

Palm oil: Grievance Resolution Procedure

June 2022



1. Background

At Reckitt, we believe we have a duty to ensure that all our operations and interactions are of the highest quality, and we hold our Business Partners to the same exacting standards. We are committed to ensuring our facilities, suppliers, distributors, and contractors meet and exceed applicable laws and international standards, ensuring health and safety at work, protecting the environment, and safeguarding human rights. Together with our Business Partners, we will do the right thing. Always.

We are all part of a complex global supply chain, from warehouses and manufacturing units to smallholder farmers. We ask our Business Partners to take ownership of this commitment, and to share our values; to act fairly and put consumers and people first; and to seek out new opportunities to improve products and innovate responsibly.

Our Third-Party Code of Conduct and Sourcing for Sustainable Growth Policy outlines our approach to supply chain due diligence and explains how our expectations of Business Partners align with our commitments.

Our Sourcing for Sustainable Growth Policy is backed by technical standards covering Labour and Human Rights, Workplace Health and Safety, Environmental Protection and Natural Raw Materials Sourcing.

Our Natural Raw Materials Sourcing Standard and supporting Palm Oil Appendix outline our commitment to sourcing natural raw materials (NRMs) responsibly, including our commitment to No Deforestation, No Peat and No Exploitation (NDPE). Reckitt expects that palm oil used in Reckitt products to be traceable back to production origins and monitored regularly by our Business Partners.

Our Natural Raw Materials Sourcing Standard is based on six guiding principles:

1. Understanding the origins of materials
2. Safeguarding workers and communities
3. Protecting ecosystems
4. Reducing environmental impacts
5. Animal welfare
6. Partnerships.

Reckitt's greatest focus is on our priority NRMs, these include palm oil which this procedure focuses on. We ask our Business Partners to collaborate with their upstream suppliers to ensure and demonstrate that the NRMs they source, and use, are produced responsibly with respect for protection of the environment and the needs of local communities.

Given the scale and complexity of natural raw material supply chains there is the potential for environmental and human rights risks.

To address these potential risks Reckitt;

- Provides a mechanism for stakeholders to raise grievances regarding violations of our Natural Raw Materials Sourcing Standard
- Implements a formal procedure to review grievances. This procedure respects the principles outlined in the UNGPs

As part of our commitment to transparency Reckitt;

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- Reports grievances through a grievance log, which is updated regularly
 - Reports on the activities we are taking to both mitigate potential risks, and proactively ensure our standards are applied in our supply chain. This is reported through our Annual Sustainability Insight report and Modern Slavery Act statement, [here](#).

2. Objective

Reckitt's commitment to NDPE practices within our palm oil supply chain is supported by this grievance procedure which seeks to ensure;

- A timebound, consistent and transparent mechanism for receiving, investigating, and responding to grievances raised by stakeholders is in place
- Reckitt responds appropriately to grievances raised and accountability is in place for the implementation of corrective actions
- Documentation of grievances enables tracking of progress on individual issues as well as the analysis of trends and the effectiveness of our grievance response

3. Scope

This grievance procedure applies to Reckitt's own operations, direct suppliers, and indirect suppliers in our palm oil supply chain.

Direct suppliers are those that have a contract with Reckitt and directly supply us with palm oil or material containing palm oil. Indirect suppliers are those that our direct suppliers source from; for example, processing operations, mills, and producers within our shared palm oil supply chain.

In the context of this procedure, a grievance is any alleged breach of our Natural Raw Material Sourcing Standard and supporting Palm Oil Appendix, such as human rights violations, including deforestation.

Grievances can be raised by any of our stakeholders such as impacted rights-holders, NGOs, civil society organisations, media, and investors.

4. Our approach

When an allegation is raised relating to Reckitt's supply chain, we will firstly verify the allegation made is linked to a Reckitt direct supplier, or the indirect supplier they source from. Reckitt then investigates and determines the most appropriate response. Progress made by suppliers to resolve grievances is monitored through our direct supplier quarterly review meetings.

Reckitt recognises the inherent risks of complex palm oil supply chains and seeks to work collaboratively with direct suppliers to resolve grievances. There is no penalty for direct and indirect suppliers who are transparent regarding grievances raised, and work towards addressing the issues identified, including provision of remedy. We value transparency as it enables us to better identify and mitigate risks going forward.

However, where direct suppliers are unwilling to support the resolution of grievances to meet our policy requirements, are found to have withheld information, provided misinformation, or not investigated grievances effectively, we will review and potentially terminate our commercial relationship with them.

Reckitt has a zero-tolerance policy towards intimidation or retaliation against any individual or organisation raising a grievance. Our approach to following up grievances considers any risk our investigation may create for grievance raisers and our ability to ensure their protection.

We recognise the importance of grievance mechanisms being accessible; we respect the right for grievances to be raised anonymously and our grievance mechanisms accommodate several languages for grievance raisers.

Reckitt is taking action through palm oil activities that both mitigate potential risks, and proactively ensure our standards are applied in our supply chain. These include supporting our suppliers to strengthen their own due diligence processes, landscape-based approaches and participating in palm sector focused industry collaborations. These collaborations provide the opportunity to explore collaborative responses where grievances raised require an industry level response. Where a grievance is raised but the direct or indirect supplier is not identifiable, we look to these approaches and initiatives, or where necessary can collaborate with others to develop new initiatives to tackle the root causes of issues in the palm oil industry.

5. Grievance Resolution Procedure

i. Grievance Received

Grievances can be raised directly with Reckitt via:

- Reckitt's confidential Speak Up! line
- Email to: palmoilgrievances@reckitt.com
- We also assess grievances raised in the media

To enable us to assess any grievance raised, please provide the following information:

- Full name (unless anonymous)
- Name of organisation raising the grievance
- Job title
- Contact details
- Grievance description
- Any evidence to support the grievance

ii. Verification

A Grievance Lead will be assigned in the Sustainability Team who will inform key stakeholders (listed below) that grievance has been raised;

- Global Human Rights & Sustainable Supply Chain Director
- Media Relations Director
- Global Crisis Communications Manager
- Legal Director, Global Procurement
- The relevant Procurement Manager
- Global Compliance Operations
- Global Director, Sustainability, Environment & Human Rights (grievances that pose significant risk only)

The Communications Lead (Media Relations Director/Global Crisis Communications Manager) will acknowledge receipt to the grievance raiser.

The allegation will be recorded on the internal grievance log and assessed by the Grievance Lead to verify any connection to Reckitt's supply chain through our direct, or indirect suppliers.

Grievance raisers and key stakeholders will be informed when grievances have no link to Reckitt's direct or indirect suppliers, and it will be recorded on the grievance log accordingly.

iii. Stakeholder Engagement

Where the grievance is confirmed to be linked to Reckitt's supply chain the Grievance Lead will update key stakeholders who will risk assess the issue. The Grievance Lead will propose next steps for engagement with the relevant suppliers for the stakeholder group to confirm. The severity and scale of the issue, time sensitivity of response, and the risk to supply chain stakeholders is also considered within the initial assessment. Where appropriate, Reckitt will engage expert NGO partners to provide additional information and analysis of the issues raised.

Where the Global Human Rights & Sustainable Supply Chain Director identifies a grievance poses significant risk, a Grievance Action Group will be formed of the key stakeholders. It is the shared responsibility of the group to collaborate to mitigate the risk and progress agreed actions across the supply chain over time until the grievance is addressed.

The Sustainable Sourcing Manager and Sustainable Sourcing Senior Associate are responsible for convening key stakeholders (and any Grievance Action Group) to agree next steps. This can take place by email, or for grievances that post significant risk this will take place in person.

iv. Investigation

Reckitt relies on the support of our direct suppliers in the investigation of grievances, and in turn the collaboration of indirect suppliers – we will work closely with direct suppliers to investigate grievances further, being mindful of how our actions could create risks for the grievance raisers.

Actions needed to investigate the grievance will be agreed with the direct supplier on a case-by-case basis. Our actions are framed by the expectations set in our [Natural Raw Materials Sourcing Standard](#), supporting [Palm Oil Appendix](#) and our [Labour and Human Rights Standard](#). It is the responsibility of direct suppliers to gather information and verify grievances have been addressed, including provision of any relevant remediation. We aim to complete our internal review process of any grievance raised within one month; this includes the initial enquiries with direct suppliers which determine any longer-term response.

Reckitt reserves the right to assign our own auditors, or a third party, to work with direct suppliers to investigate grievances.

v. Monitoring

At a minimum, all pending actions on grievances are reviewed at regular review meetings with our Direct Suppliers.

Internally, significant grievances are reported to the relevant Global Business Unit Risk Committee and the Group Risk, Sustainability and Compliance Committee quarterly. Externally, the status of each grievance is captured on the Grievance Log which is available on our website and is updated every four months.

The effectiveness of this policy will be reviewed annually.

6. Roles & Responsibilities

Stakeholder	Responsibility
Global Human Rights & Sustainable Supply Chain Director	<ul style="list-style-type: none">Overall responsibility for investigation approach
Sustainable Sourcing Manager & Sustainable Sourcing Senior Associate	<ul style="list-style-type: none">Verification of any link to Reckitt supply chainRecommending investigation approachConvening stakeholders/record keeping
Legal Director, Global Procurement	<ul style="list-style-type: none">Advice on any legal implications of the grievance raisedConnection to regional legal teams as necessary
Global Ethics & Compliance	<ul style="list-style-type: none">Link for any palm grievances raised through the SpeakUp! ChannelAssessment of direct suppliers' conduct against Reckitt Third Party Code of Conduct
Media Relations Director & Global Crisis Communications Manager	<ul style="list-style-type: none">Risk perspectiveExternal communications (UK/Global) including with grievance raiser
Procurement Manager	<ul style="list-style-type: none">Risk perspectiveFacilitating or leading engagement with direct Suppliers where immediate action needs to be taken

