



# **About this report**

This document constitutes the Modern Slavery and Human Trafficking Statement for Reckitt Benckiser Group plc and other relevant Group companies (Reckitt) for the 2024 financial year.

It complies with section 54(1) of the UK Modern Slavery Act 2015, the Australian Modern Slavery Act 2018 (Cth), the California Transparency in Supply Chains Act 2010 (CTSCA), and Canada's Bill S-211.

This statement covers all subsidiaries of Reckitt Benckiser Group plc, a full list of which is available in Reckitt's Annual Report 2024, including RB (Hygiene Home) Australia Pty Ltd (ABN 58 629 549 506) and Reckitt Benckiser (Australia) Pty Ltd (ABN 17 003 274 655). It was prepared in consultation with relevant teams across Reckitt, which are responsible for managing our modern slavery compliance, including Reckitt Australia and Reckitt Canada.

It was approved by the Board on 25 February 2025 and by the relevant reporting entities.  $\,$ 



For further detail visit reckitt.com/policies-reports

# **ABOUT RECKITT**

Reckitt is home to some of the world's best loved consumer brands in their categories, which people trust to care for the ones they love. Our products are chosen by consumers millions of times each day to support their health and wellbeing.

Our purpose is to protect, heal and nurture in the pursuit of a cleaner, healthier world. That's because we believe that good health starts at home, and in our communities and workplaces. We believe hygiene is the foundation of health and we deliver for consumers, whether they are treating a cold, preventing the spread of germs, or protecting against sexually transmitted infections.

Respecting human rights is an absolute and universal requirement. We are committed to respecting the fundamental human rights defined in the UN Universal Declaration of Human Rights and to upholding the principles of non-discrimination, elimination of child and forced labour, rights to collective bargaining and freedom of association laid down in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

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See our Basis of Reporting

for further details on the methodologies associated with the metrics referenced in this document



# Message from our CEO



# DOING THE RIGHT THING **ALWAYS**

Doing the right thing, always, is at the heart of our Compass. People are central to Reckitt and our brands from the people in our value chain to the people and the communities we serve every day around the world. We are committed to supporting them and enabling their health and wellbeing."

This means we take time to identify and assess human rights issues throughout our value chain. We take precautionary steps to manage risks and, if we discover negative impacts on core human rights, we take steps to address them. It includes tackling issues of modern slavery which is a constantly evolving topic, impacted by climate change, conflict and economic migration which displace millions of people around the world. This leads to a greater risk of forced labour and exploitation.

We recognise that modern slavery is a systemic and complex issue in many parts of the world. Those affected are often the most vulnerable members of communities: women, children and migrants. Accordingly, we continue to review our approach to make sure we focus where the potential risks are greatest. This includes strengthening our policies and practices, as well as our monitoring and remediation activity to better identify, prevent and address modern slavery if and where we find it.

We have strengthened labour and human rights standards in our global value chain, embedding human rights due diligence into the activities of our procurement and supply functions. Where instances of modern slavery have been identified, we have acted independently or through partners to ensure those impacted gain access to remedy.

Our ongoing collaboration and partnerships with peers through industry associations and forums such as AIM-Progress and the Consumer Goods Forum, enable collective action on systemic modern slavery issues. As members of AIM-Progress, we are working collectively to end forced labour. This has led to strengthened employment practices for migrant workers within supply networks in the Middle East and Malaysia.

Our activity provides a strong foundation from which we are strengthening human rights within our value chain. Examples include our work on sustainable livelihoods, equality, migrant labour forces and working hours. With our partners, our suppliers and NGOs, we're well placed to influence and create positive impact where there are systemic or potentially cultural barriers to human rights, given the nature of our business and brands. We will continue to develop our activity as we strive to support a fairer, more inclusive society.

This statement was approved by the Board of Directors of Reckitt Benckiser Group plc on 25 February 2025.



# Human Rights and Modern Slavery Risk Within Our Value Chain



# A SUSTAINED COMMITMENT TO RESPECTING HUMAN RIGHTS

All aspects of modern slavery go against our core values. As a global company with a far-reaching supply chain, we have a responsibility to ensure that the human rights of people working in our value chain are respected and they are not subject to slavery or forced labour."

Since joining Reckitt in July 2024, I've had the opportunity to visit Reckitt's operations on the ground in China, Thailand, Bahrain, Mexico, Brazil, the US and India, and have met with many of the stakeholders in our supply network - from third-party manufacturers to promotional goods suppliers and contract labour providers to raw and packaging material suppliers. Throughout these visits, I have been reassured by the commitment displayed to upholding human rights and have observed directly the processes in place to comply with our standards to protect workers.

This modern slavery statement outlines the issues we uncovered during 2024 and while it's always disheartening to see human rights non-compliances being reported, it is only through identification that we can remediate and put measures in place to stop re-occurrence.

Given the complexity of our supply chain, we prioritise our focus and activity based on risk and resilience. We are currently focusing on supply networks in Malaysia and the Middle East where vulnerable employees, often migrant workers, are employed in low-skilled jobs within the manufacturing, agricultural, logistics and security sectors.

As a result, we need to ensure that we have the processes and controls in place to identify when workers' human rights are being breached and work with our suppliers to remediate. This starts with our procurement teams who are always in touch with our suppliers. They are trained in key aspects of human rights. They implement our human rights and wider supplier standards across all categories, not only prime buying, during supplier selection and monitoring programmes. Embedding these standards through our programmes and processes is core to achieving our aims and upholding human rights.

Audits, together with our capability-building activity, show promising results over time, with supplier performance improving as their understanding of labour and human rights develops. Audits and assessments will continue to be part of our approach. Coupled with our broader approach of capability building with suppliers and partnerships with peers, we are confident that we are addressing the most relevant human rights challenges in our supply chain and keeping people at the heart of our activity.

# **Our Global Value Chain**

# **RECKITT: A WORLD-CLASS** HEALTH AND HYGIENE COMPANY

Reckitt is focused on a portfolio of market-leading Powerbrands that support health and wellbeing. These brands have a high level of consumer trust, premium positioning and competitive advantage. Alongside this core portfolio are two businesses. Essential Home and Mead Johnson Nutrition.

We are a diverse global team of over 35,000 people, operating in over 60 countries.

For further information and our organisational structure, please see our Annual Report



# **OUR GLOBAL SUPPLY NETWORK**

## Sourcina

We source a range of packaging and raw materials from around 3.800 suppliers – from product packaging and household chemicals, to pharmaceutical ingredients and agricultural commodities, including dairy, palm oil and latex.

## Manufacturing

We have 48 production facilities, supported by 282 third-party manufacturing sites (co-packers).

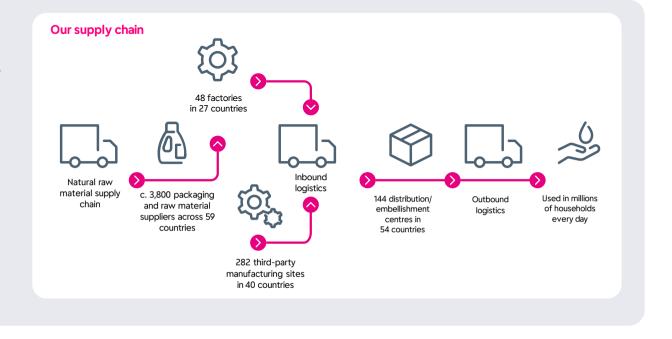
# Supply and logistics

Our products are distributed through our global network of 144 distribution and embellishment centres to retailers around the world

Some of our suppliers are large multinational companies with substantial business and ethical conduct programmes of their own. Others are smaller, local companies, in both established and emerging economies. The latter may not have the same degree of environmental and social programmes in place, but they can still be excellent suppliers with reasonable controls.

Our suppliers are chosen based on quality, cost, location and compliance with our policies and standards. This always includes our Third-Party Code of Conduct and Sourcing for Sustainable Growth Policy and supporting standards.

In addition to our direct and indirect suppliers, all significant and relevant investment activity, including acquisitions if appropriate, undergo thorough due diligence, which includes human rights.



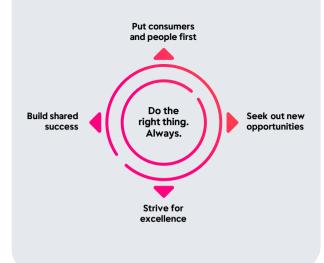
# **Policies and Training**

# **UPHOLDING STANDARDS**

At Reckitt, we believe that human rights, and freedom from slavery and human trafficking are an absolute and universal requirement. Our policy framework supports this approach.

# **OUR COMPASS**

Our Compass and our commitment to 'Do the right thing. Always' guide us in acting responsibly.



# Our approach

We do business with high ethical standards and in line with the laws and regulations of the countries in which we operate. We work hard to prevent unethical behaviour and respond promptly to violations of our policies.

Underpinning our commitment to 'Do the right thing. Always' are the following objectives:

- Embed and sustain an effective ethics and compliance programme that helps us mitigate risks in line with our business strategy
- Empower everyone at Reckitt to make informed choices and promote a culture of integrity
- Predict, detect and mitigate compliance risks and correct any non-compliant behaviour
- Protect Reckitt and its stakeholders from threats caused by potentially unlawful or unethical decisions

Our Code of Conduct and Policy on Human Rights and Responsible Business set the overarching standards for our business.\*

We are committed to respecting the fundamental human rights defined in the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights), and to upholding the principles of non-discrimination, elimination of child and forced labour, rights to collective bargaining and freedom of association in the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work.

We follow the OECD Guidelines for Multinational Enterprises. the UN Guiding Principles (UNGP) on Business and Human Rights and support the Ten Principles of the UN Global Compact.

- See our Code of Conduct
- See our Policy on Human Rights and Responsible Business

# Policies and standards

# Code of Conduct

Reckitt's Code of Conduct outlines the principles and ethical values expected of all employees and contractors, including our commitment to respecting human rights.

The Code covers corruption and bribery, discrimination. confidentiality, conflicts of interest, anti-trust, money laundering, human rights, environment, health and safety and the confidential Speak Up! whistleblowing service. Directors and managers must ensure that the employees and contractors they supervise are aware of and comply with this policy. All employees and contractors must certify annually that they have complied with our Code of Conduct and undertaken annual training. The Board-level Compliance Committee receives regular updates from the legal and compliance team.

In addition, our Human Rights and Responsible Business Policy sets out the requirements and practices expected of our supply chain, and upholds the requirements of international laws and human rights principles.

# **OUR LABOUR AND HUMAN RIGHTS** STANDARD DEFINES CORE STANDARDS:



Workers are of a suitable age to work



All work is conducted voluntarily



Recruitment is conducted responsibly



All workers are treated equally with dignity and respect



All workers have the right to freedom of association



All workers have reasonable working hours and sufficient rest days



All workers receive a fair



Fair conditions for workers in temporary employment



All workers have access to fair remedy



Respecting land rights



Monitoring and managing community impacts



Upholdina worker and community safety and security

\* Reckitt Benckiser Group plc has numerous policies, processes and programmes in relation to ethics, compliance, human rights and modern slavery that cover its subsidiaries and related entities around the world. Due to the global nature of our supply network, suppliers are shared across regions and our Procurement teams work together to implement Group policies, processes and programmes.



# **Policies and Training** continued

# Sourcing for sustainable growth

Our Sourcing for Sustainable Growth Policy combines our policies and standards on human rights and responsible sourcing of natural raw materials. This is backed by technical standards covering Labour and Human Rights, Workplace Health and Safety, Environmental Protection and Natural Raw Materials Sourcing.

The policy and standards are applicable to all Reckitt employees and business partners providing goods and services to or on behalf of Reckitt. This includes third-party manufacturers, raw and packaging material suppliers, service providers, vendors, traders, agents, contractors, joint venture partners and distributors, including their employees' agents and other representatives.

The policy includes six responsible sourcing principles that drive us to conduct business with honesty and integrity. respect human rights, provide a safe and healthy working environment, use safe and sustainable ingredients, source raw materials responsibly, protect the environment and reduce environmental impacts. It alians with the highest standards in our industry and captures the scope of our current supply chain sustainability activities.

# Speak Up

We know it can be hard for some to speak up when they see, or reasonably suspect, conduct that is contrary to our Code of Conduct, our corporate policies, and the laws and regulations that govern our operations.

Our Speak Up! Policy and process allow any employee or third party to confidentially raise their concerns – this includes breaches of Reckitt's Sourcing for Sustainable Growth Policy and supporting standards, which cover issues related to slavery and human trafficking.

All concerns reported through this channel are taken seriously, investigated where warranted, and corrective action is taken where appropriate.

Key metrics and matters arising from Speak Up investigations are reported to leadership via the Group Risk. Sustainability and Compliance Committee (RSCC) and, since the end of 2024, to the Board-level Audit Committee which provides oversight of the implementation of the Speak Up! Policy.

In 2024, 789 concerns were raised through our SpeakUp! service, with 55% of cases warranting investigation under the Speak Up! Policy. We earmarked 126 that could involve breaches of our Human Rights Policy

As of 31 January 2025, we have closed 76% of these human rights related cases after the completion of internal investigations, with 37% of cases partially or fully substantiated. These cases related to discrimination and harassment, working hours, pay and pay disputes and health and safety (mostly working conditions).

Action taken ranged from training and changes to policies or procedures, to disciplinary action up to and including dismissal. The remaining cases are still under investigation.

# Training

Following the highest standards of ethical and responsible behaviour is fundamental to how we do business. We are committed to maintaining the culture and processes that help our people to do the right thing, always, and to behave in the right way.

We engage and train our teams to ensure that they are not only aware of our values and policy requirements, but also have a basic understanding of how to prevent, identify and act on issues

# Annual compliance training

Every year, all employees and contractors must complete our mandatory compliance training to better understand our Code of Conduct and corporate policies.

This training covers important topics such as anti-bribery and corruption, competition law, data privacy, cyber security and product safety as well as must-know information about raising concerns.

Human Rights training is included as a module within this annual compliance training requirement. It is designed to help people to better understand human rights issues and the role of business in respecting them, as well as our salient human rights issues and what we're doing to address them. The training includes tools, knowledge and advice to recognise and report breaches of human rights.

During 2024, 99% of employees (and contractors in scope) have completed this training.\*

We continued to deliver tailored human rights training/ awareness raising with relevant employees, whose roles and day-to-day activities bring them closest to potential adverse human rights issues in our value chain:

- Teams in Procurement receive specific training on our programme requirements, activities and challenges. These seminars are led by the Human Rights team and build two-way communication, while supporting extra training and best practice sharing
- We continued our training on site standards through an aide-memoire for our in-house quality auditors to help them better identify and report on breaches of our Human Rights Policy when assessing sites. We also trained the Procurement teams on issues to look out for when completing their supplier site visits together with a reporting procedure if any issues are identified
- We ran an upskilling workshop focused on Human Rights and Supplier Environmental matters for our Procurement team in China and will be looking to replicate this in other regions in 2025

These channels of communication and enhanced training build greater awareness of our human rights policies and risks for our teams everywhere. In building this awareness. we aim to strengthen identification and remediation of modern slavery risks within our value chain.



<sup>\*</sup> New joiners are required to complete the training during onboarding.

# **Governance and Oversight**

# **EFFECTIVE GOVERNANCE**

Our governance framework comprises forums that are responsible for overseeing progress and ensuring ESG considerations are embedded into our decision-making.

For more detail on our corporate governance approach – including Board oversight and management's role - see our 2024 Annual Report

# Human rights and modern slavery risk management

Reckitt operates an integrated company-wide risk management process. For a general description of our risk and internal control processes, refer to the Risk section in our Annual Report

Human rights and modern slavery risk is considered in our annual Group risk assessment within both 'Legal and compliance' risk (overseen by the Compliance Committee) and 'ESG transition' (overseen by the Board).

Human rights activity is managed through key functions including Ethics and Compliance, Supply and Sustainability. We have a range of reporting channels to ensure leadership teams are aware of our human rights risks, due diligence and remediation activities:

- Human rights violations and the associated consequences such as reputational or trade impact and fines are reported to the Group Risk, Sustainability and Compliance Committee (RSCC) on a quarterly basis with monthly human rights reporting to senior leadership in Supply. Procurement, HR and Legal
- Our Global Supply Leadership team monitors our human rights and labour standards assessment programme on a monthly basis. Monthly reporting covers supply chain risk, audit validity, and progress against improvement and remediation plans, especially for sites with the most concerning findings such as modern slavery or passport retention. These are also reviewed at Group and Board level twice per year
- Our Group Head of Sustainability leads our human rights strategy and is responsible for monitoring progress. We have a dedicated Human Rights and Sustainable Supply Chain team which leads our three programme areas: Human Rights, Responsible Workplace and Sustainable sourcing. This team is responsible for managing our programmes on a day-to-day basis, overseen by our Sustainable Supply Director

# Human Rights and Sustainable Supply Chain team

Our Human Rights and Sustainable Supply Chain team is based in areas of high risk. They cover Asia. Africa and the Middle East, where our regional managers work with Reckitt sites, and high-risk strategic suppliers to uphold our Human Rights Policy.

This team is supplemented by additional resource provided by the expert group Intertek, which works with suppliers and Reckitt teams to support and manage our Responsible Workplace programme globally.

Our regional experts work closely with our Procurement. Supply Services, Manufacturing, Human Resources, Legal and Internal Audit teams to coordinate activity. Our programmes are reviewed regularly by the Senior Leadership team which also steers our long-term strategy and targets.

We regularly engage appropriate internal colleagues through our monthly compliance reports and quarterly townhall briefings on our Responsible Workplace programme requirements, activities and challenges. These updates help embed human rights into standard ways of working by enabling local teams to better understand key human rights risks, alongside supplier compliance and performance levels. They provide a forum for sharing best practice and help identify focused improvement areas where additional engagement and training can be delivered. They are also a point of escalation if required.

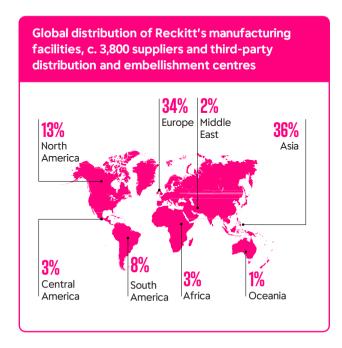
# Due diligence

All Reckitt sites complete an annual compliance selfassessment against our human rights and responsible business requirements.

While our own operations are typically lower risk than those within our supply chain, ensuring the human rights of workers remains a top priority. Our due diligence processes help us identify and understand the issues arising and forms the basis of our mitigation and remediation activities. Our sites may also have contractors present and their safety and the standards they work to are equally important to us.

# Supply chain due diligence

Good relationships with our suppliers are the bedrock of the effectiveness of our programmes. We choose suppliers based on quality, cost, location and how their processes align with our policies and standards.



As part of our contracting process, we conduct compliance due diligence on potential suppliers. If the desired engagement with a supplier is preliminarily identified as having medium or high engagement risk, we further assess associated compliance risks using the Dow Jones research and report service, which provides information about the supplier regarding various compliance-related matters. including adverse media regarding environmental and human rights issues. Where appropriate, we perform additional checks tailored to the risks identified, such as more in-depth information gathering from the Dow Jones service, engaging directly with the supplier and engaging with the business in the relevant markets to support a risk-based assessment. The findings of these assessments guide our decision on whether any identified risks can be mitigated or if we should decline the engagement and identify an alternative business partner. If engaged, suppliers are subjected to ongoing monitoring to identify and manage new compliance matters that arise during the engagement.



# **Governance and Oversight** continued

## Responsible Workplace programme

In addition to Reckitt's general supply chain due diligence outlined above, we have specific requirements for suppliers within the scope of our Responsible Workplace programme.

The programme includes all third-party manufacturing sites (co-packers), distribution and embellishment centres and high-risk raw material and packaging suppliers.

Risk is assessed based on the supplier's inherent country risk using the indicators below:

- World Bank Governance Indicators
- UN Human Development Index (HDI)
- Transparency International Corruption Index
- US State Department Trafficking in Persons Report
- Sustainable Development Report

These indicators help us look at the site risk and modern slavery and human trafficking indicators.

Raw material and packaging suppliers qualify for inclusion based on the following three factors: the supplier is located in a high-risk region, spend is over £1 million per year, and the supplier is not a multinational company. Multinationals are out of scope as they tend to have sustainability teams and programmes in place.

As part of our contracting process, we conduct preliminary due diligence assessments according to the inherent risk profile of the third party. This picks up compliance, human rights and environmental, social and governance (ESG) issues. The outcomes then guide our assessment on medium and high-risk suppliers and where compliance investigations and/or human rights audits may be required.

Our new supplier qualification process includes assessing forced labour and modern slavery risks prior to signing the contract. Additionally, business partners are required to communicate these requirements to their suppliers, monitoring and strengthening compliance as far as is practical.

We require all suppliers included in the programme to join Sedex, complete a self-assessment questionnaire (SAQ) and conduct a site-level risk assessment. Sedex is a membership platform that helps assess supply chain risks.

We require a site audit for any supplier located in a high-risk region before we enter any commercial relationship. All thirdparty manufacturers, and distribution and embellishment centres located in emerging economies are audited as part of their onboarding.

During 2024, 525 high-risk supplier sites were included in our due diligence programme, with 18% of these deemed critical and high risk, requiring the site to undergo a site audit to assess compliance at least every three years. More detail on page 12.

Our Responsible Workplace Programme aims to reduce the risk profile of these suppliers through ongoing engagement to drive improvements. We are systematically expanding our due diligence activities over time

In 2025, we will increase our focus on heightened human rights due diligence in conflict regions. As per the Corporate Sustainability Due Diligence Directive (CS3D), our approach is grounded in understanding how our business activities may unintentionally contribute, or be linked, to the conflict dynamics which may in turn have unexpected impacts on workers and communities in the regions.

# **Audit requirements**

All suppliers in high-risk regions are required to undergo an audit at least once every three years.

Audit requirements depend on the latest audit result:

- Suppliers rated 'good' are audited every three years
- Suppliers requiring improvements are audited every two
- Any suppliers that require significant improvement are audited annually
- Any suppliers deemed unacceptable are audited at least annually, must provide a clear corrective action plan and are subject to regular follow-ups with our Sustainability and Procurement teams to assess progress

While we prefer to work with suppliers to improve standards. any who fail to meet our standards may be excluded from our supply network.

# Natural raw material supply chains

We apply commodity-specific approaches in our natural raw material supply chains which follow the principles of the due diligence processes outlined above

Our Natural Raw Materials (NRM) standard is shared with all NRM suppliers as part of our contracting process. The standard specifies a requirement for our suppliers to have systems in place to identify, monitor, mitigate and remedy any non-compliances relating to deforestation and land use change within their supply chain. Our grievance procedure outlines a process of investigation into deforestation grievances.

We use a range of approaches to tackle any risks identified. with activities tailored to the individual raw materials. These range from certifications to direct interventions through NGO partners.

# Palm oil

For palm oil, where we are a number of steps removed from the farm-level supply chain, we have set clear expectations for suppliers in our Sustainable Sourcing Standard Palm Oil Appendix, and are committed to identifying and following up on human rights grievances as per our grievance procedure.

We established a palm oil supplier performance scorecard in 2023. This scorecard includes performance indicators on traceability, No Deforestation Verification and the management of grievances which are commonly related to deforestation and human rights, including land rights issues. This performance monitoring enables us to leverage our commercial influence to ensure suppliers are mitigating our shared supply chain risks.

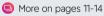
At farm level, we support Earthworm Foundation's (Earthworm) landscape programmes, which include activities to address common human rights risks such as child labour. and employment practices at mill and refinery level within our palm oil supply chain.

We publish a <u>list of the palm oil refineries and mills</u> within our supply chain annually and we share key data points on our palm oil programme in our ESG data book.

# **SPOTLIGHT**

# **AUDITS AND ASSESSMENTS IN 2024**

- **Monitoring**: we monitored 525 supplier sites (including third-party manufacturers, distribution and embellishment centres, and high-risk raw and packaging material suppliers) and 48 Reckitt sites
- **Self-assessment**: all Reckitt facilities complete an annual self-assessment of compliance with our responsible workplace requirements on our reporting tool. Enablon, 85% of suppliers in scope have completed a self-assessment questionnaire (SAQ) and we are working with the remaining suppliers to meet their overdue SAQs
- Audits: we conducted 228 supplier and 15 Reckitt site audits, with 1,396 non-compliances identified (45 in Reckitt sites and 1,351 in supplier audits)
- Corrective actions: 97% of suppliers and 100% of Reckitt sites audited have an approved corrective action plan in place, with 56% of Reckitt site noncompliances addressed and the remainder scheduled for re-audit in 2025
- Improvement delivered: the audit pass rate for sites who have had multiple audits over time increased from 45% in the first audit to 80% in the most recent one. An initial low score is often the result of weak local regulatory standards or enforcement, and suppliers may not have been assessed against these previously. The subsequent improvement reflects continuous improvement of standards, supported by both audits and supplier development activities



# **HUMAN RIGHTS IMPACTS AND RISKS ACROSS OUR VALUE CHAIN**

We focus our activity on understanding the broad range of human rights impacts across our value chain. We have risk assessed all our markets using a tool developed with the Danish Institute for Human Rights. This risk assessment considers a range of factors such as our supplier, operational and brand footprint, inherent human rights risk, proportion of net revenue generated and market growth rates.

# Our salient human rights issues

In line with the United Nations Guiding Principles (UNGPs), we committed to identifying our salient human rights issues. This has helped us prioritise human rights issues across our operations and extended supply chain.

In partnership with the Danish Institute for Human Rights, and in consultation with key stakeholders including NGOs. customers, investors and peers, we identified 12 salient human rights issues:

- Working hours
- Fair wages
- Health and safety
- Freedom from forced labour
- Freedom of association and collective bargaining
- Diversity and inclusion
- · Effective grievance mechanisms
- Access to water and sanitation
- Access to health and hygiene
- Sexual health and rights
- Marketing practices
- Data privacy

The prominence of these 12 issues varies across different countries and sectors and can shift with the ever-changing social, economic and political landscape.

Many of the issues that contribute to modern slavery are constantly evolving, which is why we continue to develop our approach. We continue to review the issues identified, focusing on the most critical and considering new and emerging risks and trends. We collaborate with NGOs and peers to better understand risks and ways to address them, ensuring we focus our activity on the areas where the potential threat to human rights is greatest.

The importance of this dynamic approach continues to grow as the impacts of climate change, conflict and economic migration affect and displace millions of people around the world.

# Human rights impact assessments (HRIAs)

Our Human Rights programme considers human rights issues in the context of local conditions. We do this through targeted human rights impact assessments\* that focus on understanding the impacts affecting a particular country and part of our business in more detail.

We are committed to conducting 10 human rights impact assessments by 2030. To date, we have completed three assessments including Thailand (covering our Durex and Enfa brand value chains). Brazil (covering the value chains of our Olla condoms, SBP Aerosol Pesticides and Veia Multipurpose Cleaners) and Poland (covering our Finish and Strepsils brand value chains).

Each assessment takes a number of months to consider the value chain in the country and engage local stakeholders on human rights issues. We engage with a range of local stakeholders. This helps us to develop our policies, procedures and activities to tackle any negative impacts we identify. We also look to promote specific human rights where our business and brands are well placed to drive positive impact. For example, our Durex brand promotes sexual health and rights.

# Thailand

The initial assessment of our Durex natural rubber value chain in 2019 found that low rubber prices were adversely affecting the livelihoods of smallholder latex farmers, as well as agricultural health and safety issues related to equipment and pesticides. We continue to mitigate the risks identified, for example, through health and safety training at latex collection centres and farms that addresses risks related to chemical management, and rolling out the Fair Rubber accreditation to enable all latex tappers in our supply chain to receive a price premium for the latex supplied for Durex. In 2024, we expanded our activity to assess risks across our full supply chain in Thailand, India and Malaysia.

More on page 15

## Brazil

The assessment of our Brazilian operations and value chain in 2023 identified several potential issues relating to the accessibility and affordability of products. diversity, equality and inclusion (DE&I) and responsible sourcing of raw materials. We have continued to drive improvements by: increasing access to intimate wellness products and information on sexual health in disadvantaged communities, working with local suppliers, and continuing to pursue our ambitions regarding DF&L

# Poland

During 2024, we completed an assessment of our Polish operations and value chain. Further details on this assessment and the key focus areas can be found on

We will continue to deliver and expand our human rights programme and due diligence activities and plan to conduct further human rights impact assessments in 2025, in line with our 2030 commitment





# **UNDERSTANDING HUMAN RIGHTS IMPACTS IN POLAND**

Reckitt has committed to conducting 10 human rights impact assessments by 2030.

During 2024, we completed our third human rights impact assessment. This was conducted in Poland where our biggest manufacturing site, Nowy Dwór, is located and where we have a large office footprint, including commercial offices and an IT&D hub.

Due to the Russia and Ukraine conflict there has been a sharp increase in the number of Ukrainian migrants in Poland who are more vulnerable to exploitation with the backdrop of weaker labour laws, especially for contract labour.



# Assessing impacts and risks across our value chain

Our Poland assessment covered the value chains of our Finish and Strepsils brands. It included:

- Site visits to Reckitt's offices, manufacturing facility and select supplier sites
- Group and one-to-one interviews with over 210 rightsholders, including Reckitt employees, and thirdparty workers and managers at supplier sites
- A survey of Reckitt employees in Poland, including agency workers and contractors. This included questions relating to the working environment, opportunities for career progression, and grievance mechanisms. Specific questions were asked to women and migrant workers to better understand intersectional perspectives

Findings were presented and discussed in two publicfacing workshops with key stakeholders, and feedback was integrated into a final action plan.

**210+**Rightsholders engaged

# Key areas of focus:

- Agency workers and contracted labour:
  as noted left, there are specific challenges in
  Poland relating to contracted labour and the
  assessment highlighted the need for increased
  due diligence of third parties. In Poland, Reckitt is
  actively working to reduce its reliance on agency
  workers and offering longer-term contracts to
  workers hired through third parties. Given this is an
  area of risk, we are rolling out a contractor
  management checklist in our manufacturing
  facilities in 2025 for sites to self-assess against
- Marginalised workers, specifically women and migrant employees: further training to improve the implementation and uptake of Reckitt policies. Additionally, active engagement with migrant employees to understand financial, administrative and other challenges linked to employment
- Workers in Reckitt's supply chain: areas of focus include increasing the scope of supplier due diligence, contractually mandating suppliers to disclose their relationships with labour agencies, and increasing human rights training at a local level to drive ownership and accountability for human rights due diligence

The findings of the human rights impact assessment in Poland shine a light on the issues surrounding marginalised workers and we are committed to closing the actions out in 2025. We also plan to complete our next human rights impact assessment in a traditionally lower-risk market where we know agency work is prevalent and therefore where the risks associated with migrant workers are higher."

# Max Levy

Head of Responsible Supply Chain

# RESPONSIBLE WORKPLACE

Our Responsible Workplace programme has been in place for a number of years and continues to evolve. Through a combination of audits and training, the programme aims to ensure and progressively improve performance on labour standards, health and safety and environmental standards.



# Our Responsible Workplace programme includes:

- 1. **Engagement:** outlining what we expect of our facilities and suppliers and integrating policies and standards within commercial agreements
- 2. **Self-assessment:** encouraging sites and suppliers to take ownership for compliance through annual selfassessments and build awareness of good practice on labour standards, health and safety, environmental matters and business integrity
- 3. Site risk assessment: assigning sites a risk rating by considering inherent risks alongside audit findings where relevant and management controls. Site-level risk assessments determine which sites require further due diligence through an on-site audit. The risk assessment takes into consideration a range of factors such as location and responses to the self-assessment
- 4. Audit: completing audits of critical and high-risk sites at least every three years, or sooner if merited by the latest audit result. Audits are either conducted by internal teams or by Reckitt-approved external audit firms
- 5. Addressing audit non-compliances: ensuring time-bound corrective action plans are in place and completed. After each audit, the site develops a corrective action plan (CAPA), which is recorded in our management system. The CAPA is reviewed by the Human Rights and Sustainable Supply Chain team, with monthly reports on remediation compiled for global and regional management. Follow-up audits are conducted to verify the corrective actions taken
- 6. Training: building capability and understanding of issues to prevent them happening. We aim to embed robust responsible sourcing practices across our supply chain. Engagement and training help to build people's understanding of issues and empower them to identify the root cause. It can also help to prevent issues arising. We provide training for our employees and our suppliers through on-site visits and online sessions such as our capability building programme (see page 14) and our annual compliance training programme (see page 6), as well as sharing resources and good practice

# Assessing our effectiveness

# **Reckitt facilities**

All Reckitt manufacturing facilities are included in the Responsible Workplace programme and must complete an annual human rights self-assessment. In 2024, these assessments confirmed that all sites were operating in line with our policies and standards

# **Audits**

In 2024, we conducted 15 site audits in Thailand, Nigeria. Mexico, Türkiye, Brazil, India and Colombia, While all audits received a pass rating, 45 issues contrary to our standards were identified and corrective actions were established. The total findings and average number of findings per audit have decreased versus the previous year, reflecting an overall improvement in audit performance (2023: 12 audits, 54 findings).

After failing their audit last year, our Nigeria site took immediate action to address the non-compliances. The site underwent a follow-up full scope audit in 2024 and passed.

In many global supply chains, there is a risk of children working. Our audits have not identified any cases of child labour at any Reckitt sites. Nonetheless, we continue to implement preventative measures. Our audits have helped identify areas where policies could be further strengthened to build awareness amongst our teams and local contractors. and if needed, enable local support to prevent and tackle the issue. One finding in 2024 was raised against the forced labour clause of our standards connected with applicants paying for recruitment checks. This has since been closed by the site.

# Corrective Action Plans (CAPAs)

Corrective action plans (CAPAs) are developed post-audit as required, 100% of the sites audited in 2024 had an approved CAPA in place, with 56% of the issues raised already satisfactorily resolved and the remaining underway.

Sites with remaining open non-compliances are working to address the issues in accordance with an agreed, realistic timeframe and continue to be monitored by our Human Rights team.

# Issues contrary to our standards



- Management systems 16
- Remuneration 15
- Working hours 6
- Disciplinary practices 5
- Discrimination 1
- Freedom of association & collective bargaining 1
- Forced labour 1



# Assessing our effectiveness continued

suppliers included in our Responsible Workplace programme in 2024

# Our supply chain

Due to the complexity and scale of our supply chain, we focus on high-risk Tier 1 suppliers. Separately, we look at Tier 3 raw material suppliers within key agricultural value chains (this includes an assessment of forms of modern slavery in sectors such as latex and palm oil, more on pages 15-16).

525 high-risk suppliers were included in the Responsible Workplace programme in 2024, including third-party manufacturers (co-packers), distribution and embellishment centres, and high-risk raw material and packaging suppliers. These suppliers were subsequently categorised using the most recent audit rating (where one is available) as: 4% critical, 14% high, 49% medium and 33% low risk.

By working with suppliers to reduce their risk profile, we are less likely to see breaches of human rights. Since 2021, the number of critical and high-risk rated sites has reduced by 27%. This demonstrates the positive impact our Responsible Workplace programme is having on the sites we are engaging with, and the effectiveness of the collaboration between our Sustainability and Procurement teams.

# Supplier self-assessments

85% of these suppliers have completed a self-assessment questionnaire (SAQ) which is valid for two years. In 2025, we will work with the remaining suppliers to meet their overdue SAQs.

The self-assessment is helpful in building suppliers' understanding of the policies and procedures for their facilities and supply chain, and strengthening their management of labour standards, health and safety. environmental compliance and business integrity.

We continued to include SAQ completion in our risk scoring to add additional detail. However, as completion is selfassessed it only contributes to a small percentage of the total risk score. This helps us drive completion because lapsed or overdue SAQs are flagged in our supplier balanced scorecard reviews

supplier audits completed in 2024

# Supplier audits

In 2024, we audited 228 suppliers (including 80 co-packers. 26 distribution centres, four embellishment centres, 81 packaging suppliers and 37 raw material suppliers), across seven regions and covering around 79.000 workers.

Our audits identified 1351 contraventions of our standards in 2024. While the number of findings is naturally a concern, it reflects the fact that in some cases suppliers had not previously been assessed, or local legislation was less stringent than Reckitt's standards, or was not consistently enforced. This further supports the need for us to expand our activity to identify issues and work with suppliers to drive improvement.

The average number of findings per audit decreased compared with 2023 which was encouraging.

One key aspect of the audits involves directly engaging workers on-site through individual and group interviews as part of the monitoring process. We suggest auditors pick a sample of interviewees from a variety of backgrounds, including age, gender, race, nationality and length of service.

Additionally, nearly 11,000 (c.14%) of the employees across the sites were migrants, whom we know are more vulnerable to exploitation than local workers. There was also a direct correlation between the countries with the highest percentage of migrant workers and countries where forced labour is more prevalent. These countries were the UAE. Bahrain, Oman, Thailand and Malaysia. To mitigate the risk, our regional teams in these markets assess, partner with and build the capability of suppliers in these regions.

We will continue to monitor suppliers through audits and capability building, conducting targeted training to build understanding of these specific challenges and their root causes.

# Audits by supplier type



- Packaging suppliers 36%
- Third-party manufacturers (co-packers) 35%
- Raw material suppliers 16%
- Distribution centres 11%
- Embellishers 2%

# Audits by region



- South Asia 25%
- East Asia 16%
- Middle East 10%
- Africa 6%
- Central America 1%
- South East Asia 21%
- South America 13%
- North America 7%
- Europe 2%

# Assessing our effectiveness continued

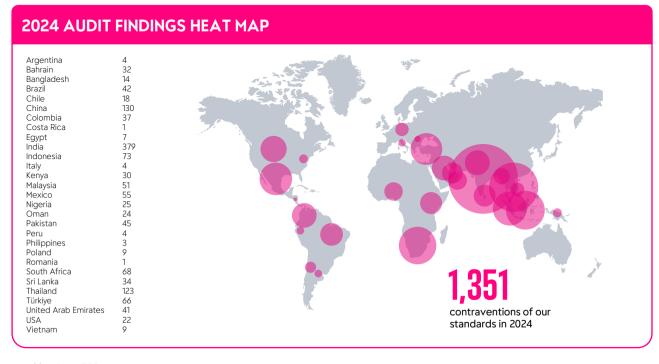
# Addressing non-compliances

Overall, the most common areas of non-compliance concerned health and safety (54%), working hours (14%) and wages (7%), which is similar to our findings in 2023.

We continue to partner with our suppliers to tackle the root cause of these findings and enable them to remediate in a sustainable manner

Our audits of suppliers did not identify any instances of child labour. However, in the case of five suppliers, we raised opportunities to strengthen the prevention of child labour. The audits identified areas where policies, risk assessments and age verification processes could be further strengthened to build awareness and preventative measures at suppliers' manufacturing sites.

Recognising the risks in global supply chains, especially within farming activity for crops including latex, palm and cocoa, we continue to work through local partners such as the Earthworm Foundation to build awareness of and prevent child labour within farming communities. Our programmes include farmlevel activity to strengthen livelihoods that helps to address economic pressures which can lead to children working.



# 97%

# of supplier audits with the approved corrective action plan in place

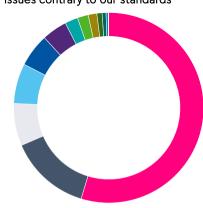
Corrective action plans (CAPAs) are developed post-audit as required. We review each supplier's CAPA based on the audit requirements and schedule outlined on page 8, providing technical support if required.

97% of CAPAs from audits conducted in 2024 are in place. We are working with those remaining suppliers, monitoring their progress, and will re-audit them to verify that actions have been completed.

The actions taken range from improving management systems. enhancing environmental practices on-site and updating policies through to improved worker training, particularly in relation to health and safety.

Examples of supplier improvements include a premium rate for overtime, improved fire safety, machine guards and production planning to prevent excessive overtime and better shift patterns.

# Issues contrary to our standards



- Health, safety and hygiene 739
- Working hours 187
- Wages 97
- Regular employment 92
- Management systems 76
- Environment 58
- Discipline and grievance 30
- Employment freely chosen 25
- Freedom of association and collective bargaining 20
- Business integrity 12
- Discrimination 9
- Child labour and young workers 5
- Access 1

# >

# Respecting Human Rights Across Our Value Chain continued

# Assessing our effectiveness continued

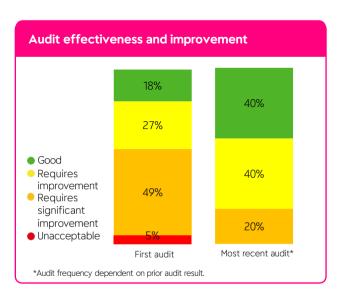
71%

# pass rate of supplier audits conducted in 2024

Of the 228 suppliers audited in 2024, 71% (161) achieved a pass rating, an 8% increase from 2023. This was due to ongoing capability building with suppliers, a closer and more collaborative relationship with procurement and some of the suppliers in this year's audit scope having more mature human rights programmes in place versus prior years.

Of the failed audits, over half were raw material and packaging suppliers. We are focusing on capability building for these suppliers and working with them to improve workplace standards

It is important to note that in many cases, local legislation on workplace standards may be less stringent than Reckitt's standards or have little focus on enforcement. The audits may be the first assessment suppliers have faced. As such, working with suppliers to build and maintain standards is an important step in supporting improved workplace conditions.



We have seen a consistent improvement in audit performance over the past few years on sites that have been audited more than once. Pass rates improved from 45% at initial audit to 80% in the most recent one

These improvements demonstrate the effectiveness of our programme over time. They have been made possible through a partnership approach, providing suppliers with free technical support and guidance to elevate standards.

We remain focused on delivering our programmes, identifying and addressing issues, and ensuring that the corrective actions taken are effective in delivering sustained, long-term improvement.

# SPOTLIGHT

# CAPABILITY BUILDING PROGRAMME

Audit plays in important role in improving supplier standards. However, this does not always lead to lasting improvement and may not address the root causes of non-compliance.

Our capability building programme has been underway since 2018. It's a mixture of training workshops, site visits and regular technical guidance. The programme is helping to foster a closer, partnership-based relationship with our suppliers that delivers sustained long-term improvement and we're starting to see the results in improved audit ratings.

# Driving responsible recruitment practices in supply chains in Thailand and Malaysia

Our targeted capability programme aims to support suppliers in building their technical knowledge and implementing improvement plans to achieve responsible recruitment practices.

12 of our suppliers within high-risk regions were involved in 2024, including two suppliers in Thailand and Malaysia where we focused on understanding the challenges facing migrant workers.

Suppliers completed a confidential assessment of responsible recruitment practices, which included four overarching themes: contracting standards, recruitment fees and costs, grievance mechanisms and employment processes.

Following this assessment, we worked with suppliers to co-create time-bound action plans tailored to each supplier's needs – for example, implementing a formal company grievance mechanism policy with HR.

We also provided one-to-one coaching with suppliers to equip them with the knowledge and tools necessary to improve practices in the organisation.

Overall, the project led to improvements in recruitment practices and worker engagement with key suppliers across Thailand and Malaysia. These changes fostered compliance and set the stage for ongoing, sustainable improvements in supply chain practices.

Specific improvements included:

- The development of grievance channels
- Improved process of arrival and orientation of workers
- Improved contracting standards and processes, ensuring workers have proper access to their contracts, fair terms and contracts in their first language
- Improvement in approach to recruitment fees and costs, with a number taking initial steps to adopt the 'Employer Pays Principle', which takes steps to ensure that no workers pay for a job
- Refinement of recruitment policies and processes
- Integration of responsible recruitment into their everyday operations



# **SUSTAINABLE SOURCING**

Our sustainable sourcing approach embeds our policies and standards on human rights within the responsible sourcing of raw materials.

Our approach to human rights is tailored to each natural raw material to ensure we focus on the most pressing and relevant issues.



Our six responsible sourcing principles:

- 1. Ensuring labour and universal human rights are respected
- 2. Providing a safe and healthy working environment
- 3. Sourcing natural raw materials responsibly
- 4. Protecting the environment and reducing environment impact
- 5. Using ever safer and more sustainable ingredients
- 6. Conducting business with integrity

Specifically for natural raw materials, our approach is captured within our Natural Raw Materials (NRM) Sourcing Standard which outlines additional principles covering traceability, human rights and partnerships.

# Identifying, assessing and addressing human rights risks in our upstream natural raw materials supply chains

Our natural raw material risk assessment determines which raw materials we focus on. Palm oil and natural latex have been identified as priority supply chains (see next page).

Understanding the origins of materials (traceability) is our starting point for identifying, assessing and addressing human rights risks within our upstream supply chains for both primary producers (i.e. farms and plantations) and for Tier 2 suppliers such as palm oil processing mills. Palm oil, for example, requires significant resource investment in traceability, No Deforestation Verification and grievance identification and monitoring. These workstreams help us to identify and address environmental and human rights risks, including land rights risks for communities (more detail on the next page).

In 2024, we put in place sourcing principles to mitigate risks associated with cocoa. Purchasing from suppliers' premium cocoa programmes provides suppliers with the resources to address human rights and environmental risks in our shared supply chains. We are taking the same approach on carnauba wax, moving to certified material. The certification identifies standards for human rights within the supply chain. We are continuing to develop our soy strategy, the majority of which comes from the US, which is low risk for deforestation and land rights risks.

# Safeguarding workers and communities

We are committed to safeguarding workers and communities in line with Reckitt's Labour and Human Rights Standard, Risks to people who grow or harvest raw materials that go into our products include modern slavery drivers such as debt bondage and child labour. Damage to ecosystems also creates human rights risks for primary producers, for example. violations of land rights and loss of access to 'services' such as clean water vital for the livelihoods and wellbeing of local communities

## Remediation

We recognise the human rights challenges that exist in complex supply networks, including the limitations on what we are directly able to control and influence. As a result, our remediation approach focuses on stakeholder collaboration and transparency.

We prefer to work with our supply chain to resolve issues rather than terminating business relationships. However, in instances where a supplier is not providing appropriate support to remedy issues, we may cease working with them. In prior years, we have excluded some palm oil origin plantations and mills which supply the companies from which we purchase palm oil and/or its derivatives, because they were not willing to take action to address deforestation.

In most cases where issues are identified, we work with suppliers to remediate, in some cases absorbing some of the costs involved. Our preferred approach of remediation ensures issues are addressed and impacted workers obtain access to remedy, which otherwise might not be the case.

# **Partnerships**

We are committed to working with others to address challenges more effectively and encourage improvements in industry standards. Our aim is to ensure the long-term social and environmental sustainability of our supply chain and the communities that underpin them.

# SPOTI IGHT

# LANDSCAPE PROGRAMMES IN OUR PALM OIL SUPPLY CHAINS

Reckitt supports landscape programmes as an effective mechanism to address the root causes of human rights risks related to sourcing palm oil.

We continue to support the Earthworm landscape programmes in Riau, Indonesia and Sabah, Malaysia. which cover impacts and interdependencies associated with both timber and palm oil supply chains. These programmes not only tackle issues around deforestation, but also engage with communities and companies to address human rights risks.

In Riau, Earthworm collaborated closely with the Indonesian Palm Oil Association (GAPKI) to draft comprehensive guidelines on the employment of daily labourers. Now in its final stages, this will provide consistent standards for employing daily labourers across the sector.

In Sabah, over 3,000 workers indirectly benefited from training on decent work practices. Follow-up from the training is now taking place, which includes allowing workers' representatives to participate in a dignity of work programme, intensive training on indicators of forced labour, and collaborating with human resources teams to review procedures related to the recruitment of migrant workers.





# Key natural raw material supply chains

For natural raw materials, we identify and seek to mitigate the human rights risks that affect people working at farm level. We identify these risks by commodity, alongside any specific risks associated with the sourcing location.

We seek to mitigate risks through clear supplier expectations as set out in our Sourcing Standards, as well as addressing risks through interventions at farm level delivered by suppliers and NGO partners within our key value chains.

# FAIR WAGES IN OUR SUPPLY CHAIN

We recognise that in some supply chains, wages and incomes are still too low. We are aiming to address this in collaboration with the producers that are essential to our natural raw material value chains

Our focus to date has been on our palm oil, cocoa and latex supply chains. Where we identify producers in our priority natural raw material supply chains who do not have sustainable livelihoods, including at farm level. we work with local stakeholders, such as our suppliers and NGOs, to engage farmers and forest-dependent communities to understand and address the barriers they face. In collaboration with our local partners, we provide commercial incentives and invest in training and capacity building, including training on more efficient farming practices, which can reduce costs, build resilience and improve incomes, leading to wider community benefits.



# Why it's important

Palm oil is a key ingredient in our Dettol and Enfamil brands. We source primarily from Indonesia and Malaysia. Palm oil is highly versatile and can be processed for many applications.

# Human rights impacts and risks identified

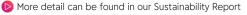
Risks at palm plantations include forced and child labour, low wages and unsafe working conditions. Communities adjacent to palm plantations do not always have their land rights respected and may experience land appropriation and inadequate compensation by palm oil companies. In addition, large areas of forest and peatland have been converted to grow palm oil; deforestation is a primary driver of climate change and global decline of biodiversity.

# Our approach

For deforestation risks our approach focuses on achieving traceability to plantation in collaboration with our suppliers. Traceability data enables us to identify any deforestation in our supply chain through satellite monitoring and engage suppliers to stop and remediate deforestation. Land rights issues can emerge from this analysis as we work with suppliers to understand the root cause of the deforestation that has been identified. It is a supplier requirement to participate in traceability exercises and to respond to any grievances identified. We outline these supplier requirements in our Natural Raw Material Sourcing Standard and Palm Oil Annex.

We are members of the Roundtable on Sustainable Palm Oil (RSPO) and are on track to deliver our 2026 commitment to source 100% of palm oil in support of the RSPO programme. The RSPO standard also outlines the expectations for mitigating human rights risks in palm oil supply chains, including with suppliers.

As we are a number of steps removed from farm level where the greatest human rights risks are in palm supply chains, we also work with others to mitigate risks at farm level. We support Earthworm Foundation's landscape programmes in Riau, Indonesia and Sabah, Malaysia, which engage workers at farm level on human rights issues.





# Why it's important

Natural latex is a key ingredient in Durex condoms. It comes largely from Malaysia. and Thailand, with a small amount from India. Natural latex condoms support intimate wellness and safeguard people by combating sexually transmitted diseases

# Human rights impacts and risks identified

Latex farmers' incomes are linked to the global price for natural rubber, which has declined over time, reducing incomes and encouraging latex farmers to remove trees and move to crops with more stable markets such as durian or palm oil.

In 2024, we built on the human rights impact assessment previously conducted on our latex supply chain in Thailand, by assessing risks across our full supply chain in Thailand, India and Malaysia. This focused on people in our supply chain, such as latex tappers, smallholder farmers or those working at primary processing facilities. Common issues in supply chains in these regions include health and safety related to equipment and pesticides, and recruitment fees.

# Our approach

In 2024 we achieved our commitment to roll out the Fair Rubber accreditation to all natural latex farmers in our Durex supply chain paying them a premium through the Fair Rubber Association. The farmers decide collectively how to spend this premium, usually a combination of individual cash payments and bulk purchases of inputs like organic fertiliser that enable group savings.

Alongside this, in Thailand our NGO partner, Earthworm Foundation, continues to work closely with over 1,000 latex tappers to improve yield, quality, incomes and biodiversity loss. By addressing these interconnected challenges we are working to ensure that Durex has a resilient supply chain. This is only possible if latex farmers can achieve a sustainable livelihood through latex production.

In response to our updated human rights risk assessment in 2024, our Sustainability and Procurement teams are collaborating to address identified risks with suppliers and directly at farm level, through the Fair Rubber accreditation and our Earthworm programme with latex tappers in Thailand.

More detail can be found in our Sustainability Report



# **Investigating Modern Slavery Allegations**

# Non-compliances found relating to forced labour and human trafficking

Through our audit programme in 2024, we identified 1,584 non-compliances with our Sourcing for Sustainable Growth Policy in our supply chain, 36 of which were related to forced labour and human trafficking.

# Of the 36 findings identified:

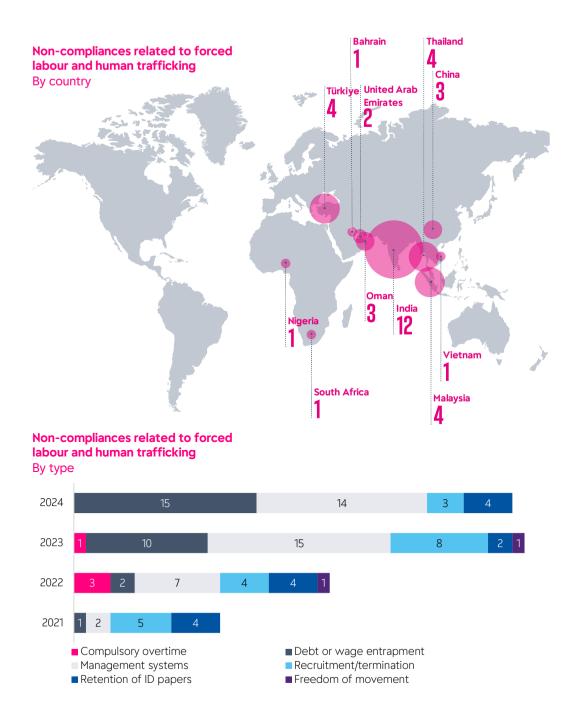
- In 14 instances, agencies were charging workers. recruitment fees. These were identified in Türkive, the UAE, Malaysia, Thailand and Oman. 12 of these instances have been closed and we are working with the final two suppliers to ensure this practice is stopped. The cases identified related to contractors working on our supplier sites. In 2025 we will create and cascade a contractor management checklist to help ensure responsible recruitment is respected by contractors working with our suppliers
- We had nine cases related to terms and conditions of employment not mentioned in the appointment letter. These were identified in India, Nigeria and South Africa with eight cases confirmed as closed at the year end. Whilst terms and conditions of employment not mentioned in the appointment letter is not a direct sign of modern slavery, it could mean employees are not free to leave, overtime is enforced or labour agencies can deduct fees from employees more easily
- In five cases, the suppliers had no policy around freely chosen employment. All instances were in India and identified during our capability-building visits. We are working with these suppliers to ensure they have a policy in place that is communicated to employees on-site. Three out of the five instances have now been actioned and we expect to close the final two policy gaps in early 2025

- Four cases related to passport retention at suppliers in the UAE. Bahrain and Oman which is common practice in these countries. However, this is against Reckitt Policy. Additionally, in two instances no written consent was provided by workers. All four cases have now been remediated. We continue to actively engage suppliers to return passports to employees and provide accessible secure storage facilities to ensure the safety of personal documents. This means workers do not have to request access to their passports, a practice that can be abused by employers, or leave workers feeling unable to ask both of which can impact workers' freedom to move as they choose
- Three cases concerned delayed wages for employees. who had resigned and left the company. Two suppliers are based in China where this is common practice and one in Vietnam. All three suppliers have implemented corrective action plans and will pay workers leaving on the day following their last working day rather than during the next wage payment run
- One instance of monetary deposits for accommodation was identified in China and has since been addressed by the site

While one finding is one too many, it is important we identify these issues in our supply chain and take action to ensure those impacted gain access to remedy.

Over the last few years our understanding of the various forms of forced labour-related issues relevant to our supply chain has evolved, together with our activity to tackle them.

Our initial focus was on addressing those aspects which are more visible and where we have greater ability to drive change, such as preventing passport retention, enabling freedom of movement, improving employment terms and conditions, and improving company-provided accommodation. We are now increasing our focus on systematically identifying and addressing exploitative recruitment practices within our global supply chain.







# **Investigating Modern Slavery Allegations** continued

# **EXPLOITATIVE RECRUITMENT**

Exploitative recruitment practices, such as the payment of recruitment fees and contract substitution, are contributing factors to modern labour exploitation that many migrant and vulnerable workers face. Many such practices occur deep within the migrant labour supply chain and can be facilitated by weak state governance and corruption.

To help address this risk, we are strengthening our approaches to both preventing and remediating cases of exploitative recruitment practices.

# Policies and procedures

Our <u>Labour and Human Rights Standard</u> includes specific requirements to ensure recruitment is conducted responsibly, including the need for recruitment fees to be borne by the employer. We developed an internal recruitment fee remediation procedure to address cases where workers have incurred recruitment fees within Reckitt's operations or supply chain. The procedure is closely aligned with Impact's <u>Principles and Guidelines for the Repayment of Migrant</u> Worker Recruitment Fees and Related Costs.

# Due diligence and remediation

Through our existing audit and capability-building activities, we are increasing our engagement with suppliers on the recruitment of migrant workers and the due diligence mechanisms they have in place to ensure this is done responsibly. We continued to partner with diginexLUMEN, to deliver focused and scalable due diligence.

diginexLUMEN specialises in building purpose-led technology to enable greater transparency in supply chains. The tool allows for human rights due diligence with hidden actors, such as labour providers and at-risk populations such as casual and migrant workers. It helps to better identify contextual modern slavery risk factors (such as precarious forms of employment or abusive employment practices by sub-contractors) and gives us visibility of compliance with ethical recruitment practices within our supply chain which helps us take targeted actions.

During 2024, diginexLUMEN introduced a system-generated improvement plan which makes it easier for suppliers to take effective actions to close any identified issues.

We are focusing on supply networks in Malaysia and the Middle East where migrant workers are employed in low-skilled jobs within the manufacturing, agricultural, logistics, construction, security and hospitality sectors. This creates a systemic challenge, not just one for us and our supply

network. Many migrants in these areas can face exploitative employment practices that are considered forms of forced labour. It is not uncommon to see practices such as passport retention, excessive recruitment fees that create debt bondage, inability to resign from employment prior to a set date, contract substitution, excessive working hours, low wages and poor accommodation.

Where we have identified that migrants have been subjected to unethical recruitment, we work with our suppliers to ensure workers gain access to remedy, as we have done in Malaysia to facilitate the reimbursement of recruitment fees to migrant workers.

# **Training**

We deliver training on responsible recruitment, independently and in partnership with others through AIM-Progress and the Consumer Goods Forum, to build understanding and strengthen due diligence practices of our suppliers and labour providers.

# Wider sectoral collaboration and advocacy

Given the systemic nature of exploitative recruitment practices, we can only deliver systematic change through wider engagement with industry, NGOs and governments. Consequently, through the Consumer Goods Forum Human Rights Coalition – Working to End Forced Labour, we are actively working with wider industry to:

- establish and deploy human rights due diligence systems focused on forced labour in our operations and our palm oil supply chain; and
- support the development of responsible recruitment markets.

# SPOTLIGHT

# SUPPORTING RESPONSIBLE RECRUITMENT PRACTICES IN THE MIDDLE EAST

During 2024, we performed on-site audits of 23 highrisk suppliers in the Middle East, an area that faces systemic exploitative recruitment practices.

We focused on forced labour, recruitment fees and workers' accommodation. Following the site visits, improvement and corrective action plans were implemented:

- In the UAE and Bahrain, we facilitated the return of almost 500 passports to workers at three supplier sites
- Wallbrook, a third party specialising in ethical business, completed its assessment of the responsible recruitment practices for migrant workers at one of our key suppliers in the Middle East and one of our packaging material suppliers in Malaysia. Both suppliers have positively engaged and are committed to addressing the findings identified





# **Partnership and Collaboration**

Collaborating with industry and partnering with expert organisations are essential in our approach to understanding human rights risks and taking action to address them.







ASD is a collaborative initiative that brings together companies in the cosmetics, home and personal care, and pleochemicals industries to collectively tackle supply chain issues around palm oil and derivatives. We are active ASD members, and engage in its grievance management workstream, which seeks to use collective leverage to engage suppliers on grievances

# **AIM-Progress**

We're a member of AIM-Progress, a forum of leading fastmoving consumer goods (FMCG) manufacturers and suppliers. working to develop and promote responsible sourcing practices and sustainable supply chains. It is a global initiative supported and sponsored by AIM, the European Brands Association in Europe. The goal of AIM-Progress is to positively impact people's lives and ensure respect for human rights, while delivering value to members and their supply chains. Reckitt is on the leadership team and co-chairs the Capacity Building workstream













# **Earthworm Foundation**

The Earthworm Foundation continues to be our main implementing partner in our latex and palm oil supply chains. Through our partnership, we continue to support two landscape programmes in Riau, Indonesia and Sabah, Malaysia. These programmes aim to build a resilient landscape by balancing production, forest conservation, sustainable livelihoods and good social and labour practices.

# **Oxfam Business Advisory Service**

We've worked with Oxfam since 2020 to develop effective ways to help address human rights issues across our value chain, principally in relation to grievance mechanisms, gender equality and worker wellbeing. Together, we have developed and rolled out a toolkit to help suppliers create grievance procedures for their workers, and improved our survey to assess workers' wellbeing.

Oxfam Business Advisory Service

# Wallbrook

Wallbrook is a pioneering global due diligence, ESG and human rights consultancy. The firm helps clients understand how they impact human rights across their operations and value chain. equipping businesses with the tools and know-how to mitigate human rights risks. In late 2023, Wallbrook was acquired and became part of the Anthesis Group. Reckitt has worked with Wallbrook on recruitment fee reimbursement in 2023 and has conducted a human rights impact assessment with them in 2024

# Consumer Goods Forum (CGF)

We are active members of the CGF's Forest Positive and Human Rights Coalitions of Action The Forest Positive Coalition focuses on landscape programme investment to tackle the root causes of deforestation, and subsequently. the risks associated with it. With this, we ensure that we are leveraging collective action to drive more sustainable supply chains. The Human Rights Coalition works to end forced. labour. Membership of the CGF helps us work with other leading brands, manufacturers and retailers committed to social and environmental sustainability. In turn, this helps us boost our collective impact through safe, resilient and sustainable value chains

Consumer Goods Forum

# Pharmaceutical Supply Chain Initiative (PSCI)

PSCI is a group of pharmaceutical and healthcare companies that share a vision of better social, health, safety and environmental outcomes in the communities where we buy. PSCI believes that collectively members can share knowledge and expertise across the industry, to drive complex, global change more effectively than any one organisation alone. We have joined forces to promote responsible supply chain management and better business conditions across the industry.

# Sedex

We are a member of Sedex, one of the world's leading ethical trade service providers, striving to improve working conditions in global supply chains. Sedex is a collaborative platform that enables the sharing of social and environment data, including indicators related to forced labour and modern slavery, between suppliers, buyers and customers to improve responsible and sustainability business practices within global supply chains.

