



# NATURAL RAW MATERIALS SOURCING STANDARD

Appendix A: Palm Oil



# RECKITT AND PALM OIL

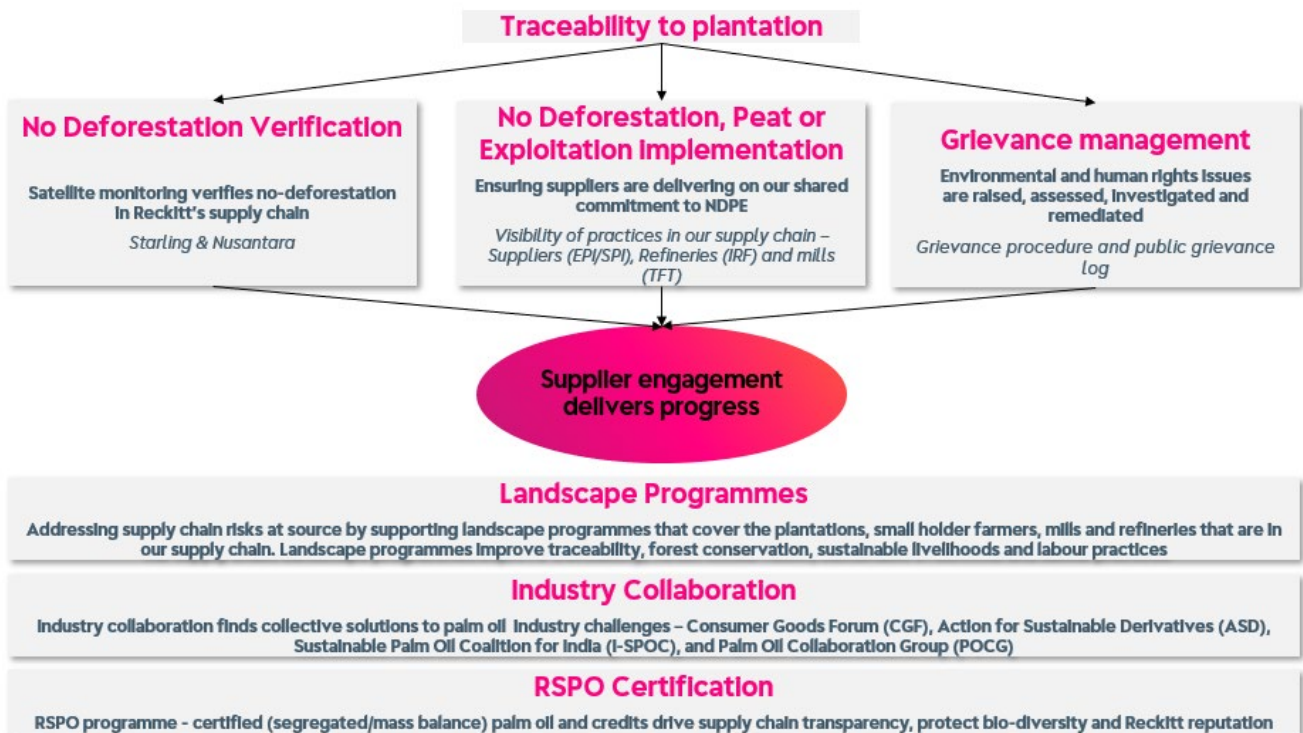
To produce large volumes of palm oil derivatives, a much larger volume of Crude Palm Oil (CPO) is required. These derivatives have a more complex supply chain than CPO oil made up of multiple farms, plantations, mills, and refineries that supply the initial crude palm oil that is then processed into derivatives. With this complexity and scale, the risks of human rights and environmental issues existing in these supply chains is high. This requires appropriate due diligence.

Reckitt is committed to No Deforestation, No Peat, and No Exploitation (NDPE) which we deliver in our supply chains through the implementation of this policy, and our palm oil programme. The planning for this, including target setting, is completed annually by the sustainability and procurement teams.

Our approach applies to 100% of palm sourced directly; CPO and Palm Kernel Oil (PKO) included in our fats blends, soap noodles and palm derived surfactants volumes. Our palm oil programme, as pictured below comprises of a combination of direct supply chain activity including traceability exercises, No Deforestation Verification (NDV) using satellite monitoring, and supplier engagement.

Our programme also seeks to address palm oil challenges at an industry level. We are committed to supporting international and national, jurisdictional, sectoral and multi-stakeholder efforts to halt further destruction of important landscapes and threats to protected, rare, threatened or endangered species as specified in the NDPE principles outlined in Section 1.0.1 and expect our Business Partners to be equally committed through adherence to the criteria outlined in this document.

## Reckitt's sustainable sourcing approach for palm oil



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## PALM OIL SPECIFIC CRITERIA

### PRINCIPLE 01: Understanding the origins of materials

#### Transparency

##### 1.0.1

Public commitment on a 'forest positive' approach, as defined by the Consumer Goods Forum and to the NDPE principle in palm oil supply chains.

#### Traceability

##### 1.1.3 A list of the fresh fruit bunch (FFB) processing mills supplying refineries in supply chains is made publicly available

This should be updated at least annually, preferably quarterly.

##### 1.1.4 Traceability to plantation (TTP) and smallholder farms

Time-bound plans are in place to achieve this.

##### 1.1.5 Concession boundaries

Maps showing the legal concessions that mills are purchasing from should be accessible and ideally publicly available. Where these are not available to Business Partners, alternative solutions are in place, enabling third-party verification of mill supply chains as free of deforestation as defined by this Standard.

#### Monitoring

##### 1.2.1 Mill-level monitoring

Systems are in place to monitor mill compliance with NDPE principles, including:

- Policies, commitments and time-bound plans by mills to ensure adherence to NDPE principles.
- Policies, commitments and time-bound plans to ensure the delivery of traceability and mapping outlined above under 1.1.2 and 1.1.3.

##### 1.2.2 Satellite monitoring

To identify destruction of high, medium and low-density HCS and HCV forests and peatland after 2015. This should enable the identification of:

**1.2.2.1** Palm oil plantations created after 2015 – Owners of these plantations should be suspended from supplier supply chains until recovery plans are in place.

**1.2.2.2** Significant deforestation and peatland destruction since 2015 – Where this has occurred, suppliers should:

**1.2.2.1.1** Verify whether the deforestation event has occurred on land designated as important and/or protected, according to HCS/HCV methodology and criteria 3.0–3.5 of the NRM Sourcing Standard.

**1.2.2.1.2** Identify the ownership of relevant concessions and – where appropriate – suspend purchasing from such groups until a suitable recovery process is committed to and in place within appropriate time scales.

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**1.2.2.1.3** Monitor these concessions and the mill supply chains they sit within to ensure these do not enter palm oil supply chains.

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### **1.3.1 Engagement**

Suppliers have a system to ensure mills are able to report against NDPE principles, in line with this Standard.

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### **1.4.1 Grievance process**

A time-bound process is in place to evaluate, record, monitor and resolve reported behaviours and actions that are incompatible with NDPE commitments, as outlined in this Standard (ref. 1.2.1 and 1.2.2 of the NRM Sourcing Standard). This should ensure:

**1.4.1.1** Monitoring of grievances raised against any actor within the supply chain and ensuring resolution against time-bound remediation plans.

**1.4.1.2** Suspension of offending entities. Time-bound plans are in place to rectify legitimate grievances. Where it is clear these plans will not deliver the change required, suspension or de-listing should be used.

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## **PRINCIPLE 03: Protecting ecosystems**

### **Business Partner requirements**

#### **3.1.1 Protection**

Using systems outlined under criteria 1.0.1, 1.1.3, 1.1.4, 1.2.1, 1.2.2, 1.3.1 and 1.4.1, Business Partners are committed to time-bound plans to ensure the supply shed of mills in supply chains are independently verified as deforestation free.

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#### **3.2.1 Deforestation**

Public commitment to eliminating deforestation from their supply chains in line with criteria 1.0.1 and a wider forest-positive approach.

Where deforestation has occurred in supply chains since 2015 on land designated as important or protected (according to criteria 3.0–3.3 in the NRM Sourcing Standard), this is either compensated for or restored, according to HCS and HCV monitoring and implementation methodologies or their equivalents (ref. 3.1 in the NRM Sourcing Standard).

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#### **3.3.1 Protection of peatlands**

Incorporated in the proactive monitoring outlined in criteria 1.0.1, 1.1.3, 1.1.4, 1.2.1, 1.2.2, 1.3.1 and 1.4.1 and reported publicly or through a public grievance process.

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## **Certifications**

### **Round Table for Sustainable Palm Oil (RSPO)**

Business Partners supplying palm oil derived products must be members of the RSPO. Fats blends and other materials derived from palm oil to be used for human consumption should be sourced directly from RSPO certified farms through RSPO's segregated certification system (SG). Wherever possible, palm oil used in our products should be sourced from RSPO plantations and farms. Where this is not possible, we will endeavour to purchase

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RSPO credits to cover volumes within acceptable timescales. Our ambition is for our 100% of our palm volumes to be supporting the RSPO programme by 2026.

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