliant volume to move to compliant sources.

We report on progress in our annual Sustainability Insights report, the link to which can be found in the Policy Commitments and Standards section above. In summary, by the end of 2022 99% of our direct sourced paper and board and 98%<sup>2</sup> of our co-packed paper and board was from certified or recycled sources. This represents all the paper and board purchased by Reckitt, we still expect to reach our goal of 100% by 2025 or before.

Our year-on-year progress against target is captured below for direct sourced paper and board, data on co-packers is available from 2022 onwards.

 $<sup>^{\</sup>rm 2}$  98% excludes north America region, data from this region to be added in 2023.

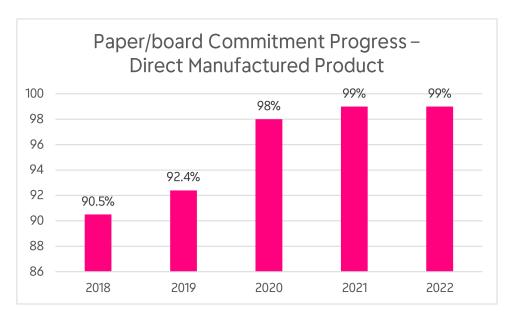


Table 6: Progress against commitment to achieve 100% direct sourced paper and board from certified or recycled sources by 2025.

Of the direct sourced paper and board, 14% was from virgin sources, 53% from recycled sources and 33% from mixed sources.

Of the virgin material:

- 46% has chain of custody certification
- 46% is from FSC/PEFC/SFI sources
- 8% is uncertified and we are working to validate these origins
- Overall, 97% is traceable to country of origin

For country of origin, our annual supplier engagement process gives information on the following high priority/higher risk sources;

- o Indonesia 2%
- o Brazil 4%
- Malaysia 3%

Many suppliers currently report mixed origin (9% volume) and we are working to have increased visibility of the volumes from high priority sources within this and within unknown origins (12% volume). High priority sources known within the mixed origins are Laos, Myanmar, DRC, Gabon, Honduras, Cambodia, Papua New Guinea and Ecuador. Low priority mixed origin sources are Russia and Bulgaria, alongside known origin from China (6%). We define high priority in line with the CGF PPP working group defined "forest risk countries".

The list of tier 1 suppliers (direct and co-packers) can be found in Appendix 3 in this document along with a summary of key actions on paper and board for 2022 and 2023.

## Our approach to sourcing soy

The information below relates to soy and soy derivatives we source directly from suppliers. It does not include embedded soy which may be present in compound ingredients which we receive from suppliers. All data reflects soy volumes purchased from January to December 2022.

We source soy derivatives from eight suppliers, our total volume was 6149 mt in 2022. Volume and origin information is provided by suppliers. Where we purchase soy derivatives suppliers have provided us with the volume of soy in the final product to include in our total volume calculation.

Our suppliers are: Sternchemie, Oleofinos, PGEO Edible Oils, Cargill, AAK, Stratas, ADM and Dupont.

The origins of our soy derivatives are;

- USA 73%
- China 0.1%
- Mixed origins 26.9% (Including Europe, InIndia, USA, Canada, China, Argentina, Taiwan, Brazil)

Our Natural Raw Material (NRM) standard outlines our sourcing requirements which apply to soy suppliers. These include traceability, the implementation of a forest positives approach and the effective identification and management of grievances. The link to this standard is in the Policies and Commitments section above.

Our NRM standard is shared with all soy suppliers as part of the contracting process ensuring they are aware of the sourcing standards they are expected to uphold. The standard specifies a requirement for our suppliers to have systems in place to identify, monitor, mitigate and remedy any non-compliances to this policy in their supply chain.

## Appendix 1 – Summary of palm oil programme plan focus areas and 2022 reported progress<sup>3</sup>

Palm programme Plan: Focus areas	2022	2023	Progress reported/Public target met (2022)
Traceability	Increase traceability to mill and plantation self-declared scores for all suppliers through individual supplier engagement supported by traceability analysis (Earthworm Foundation, Action for Sustainable Derivatives)	Increase traceability to mill and plantation verified scores for all suppliers with a focus on Indian supplier engagement and palm derived surfactants with Action for Sustainable Derivatives	Fats blends/soap noodles (SD) 99% traceability to mill, 80% to plantation  Palm Derived surfactants (SD) 82% traceability to mill, 49% to plantation
NDV	Increase NDV scores for fats blends  Trial NDV methodology for palm derived surfactants	Increase NDV scores with a focus on soap noodles and palm derived surfactants	Fats blends - 90% Soap Noodles - 42% Palm Derived surfactants - Data available Dec 2023
NDPE	Ongoing NDPE monitoring through satellite monitoring and supplier follow up  Analysis through IRF/EPI completed to inform supplier engagement	Map pathway to 100% NDPE supply chain coverage  Increased scale of IRF/EPI analysis to inform supplier engagement	97% fats blends and soap noodle volumes covered by NDPE monitoring approach
Grievances	Publish public grievance procedure and log  Regular third-party grievance risk scanning & supplier engagement to resolve grievances	Ongoing grievance engagement with suppliers and in collaboration with peers. Public log kept updated.	Regular grievance log updates
Landscapes	Support to three landscape programmes which align with our supply chain	Ongoing support to landscape programmes reviewed against forest footprint	21% mills in our supply chains within supported landscape programmes
Industry Engagement	Ongoing CGF, POCG, ISPOC engagement	-	
RSPO	100% fats blends to be supporting RSPO programme by 2022	80% palm by volume to be supporting the RSPO programme by 2023 (100% by 2026)	Fats blends – 100% Soap Noodles – 40% Palm derived surfactants (11%)

-

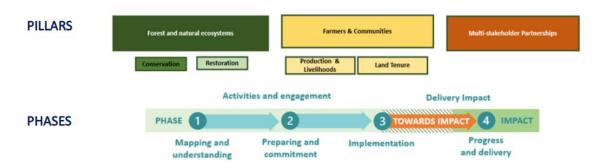
<sup>&</sup>lt;sup>3</sup> Progress is reported publicly in this document, and in our annual Sustainability Insights Report (link in Policy Commitments and Standards section above).

## Appendix 2 – Palm oil landscape programmes

These landscape programmes support the following forest positive goals;

- Conservation and sustainable management of forests and natural ecosystems
- Restoring, and rehabilitating deforested areas and natural ecosystems
- Positive and lasting inclusion and resilience of farmers and local communities
- Sustainable partnership development

In addition, they also address labour risks, promote community rights and secure the key stakeholder support needed for long term delivery. Each landscape programme follows a monitoring and reporting framework aligned with the CGF Forest Positive Coalition guidance, as capture in the phases outlined in the diagram below;



The tables below outline details of each programme Reckitt support including target outcomes and progress in 2022. <b>Name of Initiative:</b>	Area for Priority Transformation
Location of initiative:	Aceh, Indonesia (Aceh Tamiang, Aceh Selatan, Subulussalam, and Aceh Singkil)
Committed timeline of engagement:	2021-2025
Partners involved:	Lead sponsors: Mars, Nestlé. Associated funders: The Hershey Company, Musim Mas. Contributors: Reckitt, ADM, The Clorox Company, Vandermoortele, Fuji Oil, Colgate, Avril, Bunge, Givaudan. Field partners: Subulussalam District Government, National Land Agency, PT Asdal Prima Lestari, Pr Laot Bangko, Sadakata Farmers Cooperative, Aceh Singkil Land College, Sultan Daulat Farming High School

Type of engagement:	Provision of financial support
2025 Outcomes	Stakeholder Support – 4 collective action plans implemented and 13 stakeholders agreed to participate in the development of the Sustainable Palm Oil Regional Action Plan (RAD KSB) for the Subulussalam district.  Forest Protection - >90% reduction in deforestation rate outside concessions & 75% of HCV/HCS area covering 1897 ha inside concession are protected and restored  Resilient Farmers – 1000 smallholder livelihoods improved & 3 farmers business units empowered on alternative livelihood  Workers & Farmers – 1000 workers directly and indirectly impacted by improved working conditions  Community Rights – 30 forest and progress in 2022.  dependent communities with more substantial land tenure and security & 10 at-risk communities with conflict resolution plans
2022 Progress	Stakeholder Support – 1 collective action plan implemented and Forest Protection - 3 communities protected 7,484.86 ha of forest outside concessions & 753.07 ha of forest protected by companies inside concessions out of the estimated target of 1897.5 ha. 2 companies (PT Laot Bangko and PT Asdal Prima Lestari) completed HCS/HCV assessment  A total of 13 companies in Subulussalam and Aceh Singkil have received training on HCV/HCS Resilient Farmers - 126 new farmers implemented diversification activities in 2022 (chili, banana, corn) on over 6 ha area & 41 farmers implementing Good Agricultural Practices.  Workers & Farmers - 121 workers have received better working conditions and facilities on site Community Rights - Strengthened land tenure and security on a total of 413,75 Ha belonging to 8 communities & 3 at-risk villages with agreed conflict resolution systems covering 500.3 ha.

Name of Initiative:	Landscapes Transformation in Riau
Location of initiative:	Riau, Indonesia (Bengkalis, Siak, Pelalawan, and Indragiri Hulu)
Committed timeline of engagement:	2020-2025
Associated funders: PZ Cussons, LVMH, Oleon, Reckitt. Contributors: Nestlé, Colgate.  Field partners: PT Surya Bratasena Plantation, Pelalawan District Government, Indragiri Hulu District Government, SBP Palm Oil Plantation, PT. Mitra Agung Swadaya, MAS Palm Oil Mill, PT Surya Bratasena Plantation, SMKN 1 High School Pangkalan Kuras.	
Type of engagement:	Provision of financial support
2025 Outcomes	Stakeholder support – 4 collective action plans implemented. Forest Protection - >75% HCV/HCS areas (117568ha) inside concessions under protection & 362030ha forest cover outside concession under protection Resilient Farmers – 2500 farmers adopt Good Agricultural and Best Management Practices & 3000ha replanted with PO with a minimum 10% production increased. Workers and families – 8500 workers indirectly impacted through direct work with companies & 1500 workers directly impacted with improved working conditions.

	Community Rights – 30 forest dependent communities with stronger land tenure and 10 at risk communities with established effective conflict resolution systems
	· ·
2022 Progress	Stakeholder support - 2 Collective Action Plans to finance the monitoring and management of protected forests and map smallholder plantation in forest areas.  Forest Protection - A conservation area covering 3,000 Ha inside a pulp and paper company concession is under formal management & 177,076.3 Ha were determined as protected areas outside concession  Resilient Farmers - 552 farmers have adopted GAP and diversification practices & 642 Ha replanted to date, involving 321 farmers from 3  farmer cooperative  Workers and families - 16 companies received coaching on supply chain and labour issues held by EF and the Manpower Department of Pelalawan district. The number of workers we indirectly help to improve their working conditions are the 11,662 workers employed by these companies  Community Rights - 14 communities made good progress towards land tenure and 3 at-risk communities have developed effective conflict resolution systems.
Name of Initiative: Sabah Landscapes Programme	
Location of initiative:	Sabah, Malaysia (Beluran, Telupid, Tongod , Kinabatangan, and parts of Lahad Datu).
Committed timeline of engagement:	2021-2025
Partners involved:	Associated funders: Reckitt, PZ Cussons. Contributors: ADM, Groupe Rocher, Givaudan, Colgate, Nestlé. Field partners: IJM Plantation Berhad, Malaysian Palm Oil Board, Sabah Wildlife Department, Seratu Atai, MEGES Nature Farm Enterprise, Agrovet Citra Trading.
Type of engagement:	Provision of financial support
2025 Outcomes	Supply Chain Transformation – 100% of PO mills are 100% traceable to plantations and 75% of PO mills have actions plans to address NDPE issues.  Forest Protection – 50% reduction in deforestation & >8000 ha of elephant range protected under mitigation activities.  Resilient Farmers – 5000 smallholders reached and improving their livelihoods  Workers and Families – 20000 workers with improved welfare and working conditions & 4000 children and young persons protected.
2022 Progress	Supply Chain Transformation - 23 mills or 25% of PO mills are 100% traceable to plantations & 23.7% (22 mills) committed to time-bound action plans to address NDPE issues.  Forest Protection - 8% reduction in deforestation by companies and communities & 9,547 ha of elephant-ranging area is managed under the human-elephant coexistence programme  Resilient Farmers - 137 new smallholders took up transformation activities.  Workers and Families - 415 workers at CRAF pilot sites indirectly benefitting with improved welfare.

# Appendix 3 - Paper and Board - Action plan 2022/2023

Paper & board plan: Focus areas	2022	2023	Progress reported/Public target met (2022)
Direct sourced	Annual RFI completed Q1	Annual RFI completed Q1	-
	Analysis of RFI to identify:	Analysis of RFI to identify:	
	Certified and Recycled sources progress against target	Certified and Recycled sources progress against target	100% paper and board from certified or recycled sources by 2025
	Non-compliant material – action plans in place with suppliers	<ul> <li>Non-compliant material         <ul> <li>timebound action</li> <li>plans in place with</li> <li>suppliers</li> </ul> </li> </ul>	
	SOP published to support compliance to commitment	Focus on improved data to identify high priority sources	
Co-packers	Annual RFI completed Q4	Annual RFI completed Q4	-
	Certified and Recycled sources progress against target	Certified and Recycled sources progress against target	100% paper and board from certified or recycled sources by 2025
	Non-compliant material – action plans in place with suppliers	Non-compliant material – action plans in place with suppliers	
	SOP published to support compliance to commitment	Focus on improved data to identify high priority sources	
PPP strategy	-	Review Reckitt approach, update strategy (e.g. track % of mixed/recycled in virgin material)	-

# Paper and Board: Direct supplier list (2022)

AO ILIM GOFRA	PACKWELL LANKA	INTERPRINT SUPPLY	YORK PRINT BANGLADESH LIMITED
ARTCRAFT	PAKPRESTUS	JANNAT PRINTING RESOURCE	CHITTAGONG PACKAGES LTD
ARTIVINCO	PCA	JAROSLAVSKIJ PECHATNYJ DVO	ZHEJIANG Z&Z INDUSTRIAL CO
ASA CONTAINERS CO.,LTD	PCA CORRUGATED AND DISPLAY	JINGZHOU ZHIYUAN	ROCKTENN
AZADPACK	PRESTUS	KHARISMA TRITUNGGAL MULIA	SPRAY PRODUCTS CORPORATION
BAHRAIN PACK	PT PURA BARUTAMA	LEFRANCQ	KOSKINIDIS STIL AVEE
BLUE BOX	QINGDAO HAIENCE PACKING	LITHOPRINTS	MATSOUKIS GRAPHIKES TECHNES AE
BORKAR	QINGDAO SHIKANG PACKAGING	LITOGRIMANN, S.A. DE C.V.	EMBALLAGES LAURENT
BP MPAK	QUANTUM	MAIN ST GROUP	HUIXING
BULLEH SHAH	RAPIPACK	MEDAD	UNITED CREATION PACKAGING SOLU (TAI_218654)_LC
CARTONERA NACIONAL	RIGHT CORRUGATED CONTAINER	MEDICA	XIANJULONG
CENTURY PAPER & BOARD	RIO BRAVO INSUMOS S.A. DE C.V.	MMP	XI 'AN GLOBAL PRINTING CO., LT
CHITTAGONG MAHANAGAR	SAICA	NAVEEN GRAPHICS / SAI HOUSEHOLD	HFSC
CROWN PACKAGING	SATYA PACKAGING	NRG PRINTING	BIO PAPPEL, S.A.B. DE C.V
DAYAMER	SHASHI HUIXING	OFFSET IMPRENTA	ASSOCIATED PACKAGING
DS SMITH	SHUKRA PACKAGING	OLEGARIO FERNANDES	DAPSA - DANIEL AGUILO PANISELLO
DS SMITH (INTERSTATE CONTAINER LLC)	SKG	OLYMPAK	MAYR-MELNHOF PACKAGIN IBERICA
DS SMITH (KAYSERSBERG PACKAGING)	SP BOX IND DE EMBALAGENS EIRELI	PACK DRUK	RIGID CONTAINERS
EL PACK	TAWANA CONTAINER CO., LTD	PACKAGES LIMITED	BILCARE
EMPAQUES DE PAPEL AMERICA	TCI	PACKAGING MANUFACTURING INC	RIEKE ENGLASS
EMPAQUES MODERNOS QUERETARO	TFP	PAKISTAN PACKAGES	ALBEA UK LIMITED
FABRICA DE PAPEL (PENHA)	THAI CONTAINERS GROUP CO.,LTD	PAPERCON	ALLTUB FRANCE

FIDELITYPAPERSU	THE SOUTH INDIA PAPER MILLS LTD	PAPERDREAMS	CONSTANTIA SITTINGBOURNE
FIRST TREET MANUFACTURING MODARABA	TRISTAR	PARKSONS PACKAGING	DOMINO UK
GEORGIA PACIFIC	TWINPACK	PRIMASINDO MAKMUR KENCANA	ESSEL PROPACK POLASK
GOKUL	UNIPAK HELLAS	PRINTWELL	PHARMATUBE LIMITED
GOLDEN CORRUGATED BOX	VEEVE	QINGDAO DONGCAI	BRITISH FALCON PLAST
GRAPHIC PACKAGING	WERNER KENKEL	QINGDAO LEIGH-MARDON PACKAGING	HORIZON PACKS PRIVATE LIMITED
HARTA PACKAGING	WESTROCK (ROCKTENN CP, LLC)	QINGDAO XIANJUNLONG PRINTING	SHREE NAINA PACKAGING
HEXING	WESTROCK / MPS	RIEN THONG PRINTING (KIMP PAI) CO.,LTD	PREM INDUSTRIES
HIANG SENG FIBRE CONTAINER CO.,LTD.	ZRP PRINTING( TIANJIN) COMPANY	ROHRER	PT. CAHAYA PRIMA SENTOSA
HORIZON PACKS PVT. LTD.	ZUCAMOR / CARTOCOR	ROMARONG	PARAMITHATAMA ASRIRAYA (INDOPACK)
IBIS PACKAGING SOLUTIONS	AL-RAHIM PACKAGES	S.C. ASSOCIATES	PT PURINUSA
INNOVACION Y EMPAQUE DECHIHUAHUA	BEIJING SHENGTONG PACKAGE PRINTING	SADA PACKAGING VERONA	SAIMA PACKAGING
IP	CEM OFSET MATBAACILIK	SAI PACKAGING	UNITED BOX
JAWA SURYA KENCANA INDAH	CMP	SAI PACKAGING COMPANY	PACKAGING CORPORATION OF AMERICA
KLABIN	COLOR OPTICS	SENTIDO Y SIGNIFICADO	ARMORBOARDPACKAGING
KUMAR	DURAN DOGAN	SHANDONG LUXIN TINAYI	SANDRA S.P.A.
LITO CORRUGADOS	EDELMANN	SHANDONG LUXINTIANYI PRINTING	TECNOGRAFICA Y MAQUINARIA S.A.
MAHIR PRINTING & PACKAGING	EDELMANN PACKAGING MEXICO S.A. DE C	SHONGAI TECHNOLOGIES (SONA GROUP)	TOP-THIMM OPAKOWANIA
MALINTA	EPG	SONOCO FLEXIBLE PACKAGING	VPK PACKAGING SP. Z O.O
MCKINLEY PACKAGING / BIO PAPPEL	ESSENTRA	STAR PRINT PACKAGING CO.,LTD	EUROPA&C EMBALAGEM S.A
MEERUT PACKAGING	GRÁFICA E EDITORA	STI	TECNICARTON PORTUGAL UNIP
MEERUT PACKAGING INDUSTRIES	GUIDE OFFSET	SUNSHINE PRESS (1994) CO.,LTD	IEM PAPEIS E EMB LTDA
MEGHDOOT PACKAGING	GUIDE OFFSET PRINTERS	TCPL	NILPEL INDUSTRIA COMERCIO PAPE
MENASHA	HAMMER	TECNOGRAFICA	VERITIV CORP

MODERN	IBRATEC ARTES GRAFICAS LIMITADA	TIPOGRAFIA PECHATNIA	MENASHA PACKAGING COMPANY
MONDI	IMPRESORA DE PRODUCTOS ESPECIALES	TPN PACKAGING CO.,LTD	VPK PACKAGING SRL.
MOSBURGER	IMPRESOS LITOPOLIS	VG	AUTOEDICIONES DEL POTO
NANJING PACIFIC	INALMEGA	ZIDAN	BIO PAPPEL
NAVILUX	IND COM GRAFICA CONSELHEIRO	ARISTOCRAT INDUSTRIES LIMITED	CONTROLADORA MAHZUZ
NOVAPAKAGES	IND. E COM. GRÁFICA CONSELHEIRO LTDA	COMANCAR DE MEXICO SA DE CV	OLMUKSAN INTERNATIONAL PA
OMKASAN OFSET	INDOPACK	GRAPHICS PRINT & PACK LTD. (CHT_89018244_LC)	WR COLUMBUS
			SONOCO