Sanctions Red Flags

The following red flags may indicate potential sanctions risks. The presence of one or more red flags does not necessarily prohibit a transaction but must trigger escalation to Legal or Ethics & Compliance for further review prior to proceeding.

This list is non-exhaustive and should be used in conjunction with screening, due diligence, and internal procedures.

Examples of red flags include:

- Any transaction structure, payment flow, or routing that appears designed to obscure the identity of a counterparty, end-user, or destination, or to circumvent applicable sanctions restrictions.
- Requests for unusual product volumes inconsistent with the customer's market or sales profile, particularly where goods could be diverted to restricted jurisdictions.
- Distributors or customers operating in bordering or transshipment countries with known diversion risk to sanctioned jurisdictions. (Examples of such higher risk diversion areas may include the UAE, Kyrgyzstan, Belarus, Armenia, Kazakhstan, Turkey, Malaysia, etc.)
- Lack of clarity regarding downstream distribution channels, including refusal to identify resale markets.
- Reluctance or refusal to provide information regarding the end-user, ownership, or destination of goods or services.
- Transactions involving intermediaries, freight forwarders, or Third Parties as the consignee/counterparty where the ultimate end-user is unclear.
- Requests to route shipments or payments through third countries without clear commercial justification.
- Mismatches between the customer, consignee, and the party providing payment.
- Requests to alter, omit, or obscure information in commercial or shipping documentation. (Examples may include requests to change the consignee information after shipment has left or request to change the declared value of goods.)
- Counterparties with limited or inconsistent business presence, or unclear beneficial ownership. (Examples include companies with no website or business contacts emailing from gmail.com with no business domain names, businesses located in a residential building, etc.)
- Use of newly formed entities or structures without a clear commercial rationale.
- Transactions involving jurisdictions subject to sanctions restrictions without appropriate escalation or approval.
- Unusual payment terms, including involvement of financial institutions in high-risk jurisdictions or inconsistent with normal business practices.
- Any indication that Reckitt's products will be shipped to/ through sanctioned territories.

- Any indication that Reckitt is doing business with a sanctioned entity or individual. Examples include finding out that a Third Party has sub-contracted their services to a sanctioned entity or is owned in part by a high-profile individual who has been sanctioned.