



A Berkshire Hathaway Company

Duracell Modern Slavery and Child Labour Statement FY2023

1. Modern slavery and child labour statement

This document discloses Duracell's policies and processes to prevent slavery, human trafficking and child labour in our business and our supply chain for the financial year January 1st - December 31st 2023, as required by the UK Modern Slavery Act of 2015 ("UK Act") and the Canadian Act S2-11, Fighting Against Forced Labour and Child Labour in Supply Chains Act, ("Canadian Act").

2. Organisational structures

Duracell UK is a private limited company incorporated in England & Wales, and Duracell Canada is a Canadian corporation. Both companies are directly or indirectly wholly owned subsidiaries of The Duracell Company ("Duracell"), a global consumer battery and mobile power supply solutions manufacturer incorporated in the USA, and ultimately part of the Berkshire Hathaway group of companies. Duracell operates from offices located in Richmond for the UK and in Toronto, Ontario for Canada. Duracell UK and Canada employ about 40 and 20 employees respectively.

Duracell's global policies and due diligence processes apply to both Duracell Canada and Duracell UK; therefore both companies are referred to as "Duracell" in this Statement.

3. Our business

Duracell is one of the world's leading manufacturers of high-performance alkaline batteries, specialty cells and rechargeables. Since its foundation in the early 1940s, the company has become an iconic personal power brand, trusted for compact and long-lasting batteries. On average 160 Duracell products are sold every second, and Duracell is the number one brand recommended by the world's largest manufacturers. Duracell has a rich history of innovation with many pioneering and successful products, ranging from the first hearing aid cell button to alkaline AA and AAA batteries through to wireless charging technologies and home energy storage.

4. Our operations

Duracell mostly manufactures its own products through its facilities located in the US, Belgium and China. Duracell sells in multiple countries, with primary markets in the US, the European Union, and the UK.

5. Our supply chain

Duracell has a global supply chain which sources products, materials and services from countries around the world. Our tier 1 suppliers are mostly situated in North America, Asia, and Europe, providing raw materials, such as metals and minerals, chemicals, batteries, and packaging.

Duracell recognizes that as a company whose primary business is reliant on sourcing chemicals and compounds made from naturally occurring metals and minerals, we may

potentially be exposed to human rights risks particularly in lower tiers of these supply chains.

We also acknowledge that the complexity and opacity of global supply chains presents a challenge to all actors striving for visibility over their upstream value chains. We take our responsibility to conduct due diligence of our suppliers, to hold them to the highest standards of responsible sourcing and to actively engage them in these issues very seriously; our approach is explained below.

Although one material we buy to make our batteries has a very small quantity of tin, we are aware of the risks associated with the mining of tin, particularly in conflict-afflicted and high risk regions, where these minerals are closely linked with forced labour and serious human rights abuses. In recognition of this, we have mapped our tin supply chain to support further due diligence. We intend to continue mapping other supply chain risks in order to inform our supply chain due diligence activities.

6. Due diligence

In 2023, Duracell designed and launched an enhanced human rights due diligence programme, building on our existing policies and due diligence processes. We take a risk-based approach to human rights due diligence of our supply chain in compliance with due diligence laws such as the [EU Conflict Minerals Regulation](#) and the [EU Battery Regulation](#). Our policies are aligned with internationally recognised due diligence principles, including the UN Guiding Principles on Business and Human Rights, OECD Due Diligence Guidance for Multinational Companies and OECD Guidance specific to conflict minerals. We will review our policies and processes regularly against KPIs to monitor effectiveness and ensure continuous improvement. Duracell employs leading human rights due diligence platforms and tools to support its due diligence efforts which are aligned with the aforementioned standards. We are a member of Sedex and the Responsible Minerals Initiative (RMI), and we require higher risk suppliers to be audited to these standards in order to prevent, manage and mitigate potential negative impacts, and monitor compliance with our policies.¹

6a. Policies

Anti-slavery policy: We are committed to ensuring that there is no modern slavery, human trafficking or child labour in our supply chain or in any part of our business. Duracell takes these issues extremely seriously, meaning that they will not be tolerated or accommodated, and any instances found must be immediately remediated. Our Anti-Slavery Policy reflects our commitment to being a responsible business which operates ethically and with integrity across all aspects of our operations, including our supplier relationships. We support human rights and anti-corruption, fair pay and equal opportunities and we also have an established Ethics Hotline (www.brk-hotline). All our suppliers are expected to implement policies to prevent and mitigate risk of child labour, modern slavery, forced labour and human trafficking and comply with all local and national laws and regulations.

¹ SMETA (Sedex Members Ethical Trade Audit), and the RMI's audit methodologies, the ESG audit and Responsible Minerals Assurance Process (RMAP).

In addition, Duracell has a number of global policies which support our approach to these issues:

- Berkshire Hathaway Prohibited Business Practices Policy and Duracell Ethical Trading Code of Conduct and Third Party Prohibited Business Practices Policy.
- Duracell EU Battery Materials Due Diligence Policy.
- Duracell Conflict Minerals Policy.

Our supplier agreement contracts and terms and conditions include clauses which commit suppliers to take appropriate steps to check and ensure that neither it, nor its suppliers or subcontractors, engage in any form of slavery, human trafficking or child labour. In addition, suppliers commit to complying and cooperating with Duracell's risk management measures and due diligence processes.

6b. Risk assessment

Duracell performs regular risk assessment of direct and indirect suppliers using inherent risk data from Sedex's risk assessment platform (which provides industry- and country-specific human rights and environmental risk data). Suppliers are assessed on social and environmental issues including forced labour and child labour. Higher risk suppliers are required to provide site-level information to inform more granular risk assessments and take necessary mitigation/remediation actions.

Human rights risks associated with Conflict Minerals, including forced labour and child labour, are also assessed through the Responsible Minerals Assurance Process (RMAP) for relevant suppliers.

As part of its 2023 inherent risk assessment, Duracell has identified areas of potential forced and child labour risks associated with some suppliers in the manufacturing sector, and the risk management actions detailed below are being undertaken in 2024.

6.c Risk management

High and medium risk suppliers are required to: join Sedex; complete a Self-Assessment Questionnaire (SAQ); receive Sedex Members Ethical Trade Audit (SMETA) audits and demonstrate corrective action when necessary. SMETA audits are carried out by a third-party independent auditor and are based on local laws and international standards on good practice to prevent and mitigate forced labour and child labour risks.

Duracell conducts additional due diligence of high risk suppliers of goods containing 3TG (gold, tin, tantalum, or tungsten), and of battery materials in accordance with the EU Battery Regulation (lithium, natural graphite, nickel and cobalt), as we recognise the human rights risks, including forced labour and child labour, associated with these supply chains.

All suppliers to Duracell are required to comply with our Code of Conduct, sourcing policies and due diligence processes; and we regularly monitor compliance with these. Non-compliance is taken very seriously, and suppliers that cannot or will not comply are assessed on a case-by-case basis.

We also collaborate with our customers to comply with their due diligence requirements.

6d. Escalation process if non-compliances or modern slavery or child labour is identified

In the case of non-compliance, Duracell reserves the right to examine the situation and expects the supplier in question to cooperate with efforts to resolve non-compliances. We are committed to working with suppliers to implement responsible business standards, however in extreme cases we reserve the right to terminate business with suppliers that repeatedly fail to comply. If cases of non-compliance are repeatedly not resolved within a timely manner, Duracell may terminate the business relationship.

If a serious violation is identified during the audit of a supplier, Duracell will notify the supplier that it must take immediate action to stop the violation and to prevent it from reoccurring. This requirement must be passed down to the supplier further down the supply chain, depending on where the instance has occurred.

Also, if it is found that a Duracell employee isn't adhering to Duracell's policies related to modern slavery and child labour, they are subject to appropriate disciplinary action up to, and including termination.

6e. Remediation

Duracell does not currently have a formal remediation process in place, as Duracell has not identified instances of forced labour or child labour in our supply chains.

Issues raised through Duracell's Supplier Risk Assessment or the Berkshire Hathaway Ethics Hotline, will be assessed by Duracell's ESG Governance Committee and escalated as appropriate. If appropriate, Duracell will collaborate with affected stakeholders to remediate negative impacts to which Duracell has contributed to.

6f. Monitoring and evaluation

In 2024, we are implementing an internal monitoring and evaluation framework to measure the performance and effectiveness of our due diligence activities. The framework will include Key Performance Indicators to measure progress against our targets and goals related to responsible sourcing and ethical practices. This approach builds on our culture of continuous improvement and will further strengthen our high standards of ethical business conduct.

7. Training

Our Employees undergo regular training on our Code of Conduct (upon onboarding and at least annually afterwards). All employees working in our business have their rights and responsibilities set out in their Duracell's Code of Conduct. Our Human Resources team is available to employees with regard to any aspects of the terms and conditions of their employment. Our policies and procedures are designed to ensure that we are supportive to our employees at all times.

8. 2024 priorities

Duracell will continue to strengthen its supply chain due diligence efforts by on-boarding suppliers on Duracell's improved due diligence processes, leveraging the Sedex and RMI

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8. 2024 priorities

Duracell will continue to strengthen its supply chain due diligence efforts by on-boarding suppliers on Duracell's improved due diligence processes, leveraging the Sedex and RMI platforms. Our higher risk suppliers, identified via our inherent risk assessment, will be required to provide audited site-level information so that we can identify the right risk mitigation/remediation actions, when necessary.

9. Attestation

In accordance with the requirements of the Canadian Supply Chains Act, and in particular section 11, and in accordance with Section 54(5) of the UK Modern Slavery Act, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and have exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purpose of the Act, for the reporting year listed above.

Date: 05/25/2024



Gary Hood
Chief Legal Officer

I have the authority to bind Duracell UK Limited and Duracell Canada, Inc.