



HEALTH ▸ HYGIENE ▸ HOME

# betterbusiness

2015

RB Sustainability Report

## About this report

# Sustainability is at the heart of our **betterbusiness** strategy.

### Our vision

A world where people are healthier and live better.

### Our purpose

To make a difference by giving people innovative solutions for healthier lives and happier homes.



Read our Annual Report at [www.rb.com](http://www.rb.com)

### WHAT'S INSIDE?

RB has been communicating its sustainability performance for a number of years, this being our 15<sup>th</sup> annual publication. This report details how we perceive sustainability in the context of our business, how we manage it, how we are performing, and the levels we plan to reach. Sustainability is at the heart of our **betterbusiness** corporate strategy and this year we have taken an integrated approach to reporting by aligning the contents of the sustainability and annual reports. The report describes our general sustainability approach and gives a summary of our performance under the strategic pillars **betersociety** and **betterenvironment**. As a supplement to this report, the Detailed Sustainability Report 2015 provides a more thorough description of our operational approach to managing sustainability and a comprehensive review of our performance. The RB Annual Report describes activities within the **betterfinancials** pillar. The 2015 Annual Report, Detailed Sustainability Performance Report and other policies, standards and documents can be found at [rb.com](http://rb.com).

This report has been written in accordance with GRI G4 guidelines and selected data have been externally verified by Ernst & Young (EY) – on page 20.



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# Sustainability highlights

RB is committed to continually improving its sustainability performance. We have set goals that help us deliver on this commitment and we regularly review and communicate our performance.

The highlights table shows RB's 2015 performance against a selection of goals from each of the domains of sustainability, along with their progress status.

A summary of selected KPIs that have been assured by EY can be found on page 20. Further details on RB's sustainability performance can be found in the Detailed Sustainability Performance Report 2015 at rb.com

### Progress Key:

○ On track  
 ○ Focus 2016  
 ○ Off track  
 ✓ Achieved

1. Compared with 2012 baseline.
2. Per unit of production.
3. Increased 2020 target to 20% reduction over 2012 baseline.
4. Increased 2020 target to 400m.
5. Excluding surfactants.

## Better society

Workplace	So far	Going forward
<b>Our people</b> <span style="color: green;">○</span>	<b>49</b> nationalities in senior management	Expand our focus of diversity and talent by improving the retention rates of women from managers to senior leaders
<b>Health &amp; safety</b> <span style="color: green;">○</span>	<b>25%</b> reduction in LWDAR	Continued reduction of injuries
<b>Human rights</b> <span style="color: green;">○</span>	<b>51%</b> increase in supplier audits compared to 2014  <b>89%</b> RB site non-conformances closed to date	Respect human rights across our operations and supply chain

## Communities

<b>Healthier lives</b> <span style="color: green;">○</span>	<b>237m</b> people reached with health and hygiene messaging	<b>200m</b> ✓ reached by 2020 <sup>4</sup>
<b>Save the Children</b> <span style="color: green;">○</span>	<b>£6.5m</b> committed to Save the Children	Remove diarrhoea as one of the top killers of children

## Our products

<b>Innovation</b> <span style="color: orange;">○</span>	<b>6%</b> net revenue from more sustainable products	<b>1/3</b> net revenue from more sustainable products by 2020
<b>Stewardship</b> <span style="color: orange;">○</span>	<b>64%</b> transparency	<b>100%</b> transparency

## Better environment

GHG	So far	Going forward
<b>Our products</b> <span style="color: red;">○</span>	<b>1%</b> increase in CO <sub>2</sub> footprint <sup>1</sup>	<b>1/3</b> reduction in CO <sub>2</sub> footprint by 2020 <sup>1</sup>
<b>Our manufacturing</b> <span style="color: orange;">○</span>	<b>14%</b> reduction in CO <sub>2</sub> emissions <sup>1,2</sup>	<b>40%</b> reduction in CO <sub>2</sub> emissions by 2020 <sup>1</sup>
<b>Water</b>		
<b>Our products</b> <span style="color: orange;">○</span>	<b>9%</b> reduction in water impact <sup>1</sup>	<b>1/3</b> reduction in water impact by 2020 <sup>1</sup>
<b>Our manufacturing</b> <span style="color: green;">○</span>	<b>30%</b> reduction in water consumption <sup>2</sup>	<b>35%</b> reduction in water consumption by 2020 <sup>1</sup>

## Waste

<b>Reducing waste</b> <span style="color: green;">○</span>	<b>14%</b> reduction in waste <sup>1,2</sup>  <b>89%</b> Factories with zero waste to landfill	<b>10%</b> ✓ reduction in waste by 2020 <sup>3</sup>  <b>100%</b> Factories zero waste to landfill by 2020
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## Responsible sourcing

<b>Natural raw materials</b> <span style="color: green;">○</span>	<b>70%</b> palm oil traceable to mill <sup>5</sup>  <b>100%</b> palm oil covered by Green Palm Certificates	<b>All</b> natural raw materials to be responsibly sourced by 2020
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# RB at a glance

## The right markets, categories and brands.

RB is the world's leading consumer health and hygiene company. The Company has operations in over 60 countries, with headquarters in London, Dubai and Amsterdam, and sales in most countries across the globe.

We are an organisation with well-loved and trusted brands that help people around the world live happier and healthier lives.

### FTSE4Good index

RB's corporate social responsibility performance has led to a continued inclusion within the FTSE4Good Index Series.



Criteria for membership of FTSE4Good – which recognises companies who work to improve environmental and social practices – include human and labour rights, climate change and environmental management. A company's performance is reviewed every six months.

### Dow Jones Sustainability Index

RB has once again been selected as a member of the Dow Jones Sustainability Index (DJSI). As one of the most important sustainability rankings in the world, the DJSI is based on corporate economic, environmental and social performance with a strong focus on long-term shareholder value. Only the best-in-class companies are included.



### Project Supercharge

Creating a simple, more agile organisation is a key objective of Project Supercharge. Therefore, in 2015 we have announced our intention to reduce the three geographic areas to two.

The learnings of combining Europe and North America will be applied to the emerging markets which we call DvM. The organisational changes will provide the framework to deliver bigger, better and more scalable innovation, combined with improved in-market activation at a country level.

### ENA

- Europe (including Russia/CIS and Israel)
- North America
- Australia/New Zealand

In 2015, ENA had sales of £5,830m representing 66% of Total NR.

### DvM

- North Africa, Middle East, Turkey
- Africa
- South Asia – India, Bangladesh, Sri Lanka
- North Asia – China, Hong Kong, Taiwan
- Latin America
- ASEAN – Thailand/Philippines, Indonesia, Malaysia/Singapore, Japan, Korea

In 2015, DvM had sales of £2,695m representing 30% of Total NR.

### Food

We run Food as a standalone business. Its brands include French's, the leading mustard brand in the US.

In 2015, food had sales of £349m representing 4% of total NR.

### Health

#### Market positions

- Nurofen and Gaviscon are leading analgesic and gastro-intestinal brands in Europe and Australia
- Durex is No.1 worldwide in condoms for both safe and more pleasurable sex
- Strepsils is No.1 in medicated sore throat globally
- Mucinex is the No.1 cough brand in the US
- Scholl has leading positions in many footcare markets

Net revenue **33%**



### Hygiene

#### Market positions

- RB is No.1 globally in the overall category of surface care
- No.2 worldwide in lavatory care with Lysol in North America and Harpic across Europe and Developing Markets
- Dettol is No.1 worldwide in antiseptic liquids
- Finish is No.1 worldwide in automatic dishwashing
- No.2 worldwide in pest control with the Powerbrand Mortein, the Group's international brand, supported by local brand franchises like d-Con in North America
- Veet is No.1 worldwide in depilatory products

Net revenue **41%**



### Home

#### Market positions

- Vanish is the undisputed world leader in fabric treatment
- Calgon is No.1 worldwide in water softeners
- Woolite is No.2 worldwide in garment care
- Air Wick is No.2 worldwide in air care

Net revenue **19%**



### Portfolio (including food)

The Portfolio category includes our laundry and fabric softener business, as well as our Food brands.

Net revenue **7%**



Read more in our Annual Report.

## Chief Executive's introduction

Making a meaningful difference is at the heart of how we do business.



Rakesh Kapoor / Chief Executive Officer

Successful companies today are those that not only embrace sustainability, but where being sustainable is integral to the way in which they do business. At RB, sustainability is at the heart of our corporate strategy.

The world is changing at an unprecedented rate and in a multitude of different ways. Some of these are positive, such as new technologies that give us the ability to communicate with more people more quickly; or new products that deliver health or hygiene benefits to those most in need. However, such rapid development brings with it challenges that include climate change, water scarcity, energy shortages, deforestation, and demographic shifts. It is the responsibility of us all to promote and contribute to social and economic development globally, but at the same time, we must ensure that this happens in a responsible way. RB is committed to playing its part, by balancing growth with responsibility, and this is reflected in our **betterbusiness** strategy. **betterbusiness** defines our approach to driving financial growth while fulfilling our social and environmental commitments; it consists of three pillars: **betterfinancials**, **betersociety** and **betterenvironment**.

### betersociety

Under our better society pillar, we consider the social impacts of our products, our stewardship programmes, the safety and well-being of our employees, third parties and suppliers, and the human rights of all our internal and external partners.

Our brands can provide vital health and hygiene solutions to those who most need them. In 2013, we announced our commitment to reach over 200m people, helping to improve their health and hygiene. We have achieved this goal in 2015 by reaching 237m people. As a result, we have increased our 2020 goal to 400m.

During 2015, we maintained our focus on workplace initiatives to reduce the risk of injury and will continue to strive for safer conditions for all those associated with RB. Furthermore, we improved our human rights programme by both increasing our compliance checks and building capabilities inside RB and with our supply chain partners.

### betterenvironment

Under our better environment pillar, we define how we manage the environmental impacts of our products and manufacturing operations, such as our energy consumption, greenhouse gas emissions (GHG), water use, waste disposal and procurement of materials.

RB is committed to having a third of net revenue coming from products that are 'more sustainable'. In 2015, 6% of our revenue came from more sustainable products, and we will continue to grow this figure going forward. Developing innovative products that embrace sustainability will help us to deliver our goal of reducing the carbon and water footprints of our products. Although we are making good progress in many areas, our carbon footprint per dose has remained broadly unchanged (+1%) since 2012. We have not seen material reductions from the largest part of our footprint which is associated with consumers using our products. While our water impact has decreased by 9% since 2012, this is mostly driven by sales mix changes in countries with high water scarcity levels. When more people use our hygiene products, our water impact increases. I believe that people should not face the choice of better hygiene or reducing environmental impacts. Therefore, we must continue with our innovation and ambition to provide solutions that satisfy both needs, especially for those areas where water is becoming more scarce.

Although consumer use of our products makes up the majority of RB's overall environmental impact, our manufacturing operations also contribute. We have set goals for 2020 to reduce GHG emissions, water use, and waste disposal and have made good progress so far. Our strong focus on waste management has resulted in us achieving our 2020 goal five years early. As a result, we have updated our target to now achieve a 20% waste reduction, still by 2020.

## betterbusiness

Our strategy **betterbusiness** encapsulates everything we do. Financially, socially and environmentally we act responsibly and sustainably. We believe passionately in doing things the right way to help us deliver high-quality products and drive shareholder returns.

### betterbusiness

#### betterfinancials

How we drive growth and outperformance

 See our Annual Report 2015



#### betersociety

How we support our communities and develop our people

#### betterenvironment

How we reduce our environmental impact

### Continuing to be a betterbusiness

RB recognises its responsibility to address key issues that relate to the future of this planet and its people. In 2015, the UN published its new Sustainable Development Goals (SDGs), and RB is committed to integrating them into its current and future activities. We will continue to drive progress in our priority areas of health, sanitation and wellbeing, while developing our understanding of the role we can play in helping to achieve these global goals, communicating our contribution and progress as we go forward.

RB is a business that is committed to outperformance, and we will continue to set challenging goals that will make a real difference in all aspects of our business, for our people, our partners and the planet. This is our shared responsibility and, while there is still much more to be done, RB is determined to embrace the challenges that living in a sustainable world demand. This commitment will guide us as we continually strive to be a **betterbusiness**.

Rakesh Kapoor / Chief Executive Officer

# betterfinancials

## Our strategy to deliver



Net Revenue

£8,874m

The **betterfinancials** element of our strategy has four pillars, which focus our business on faster growing markets and categories and enable us to outperform.



For more information see our Annual Report 2015

## Organisation

We organise our business into two geographical areas<sup>1</sup>.

### ENA/DvM

This helps us to allocate resources effectively and to scale our blockbuster innovations. We continually invest in and evolve our organisation, to ensure speed of decision-making and execution.

1. Our total operations also include Food.

## Powermarkets

We have **16** Powermarkets, the majority of which are in emerging markets.

They benefit from higher growth, rising middle classes and opportunities to increase penetration. In addition to their growth potential, our Powermarkets are those where we see the ability to win.

## Powerbrands

**19<sup>1</sup>** Powerbrands spread across

### Health

- Durex, Gaviskon, Nurofen, Mucinex, Scholl, Strepsils

### Hygiene

- Cillit Bang, Clearasil, Dettol, Finish, Harpic, Lysol, Mortein, Veet

### Home

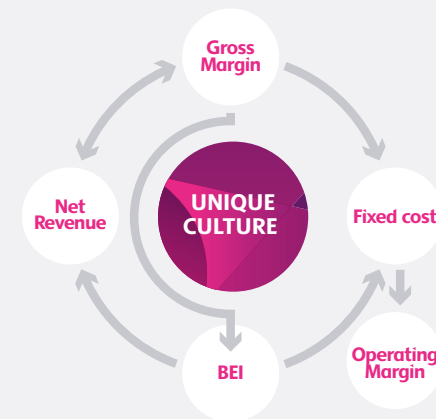
- Air Wick, Calgon, Vanish, Woolite

These Powerbrands provide over 80% of our revenue and enable us to achieve higher growth and higher margins.

1. French's is also a Powerbrand.

## Virtuous earnings model

Our virtuous earnings model gives us the capacity to invest in top line growth, while expanding our operating margins.



## Better society

Better society is about the people who make RB what it is, the ways in which we improve the health and hygiene of our consumers, and how we work with and develop our people, suppliers, partners and third parties.

### Workplace

How we attract, develop, engage and protect our people, ensuring we draw from a diverse and highly-motivated group of people who are proud to represent RB.

 Read more on pages 6–8

### Communities

How we go about improving health and hygiene behaviour through our brands and partnerships, helping to reduce illness and raise levels of education and awareness.

 Read more on pages 9–10

### Our products

How we develop products that are more sustainable, that require less water, less energy, or produce less packaging and waste across their lifecycle.

 Read more on pages 11–12

Birth attendants receiving certificates and birthing kits in Angola as part of Save the Children.

# betersociety

## Workplace

### Our people

#### Our view

Our people are the key to delivering our **betterbusiness** strategy. Our trademark is to attract great people, give them a career packed with global challenges and experiences, inspire them with stretching performance-based rewards, and nurture an achievement-focused culture.

#### A diverse global workforce

With operations in more than 60 countries, RB employs over 25,000 people across a number of different disciplines and levels. We value diverse backgrounds and experiences, which bring different perspectives and new ideas. RB works within a corporate diversity and inclusion policy framework that is reviewed by the Executive Committee.

The percentages of female members in the Group's director, senior manager and all employee populations at 31 December 2015 were 29%, 19% and 42% respectively. The Group has designated the members of its Top40 and Top400 populations as RB's 'senior managers' for the purposes of the gender split disclosure required by the Companies Act 2006. Of Board Directors, 10 are male and 4 female, of senior managers, 339 were male and 78 female, and 15,027 of all employees were male and 10,723 female.

#### Engaging people

The annual Culture Pulse survey measures our performance against our culture and our Leadership Charter. The survey identifies the areas that are most important to our people and where we are doing least well, relative to the other areas. We then formulate action plans at a local level to address these issues. The results show that our people are highly engaged to work at RB and that they value both our culture and our Leadership Charter.

We encourage all of our employees to share in our outperformance, and our share scheme allows employees to purchase RB shares at a discounted rate. Over 5,000 people have participated in the scheme over the past three years, gaining financially due to RB's exceptional share price growth.

#### Our goals:

**Expand our focus of diversity and talent by improving the retention rates of women from managers to senior leaders**

#### Our performance:

**49**  
nationalities in senior management

**29%**  
RB board female<sup>1</sup>

1. In line with Davies Report Target.

#### Attracting and developing talent

We recruit around 200 graduates each year and put considerable effort into identifying which universities will provide our next generation of leaders, considering not just their academic prowess but also their fit with our entrepreneurial culture.

Succession planning is a key focus, and we review our plans at monthly Executive Committee meetings. Our aim is to grow half our middle managers ourselves and to recruit the remainder from outside, ensuring we bring in people who will challenge the status quo.

RB is committed to developing all employees in line with their requirements and aspirations. We have a framework that allows our people to identify the functional and leadership development they need. Training follows our 70/20/10 model, with 70% on the job, 20% learning from others and 10% formal training.

#### Developing leadership capabilities

Further enhancing the effectiveness of our performance and talent management processes is a key element of our people capability and development agenda. Building the capability of our leaders is done mostly on the job as we believe it is the best way to learn. This is supplemented with flexible learning choices, i.e. through offering a mix of e-learning and blended learning programmes.

### Project DARE

Gender diversity is a key component of a talent density and this year RB launched Project DARE, which aims to develop, attract, retain and engage talented women. Initiatives include more options for flexible working, mentoring and sponsorship, redefining career paths and a global maternity policy, which sets a minimum standard and makes us one of only a handful of employers with such a policy.





# betersociety

## Workplace

### Health & safety

#### Our view

RB is committed to ensuring the health, safety and welfare of each person in the workplace, regardless of their location and role. We do this by not only ensuring our facilities and people comply with applicable health & safety legal requirements, but by also setting proactive and leading targets to create a healthier and safer workplace.

#### Our goals:

**A continued reduction in the Lost Work Day Accident Rate (LWDAR)**

**Manufacturing sites with certified EHS management systems<sup>1</sup>**

**100%**

1. Externally verified by independent assessment to OHSAS 18001.

#### Our performance:

**Reduction in Lost Work Day Accident Rate (LWDAR) since 2012**

**25%**

**Manufacturing sites with certified health & safety management systems<sup>1</sup>**

**96%**

### Health & safety management

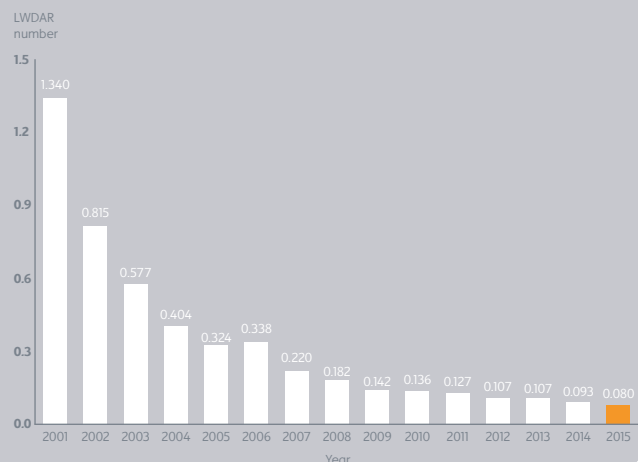
A key step in ensuring we meet our goals has been to establish clear health & safety requirements across all of our operations worldwide, including factories, research facilities and offices. These are based on an occupational health & safety policy, global standards and specific guidance. The importance of health & safety is recognised by senior management and is an integral part of how we operate.

Since 2001, we have dramatically reduced our LWDAR in manufacturing, warehouses and R&D by 94%. We have set a goal to continually reduce our accident rate and have done this consistently since 2012 – our baseline year for comparison. In addition to the LWDAR, the Total Recordable Frequency Rate (lost work days, restricted work cases and beyond first aid cases) is also measured at our supply sites and has decreased by 22% over 2014.

Regrettably, in 2015 one employee lost their life while working for RB during a trade visit. A full investigation was carried out, and the findings have contributed to our commercial health & safety programme within RB.

**The LWDAR is the number of workplace accidents (resulting in at least one day of lost time) that occur per 100,000 hours of work.**

**94% reduction since 2001**



### Bangplee Safety Award

Our Bangplee site won the prestigious 2015 Thailand Safety Workplace Project Award – which was honoured by Her Royal Highness Princess Maha Chakri Sirindhorn – conferred by the Department of Labour Protection and Welfare, Ministry of Labour. The submission for the award was compiled throughout the year and involved providing a high number of documents, procedures and photographs.

### Health & safety programmes

RB has continued to develop its behavioural safety programme at supply sites, focusing on known risks and increasing participation of all employees, including temporary staff. The resulting increase in participation across all levels of the workforce has seen a correlation with the overall reduction in accidents.

During 2015, new health & safety standards were introduced at all our commercial offices globally. This has led to all offices now having an accountable person for health & safety and an initial self-assessment against the new requirements. This area of focus will continue into 2016 to promote continual improvement of health & safety within our commercial operations.

A detailed global risk register has been compiled by R&D facilities to show key risks within the distinct areas of their operation e.g. labs, pilot plants and offices. By collecting this information, sites were able to prioritise risk areas and identify key global trends. This register will be used to focus both local and global health & safety activity in 2016.

### Continued improvement

RB is committed to continually improving safety and will continue its focus on supply sites through the development and introduction of an Environment, health and safety (EHS) Competence framework for managers, supervisors and EHS professionals throughout the organisation. The focus on health & safety within our R&D functions will also increase, through the use of the recently developed R&D global risk register, to prioritise risks and build on existing controls and processes. The commercial office safety programme and safety community will continue to grow, supported by action plans developed around safety priorities.



# betersociety

## Workplace

### Human rights

#### Our view

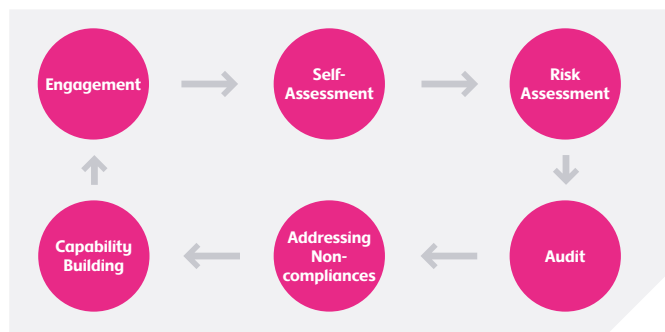
Ensuring the safety and welfare of people is at the heart of our **betterbusiness** strategy. RB is committed to maintaining strict labour, health & safety and environmental standards for our manufacturing sites and our suppliers of goods and services.

We recognise the important role that our business plays in society and the responsibility we have in respecting that the human rights of all our internal and external partners. We have a clear policy and commitment to respect human rights that all associated with RB must follow.



### Our approach to managing human rights

We believe that policies in themselves are not sufficient and have established a proactive compliance monitoring programme with continuous improvement at its heart. To work collaboratively on improving standards within our supply chain, while at the same time reducing the burden on suppliers, we manage our programme using the industry-leading ethical information platform Sedex.



#### Engagement

We engage with all suppliers and communicate our Sustainability Supplier Guide. All supply agreements include a mandatory clause on sustainability standards and compliance with our requirements. In 2015, the scope of our programme increased to include distribution centres located in developing markets, adding to the RB manufacturing facilities, third-party manufacturers and selected commodity suppliers already in scope.

#### Self-assessment and risk assessment

RB facilities and suppliers are required to complete a self-assessment of compliance with our labour, health & safety, environment and business integrity standards. As of 2015, 100% of RB's manufacturing facilities and over 85% of RB's in-scope suppliers have completed a self-assessment of compliance.

#### Auditing and addressing non-compliances

When carrying out audits, RB facilities and suppliers are assessed under normal operating conditions. In 2015, all remaining high-risk RB facilities were audited, and we worked closely with site and regional teams to ensure all areas of non-compliance were addressed. We also continued auditing high-risk third-party manufacturers, carrying out audits on 51% more suppliers than in 2014. At the end of 2015, 67% of the non-compliances identified were closed, and corrective action plans are in place for those outstanding issues.

### Supplier Conference China

In August 2015, RB hosted a supplier conference in Dongguan, China, for all key Chinese third-party manufacturers. Internal and external speakers gave an overview of our social compliance GMS programme, in addition to providing recommendations for addressing common labour, health & safety and environmental challenges within their facilities. This conference was a great opportunity to engage directly with our suppliers, to better understand the challenges they face with compliance, and to understand how we can better support them going forward.

#### Capability building

Training and capability building are crucial parts of our programme as they raise awareness and understanding of human rights. In 2015 significant focus was given to both internal and external development, including the provision of online training to relevant employees and the hosting of supplier conferences.

RB continues to be an active member of AIM-Progress, which is a forum of leading Fast Moving Consumer Goods (FMCG) companies that enable and promote responsible sourcing practices and sustainable production systems while seeking to reduce the burden for suppliers through collaboration and harmonisation of approaches.

#### Further developing social standards

In 2015, we conducted a full strategic review of our requirements, 2020 targets, and compliance programme against industry best practices and the UN Guiding Principles on Business and Human Rights. The review identified opportunities for improvement in each of these areas which will further enhance RB's approach to ensuring that human rights within our operations and supply chain are respected. Many of the review recommendations, such as policy change and increasing programme scope, will be implemented over the course of 2016.

We are also aware of the UK Modern Slavery Act and will be making a public statement in 2017 for the 2016 financial year, as required by the Act, outlining what steps we are taking to ensure slavery and human trafficking is not taking place within our business and supply chain.

#### Our goals:

Respect human rights across our operations and supply chain

#### Our performance:

Increase in supplier audits

51%

RB site non-conformances closed to date

89%

## Communities

### Healthier lives

#### Our view

Our products provide innovative health and hygiene solutions for our consumers. In addition, our brands are helping those most in need to fight infection and disease. It is the combination of our health and hygiene awareness programmes and the education work of our brands that, in collaboration with key stakeholders, empowers us to make a real difference in people's lives.

#### Our Programmes:

##### Better hygiene – Dettol/Lysol

For over 80 years, Dettol has been protecting the health of families around the world; working with partners to deliver hygiene education to new mums and school children. Dettol works with government organisations, non-governmental organisations (NGOs) and healthcare professionals – such as paediatricians and midwives – to support new mums with simple hygiene habits that can help to protect their babies and the whole family. Dettol also invests in many educational programmes around the world, teaching school-aged children about healthy hygiene habits. Since 2013, Dettol has reached over 48m mums and 25m school children through these programmes.

##### Hygiene and sanitation – Harpic

Harpic is working to raise the levels of hygiene education in various countries including India, Pakistan, Indonesia and Nigeria. In 2015, Harpic reached 5.5m people through in-person demonstrations of

#### Our goals:

People reached by 2020.

# 200m

Increased 2020 goal to 400m

#### Our performance:

People reached since 2013<sup>1</sup>

# 237m

- 104m people through hygiene education and sanitation programmes
- 115m with sexual health messaging
- 20m by mosquito-borne education programmes

1. Total number of people reached is lower than the sum of the programmes as a result of possible double counting.

### Spotlight on India – Dettol's Banega Swachh programme

RB has launched a five-year program called Banega Swachh India (BSI), which is aligned with the Government of India's flagship programme 'Swachh Bharat Abhiyan'. As part of this, we are developing a Hygiene Index (HI), which will enable RB and other stakeholders to measure not only the hygiene status of a city, state or country but to support decisions in which interventions drive systemic improvement. One such intervention is Dettol's Hygiene Curriculum, which provides health and hygiene education to children and teachers. The programme consists of 45 lessons over three years and comprises five modules: personal hygiene, hygiene at home, hygiene at school, hygiene in the neighbourhood, and hygiene during illness. It has been developed in four languages – Hindi, English, Tamil and Telugu – and has already been rolled out in 2,500 schools, reaching some 300,000 school children during 2015.



product use, encouraging healthier and more hygienic practices. In India, where less than half of the population has access to sanitation, Harpic is also working with partners to increase access to hygienic sanitation through the construction of community toilets in Raigad and Varanasi.

#### Sexual health – Durex

Durex's mission is to make the world a safer place for lovers because it believes that everyone has the right to a healthy, fulfilling sex life. Durex aims to get young people around the world talking openly about safe sex. Recognising that the majority are not comfortable with discussing sexual practices, Durex has been breaking down taboos and sparking conversations through its 'Someone Like Me' social media campaign started in 2013. In 2015, research by Durex found that 80% of 18-25 year-olds find it easier to express themselves using emojis; more than half regularly use emojis when discussing sex. Using this insight, RB drove the safe sex conversation, getting young people behind the idea of an official safe sex emoji. To date, the campaign has been activated in 43 markets, and the #CondomEmoji hashtag was mentioned online in over 140 countries. An educational video that was also produced was viewed 10m times. Since 2013, Durex has reached approximately 115m people through this and other sexual and wellbeing campaigns.

#### Mosquito-borne disease prevention – Mortein & SBP

Mortein & SBP have a vision for a malaria and dengue-free world. Mortein's programmes in Nigeria, Pakistan and India, and SBP's programme in Brazil, inform people of the dangers of mosquito-borne diseases such as malaria and dengue. The initiatives provide education on how to recognise disease symptoms and effective methods of treatment and prevention, and partners with local hospitals and universities to deliver this information. In Brazil, where dengue cases during 2015 increased by over 200%, SBP's 'All Together Against Dengue' campaign spreads the prevention message using digital, mobile, television and in-store channels. Together, these brands have reached almost 20m people since 2013.

#### Going forward

In 2013, we announced our commitment to reach over 200m people with hygiene, sanitation, sexual health and wellbeing, and mosquito-borne disease prevention programmes by 2020, a goal we achieved. As a result we have increased our 2020 target to 400m.

While our brand programmes continue to reach more people with health and hygiene messages, the way we measure our social impact will continue to evolve. RB will continue to drive progress in our priority areas and seek further alignment with the UN's Sustainable Development Goals.

## Communities

### Save the Children

#### Our view

According to the World Health Organisation (WHO), '567,000 children under five die needlessly from diarrhoea each year'. Our 'Save a Child Every Minute' programme aims to significantly reduce the number of children under five that die from this preventable disease.

#### Overview of the programme

RB is working with Save the Children in India and Nigeria as part of a public-private partnership that will pilot and roll out a holistic, replicable, scalable approach based on the WHO-UNICEF 7-point plan to help prevent, control and treat diarrhoea. As part of this, RB will leverage its product and behaviour change innovation capabilities. Since a substantial portion of the funds committed to the programme is raised by employees, they are highly engaged with the partnership.

The Save a Child a Minute programme is based on three fundamental pillars:

- Prevent, control and treat diarrhoea.
- Providing innovative low-cost products that help prevent diarrhoea.
- Empowering women through an inclusive business model.

#### Products that make a difference

Through the engagement of resources across the whole organisation, RB was challenged to come up with innovative products that can address personal and home hygiene and improve pit latrines. As a result of this, in 2015, RB was proud to announce that two products were introduced:



A 'game-changing' toilet powder to reduce the spread of infection from pit latrines.



A low cost multi-purpose antibacterial soap for families.

RB will not be making a profit from these products; instead, the revenue will be reinvested back into the Save a Child a Minute programme. The products will also be produced locally – encouraging entrepreneurship while reducing the overall carbon footprint and transport costs of manufacturing.

#### Our goals:

**Save a Child Every Minute  
Remove diarrhoea as one  
of the top five killers of  
children by 2020**



#### Our performance:

**£3.25m raised by RB events  
worldwide, plus a corporate  
donation of £3.25m**

# £6.5m

**Children directly reached  
via the partnership to date**

# 1.6m

#### Employee engagement

Our employees continue to be key ambassadors for the partnership with Save the Children, raising 50% of the global commitment annually through events such as product sales, raffles, bake sales, children's activities, office parties and challenges organised in all offices across the world. The main global event in 2015 celebrated Universal Children's Day (UCD) in November. 42 offices in 27 countries took part in activities, raising over £100k on the day.



### Every Woman, Every Child initiative

In 2015, RB was proud to announce that our submission for the Save a Child a Minute campaign was officially accepted by the Every Woman, Every Child (EWEC) initiative. EWEC was launched by the UN to encourage governments, businesses and organisations to play a greater role in improving the health of women and children around the world. Through this commitment, RB embraces the programme's aim to reduce preventable mortality while promoting the health and wellbeing of women, children and adolescents everywhere. In order to be accepted by the UN, commitments made must be sustainable, innovative and have a long-term focus.

We are honoured and grateful to be a part of such a great initiative and hope that together, we can work towards solving women's and children's health problems worldwide.

We believe that our partnership with Save the Children and EWEC will directly address the Sustainable Development Goals of good health, gender equality, and healthy water and sanitation, amongst others.



#### The Global Challenge

This year, 42 challengers travelled to the Himalayas for a four-day trek, followed by a two-day community challenge in Haridwar, one of the locations of our Stop Diarrhoea programme in India. The challengers raised over £230,000.

#### Going forward

RB continues to test and launch the products in India, Nigeria and Pakistan, and plans to raise a further £6.5m. In 2016, RB will continue its battle against child deaths from diarrhoea.

# betersociety

## Our products

### Product innovation

#### Our view

The way in which we design and develop our products is of great importance. RB is committed to developing products in a sustainable way, without compromising on performance.

#### Developing more sustainable products

Our goal is to have one-third of our net revenue generated by more sustainable products. This can only be accomplished by developing our new products and innovations with sustainability at the forefront of our design philosophy. To do this, we must fully understand the impacts of our existing products and those we are developing in our pipeline. To achieve this, we have focused on improving the sustainability profile of our pipeline over the last two years. By the end of 2015, almost 70% of our pipeline consisted of more sustainable products, up from 50% last year. We are using a range of tools and approaches to help us calculate our impacts and develop more sustainable products, ensuring we meet our 2020 goal. We have also built on the work completed by the Roundtable for Product Social Metrics in 2014, conducting a pilot project with Dettol to more completely evaluate and communicate the social benefits of our products.

#### Our goals:

**Net revenue from more sustainable products by 2020**

1/3

#### Our performance:

**Net revenue coming from more sustainable products (6%)<sup>1</sup>**

£558m

**Products in development pipeline more sustainable**

69%

1. Reporting period Q4 2014-Q3 2015.

### Mortein ActivCard™

RB's new low-cost, smoke-free ActivCard solution provides protection from dengue and malaria – which cause more than a million deaths each year – in just three minutes. Unlike a coil, the card works instantly to kill mosquitos for four hours without continuously releasing smoke into the air. ActivCard delivers mosquito repellence with 85% less carbon emission and 95% less water impact per dose of product than a coil. More than 62m litres of water and 718 tonnes of carbon emissions have been saved since ActivCard's launch.

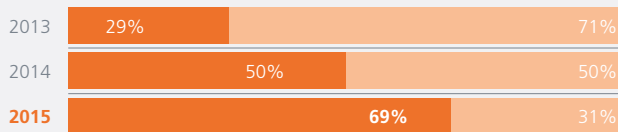


#### Future innovation

By further leveraging our Sustainable Innovation App to measure total carbon footprint and water impact in 2015, we will have access to more detailed analytical capability, helping to understand what is driving our sustainability impacts from a product point of view. This will also enable us to assess any geographical differences where harmonising products may facilitate the reduction of our impacts.

In 2016, we will continue to focus on improving our innovations, further embedding the knowledge gained and technologies developed into the innovation process and ways in which we work, helping to ensure that sustainability is a key part of the way in which we think about and develop products.

#### Products in pipeline more sustainable than predecessor



● Better  
● Same or worse

#### Sustainable Innovation App

In 2012, RB developed the Sustainable Innovation App to help guide the development of low-impact products, providing our scientists with a streamlined life cycle analysis that delivers real-time feedback to support product development decisions. The app is used to measure progress against our goal of having one-third of RB's net revenue classified as more sustainable by 2020. In 2015, we also started using the platform to report on our water and carbon footprint reductions, both of which have targets of a one-third reduction by 2020. More details can be found in the Detailed Sustainability Performance Report 2015, at rb.com.

## Our products

### Product stewardship

#### Our view

The consumer is at the heart of everything we do, and our goal is to provide safe and effective consumer products that contribute to healthier lives and happier homes. We view product stewardship as a responsibility to minimise any potential environmental, social and/or health impacts across a product's lifecycle – from design to manufacturing, through to consumer use and disposal.

#### Strategic approach

In 2015, we established a Product Stewardship Forum: a cross-functional group of internal experts charged with driving RB's product stewardship and governance efforts, reviewing new and emerging scientific data on our ingredients, and ensuring we maintain a continuous improvement approach.

#### Consumer safety

RB is committed to delivering innovative solutions in a manner that continuously improves the environmental and safety profile of our products. Our aim is to actively promote responsibility and concern for our consumers, our employees, the general public, and the environment. In 2015, we established a new R&D team called Evidence, Consumer Safety and Medical Oversight (ESMO) that is responsible for ensuring that RB's consumers are safe and well informed.

Our Consumer Safety Policy further defines our commitment and approach, and can be viewed at [rb.com](http://rb.com).

#### Restricted Substances List

RB aims to make ingredient decisions that are right for our consumers. Since 2001, we have maintained a Restricted Substances List (RSL) to ensure a consistent global approach to minimising and/or eliminating ingredients of concern. This often means going above and beyond local regulations to ensure we are protecting our consumers, our employees and our business. The RSL assesses regulatory, sustainability, safety, and public concerns of ingredients, and we are committed to replacing ingredients of concern in both our products and packaging. All RB staff responsible for the design, development and purchasing of ingredients receive annual training on the RSL.

In 2015, we successfully completed our global paraben RSL programme. Parabens are a family of chemical preservatives used in many consumer goods, particularly cosmetics. Emerging research has linked paraben use with potential health risks and, in line with the European Cosmetics Directive, we have successfully implemented alternative preservatives in our cosmetic products. Also, in 2015, we began evaluating alternatives to microbeads in our personal care portfolio due to their persistence in marine environments, and we are aiming to complete a global phase-out by the end of 2018.

Our RSL policy can be found at [rb.com](http://rb.com), and further details can be found in the Detailed Sustainability Performance Report 2015.

#### Transparency

Consumers have a right to know what is in the products they purchase, and we are committed to providing access to ingredient information. By 2020, we aim to have 100% coverage of ingredient transparency. In 2015, 64% of RB's net revenue came from products for which we publish lists of ingredients:

- EU: [rbeuroinfo.com](http://rbeuroinfo.com)
- North America and Canada: [rbnainfo.com](http://rbnainfo.com)
- Australia: [rb-msds.com.au](http://rb-msds.com.au)

#### Further enhancing product stewardship

In 2016, we will continue to evolve our governance and transparency efforts, driven by our Product Stewardship Forum. We will investigate how we can increase transparency coverage geographically and for key ingredient classes. Our goal is full compliance with RSL. A strategic review of our Restricted Substances List is also planned, specifically looking at how we identify potential RSL candidate materials.

#### Our goals:

Ingredient transparency

100%

#### Our performance:

Products with ingredient lists published

64%

### Air Wick Room sprays

In 2015, Air Wick launched Life Scents – a patented technology platform that delivers constantly-changing fragrances. The room spray uses 100% natural propellant and has an advanced trigger that disperses fragrance to fill a room faster and for longer. In 2015, Air Wick also released its Freshmatic refill containing 30% less propellant. Using less propane and butane reduces the climate change impacts of the product by 23%, and water impact by 60% when compared to the previous Freshmatic refill, while delivering the same consumer benefit.




# Better environment

Better environment is about the impacts our manufacturing processes and products have on the environment; the ways in which we calculate our environmental footprint and the programmes we operate to ensure that we are continually improving our performance.


## Greenhouse gas emissions

How we monitor the levels of carbon dioxide that are emitted through the use of our products and their manufacturing, implementing processes that continually lower emissions.

 Read more on pages **14-15**


## Water

How we assess the volume of water consumed by our products and manufacturing operations, looking at ways to reduce the water used, particularly in areas where water scarcity is an issue.

 Read more on pages **16-17**

## Waste

How we monitor the hazardous and non-hazardous waste resulting from the manufacture of our products, reducing overall waste levels and working towards zero waste going to landfills.

 Read more on page **18**

## Responsible sourcing

How we ensure that purchased materials originate from responsible and ethical sources, working with industry experts to develop the standards of suppliers while minimising adverse social and environmental impacts.

 Read more on page **19**

Solar panel installation at RB's Belle Mead facility, New Jersey, USA.

# betterenvironment

## Greenhouse gas emissions

### Our products

#### Our view

To help fight climate change, we aim to reduce greenhouse gas (GHGs) emissions across the life cycles of our products by one-third by 2020. By designing our products in ways that reduce the amount of energy required to make, use and dispose of them, we can decrease the emissions that are produced. With this view, RB is committed to developing innovative products and technologies that require less energy and produce fewer emissions.

#### Carbon footprint of products

Our carbon footprint per dose has remained broadly unchanged (+1%) since 2012. While we are making good progress in the areas within our control, like manufacturing and packaging, we have not seen material reductions from the largest part of our footprint – those associated with consumers using our products. As a result, changes in our product mix are driving the results of our carbon footprint per dose. In effect, increases in sales of products with a high carbon intensity, particularly those in our hygiene category, are offsetting the reductions of other products, such as those in our health category. This is resulting in our overall carbon footprint per dose remaining relatively constant.

We are continually seeking innovations that will help people to improve their health and hygiene while reducing their environmental impact. For example, we know that impacts associated with automatic dishwashing account for one of the largest impacts on our total carbon emissions. We also know that when used properly, dishwashers can have a significantly lower impact than manual dishwashing. Therefore, we are actively working to increase dishwasher penetration and develop energy (and water) efficient solutions that will help consumers free up energy and water for other uses. We acknowledge that this may result in our

### Our carbon footprint



#### Our goals:

Carbon footprint by 2020<sup>1</sup>

1/3 less

1. Per dose of product over 2012 baseline.

#### Our performance:

Increase in carbon footprint per dose over 2012

1%

absolute carbon footprint increasing despite continued improvements in other areas.

Similarly, the consumer use of bar soap uses a relatively large amount of energy (to heat water). While we are working to ensure that this product is as resource-efficient as possible, we expect to continue to see increases in the overall impacts that result from hand and body washing.

#### Assessing our impact

Determining our total carbon footprint entails a robust and comprehensive calculation of GHG emissions throughout the lifecycle of our products – from the sourcing of raw materials to the way they are manufactured, used and disposed of. Since we now measure the impacts of all of our new products using our Sustainable Innovations App, we have been able to change the way we measure our total carbon footprint from a top-down to a product-level approach, which has enabled us to gain better insights into the impacts our products are having globally. This change has required us to update our 2012 baseline to match our new methodology. External assurance for selected data is provided by Ernst & Young LLP, see page 20.

### Scholl Velvet Smooth Express Pedi's reduced packaging

Improvements made to the Express Pedi in 2015 not only improved the product's visual appeal and durability but also decreased the amount of packaging materials used. Following the success of Scholl Velvet Smooth Express Pedi in 2014, we challenged ourselves to find ways to drive even stronger growth. Aligned with our FUEL programme, we implemented product improvements that enhanced sustainability while simultaneously delivering cost savings. These improvements focused on two areas. Firstly, packaging changes improved the product's visibility at the point of sale while decreasing the amount of materials used. Secondly, product enhancements reduced the complexity of the device while increasing durability. In total, we made a 26% reduction in material weight per product, saving approximately 300 tonnes of PET and 137 tonnes of paper and board each year. Combined, these changes will save over £5m and 3,500 tonnes CO<sub>2</sub> per year.





# betterenvironment

## Greenhouse gas emissions

### Our manufacturing

#### Our view

Climate change is a real threat to society that must be addressed in order to avoid the consequences that are predicted will occur. RB is committed to making more with less; continually reducing emissions while producing more and growing the business. Through the implementation of energy efficient production processes, the purchasing of energy from renewable sources, and the implementation of renewable technologies on-site, and we will continue to reduce our manufacturing emissions.

#### Our approach to energy

RB is committed to cutting its energy consumption and has set a challenging reduction target for doing so – a 35% reduction by 2020. To deliver this, RB is committed to investing in projects that reduce energy consumption and improve eco-efficiency. For example, the RB Chartres site in France implemented a heat exchange system for pre-heating purified water used in mixers, which resulted in savings of 450 MWh.

Energy consumption is accurately metered and monitored at each site and our corporate reporting tool analyses trends across the business, as well as identifying potential issues or opportunities for improvement. In 2015, we reduced energy consumption by 4.1% and GHG emissions by 7.3% per unit of production over 2014.

RB has set a goal to reduce GHGs by 40% by 2020 and is assessing and implementing a number of new energy programmes worldwide to ensure the target is met. For example, we have recently installed a roof-mounted solar PV system at our Belle Mead facility in New Jersey, USA. The 2.5 megawatt system provides electricity that supplements the daily requirements of the site. This will eliminate 1,500 tonnes of CO<sub>2</sub> emissions annually. In 2015, we also purchased renewable electricity at our Derby and Ladenburg manufacturing sites, accounting for a reduction of 7,542 tonnes of CO<sub>2</sub>.

Six of our manufacturing sites are certified to ISO 50001, recognising the energy management systems that each location has implemented to monitor and improve their energy efficiency.

#### Our goals:

Reduction in GHG by 2020<sup>1</sup>

40%

Reduction in energy consumption by 2020<sup>1</sup>

35%

1. Per unit of production compared with 2012 baseline.

#### Our performance:

Reduction in GHG emissions<sup>1</sup>

14%

Reduction in energy consumption<sup>1</sup>

16%

### Trees for Change programme

Through our RB Trees programme, we will plant enough trees to sequester the corresponding amount of carbon dioxide generated by our manufacturing operations since 2006, effectively making our manufacturing operations carbon neutral. In 2015, we planted almost 1.3m trees in British Columbia, Canada, making a total of 8.3m since the programme started. We understand that land use priorities are changing in British Columbia, so, in 2015, we paused the programme while completing a full review to determine how to continue to move forward in a positive way.

### Further reducing emissions

RB will continue to identify opportunities to reduce GHG emissions through energy efficiency and the use of renewable energy sources, and is committed to investing in projects that generate both financial and environmental benefits. We will share the learning and best practices of technologies and processes that have proved successful with other sites, to ensure that we succeed in reaching our goals.

### New R&D Centre of Scientific Excellence

Building design can greatly impact future energy consumption and GHG emissions. Our new £105m R&D centre in Hull, UK, is the largest single investment in the Company's history. The facility will be built using the latest energy efficient technology and on-site renewable energy supply, following the Green Building Council LEED certification rating scheme. The new Centre for Scientific Excellence will support the creation and testing of cutting-edge innovations focused on meeting consumers' health needs. Once completed, it will be one of RB's largest healthcare development centres and will complement other major R&D facilities in Germany, Italy, India, Thailand and the USA.



# betterenvironment

## Water

### Our products

#### Our view

RB aims to reduce its water impact and, at the same time, help people improve their health and hygiene. Water is an essential part of our future, and water challenges vary greatly by location. For this reason, it is essential that we focus our efforts where water is most scarce. All of our Powerbrands require water and around 85% of our water impact comes from consumer use. With increasing water scarcity, our consumers will have less water to use. We aim to develop smart innovations and interventions that help our consumers meet their needs and aspirations while consuming less water.

#### Assessing water impacts

We assess the water impact of all our products across their entire lifecycle, from the sourcing of raw materials, through to their manufacturing, consumer use, and final disposal. We also consider location-specific factors for water scarcity that enable us to specifically focus on areas of greatest concern. In 2015, we changed the way we measure our global water impact from a top-down approach to a product-level approach which has necessitated an update to our 2012 baseline. This has enabled us to measure our total water impact globally while enhancing our understanding of the impacts from our products. For more information please see our detailed sustainability performance report.

Our water use per dose has increased slightly (+2%) since 2012. While we are continuing to develop and market water efficient hygiene

solutions like Dettol Squeezy and Dettol Touch of Foam, we are not yet seeing reductions from the largest part of our footprint – consumer use of our products. Since 2012, there has been a 9% reduction in water impact per dose. However, this has been driven by sales mix changes in countries with high water scarcity levels and not by water reductions in water use per dose. Over the past few years, we have seen that our water impact indicator is very sensitive to small changes in sales in areas with high water scarcity factors. As a result, we are exploring the best way to measure ourselves against our aim of enabling consumers to live healthier, more hygienic lives in increasingly water scarce areas.

#### Understanding water challenges

Research carried out in 2015 has enabled us to deepen our understanding of consumer behaviour as it relates to hygiene and water use. We know from previous studies that we can significantly reduce the amount of water used in handwashing by eliminating the lathering stage, and that we can further amplify these savings through communications. In 2015, we conducted additional studies in India that focused on both product format and on-pack communications, to better understand how we can continue to improve hygiene behaviour while decreasing dependence on water. These studies found our personal care product portfolio to be relatively water-efficient and confirmed our hypothesis that consumer communication would be the most effective intervention to mitigate the impacts of certain formats.

As water scarcity continues to affect a growing number of people, we are also working to understand how consumer behaviours change when access to water is restricted. For example, we conducted field research in Brazil on how water scarcity – which is now affecting over 80m people – is changing consumer behaviour. Our goal is to enable the consumer to continue to meet all of their hygiene needs, even as water becomes scarce.

### Saving water and improving hygiene

In India, Dettol's Banega Swachh programme has been raising awareness and levels of hygiene through various initiatives, education programmes and media campaigns. As part of this, Dettol visited the 2015 Nasik Kumbh Mela – an event attended by over 30m pilgrims – to help reduce both the spread of diseases caused by unhygienic conditions and the amount of water used during the two month period the event took place. Dettol delivered educational materials promoting good hygiene and effective hand washing and distributed its hand sanitisers – which give waterless hand hygiene – and Squeezy Liquid Hand Wash.

Dettol's Squeezy Liquid Hand Wash has the convenience and efficiency of our conventional liquid hand wash for the price of bar soap. However, as a liquid, it uses over 40% less water compared to bar soap. At the event, further water was saved through the use of a uniquely designed low-water spray faucet. In total, Dettol's interventions led to the saving of 3.3m litres of water over the course of the event.



#### Our goals:

Water impact<sup>1</sup>

1/3 less

#### Our performance:

Increase in water use per dose<sup>1</sup>

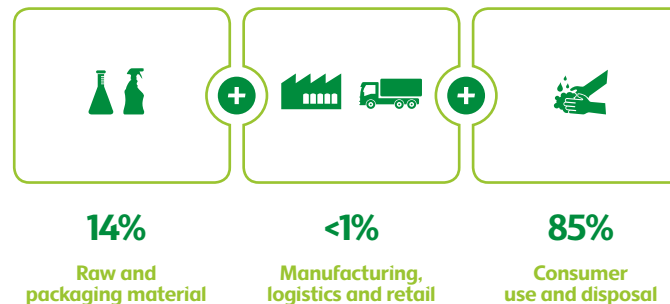
2%

Decrease in water impact per dose<sup>1</sup>

9%

1. Per dose of product over 2012 baseline.

### Our water impact



# betterenvironment

## Water

### Our manufacturing

#### Our view

As the world's population continues to grow, the availability of fresh water is declining. The UN estimates that approximately 1.2bn people have no access to clean drinking water and that water scarcity will increase to a wider geographic area, affecting an even greater number of people. As a result, reducing our water consumption forms a key part of our sustainability strategy and we have set ourselves a challenging goal to do this.

#### Conserving water

Reducing our water consumption is not only of benefit to the environment but also adds a financial motivation. Each of our manufacturing operations reviews processes that require water, including manufacturing, clean-downs, cooling, and hygiene. Any opportunities to lower water consumption without compromising on quality or safety are considered, usually by using less water or by recycling water for other purposes. For example, our Semarang factory in Indonesia collected water from daily use (non-production) in on-site pits, where it was filtered before being reused as garden water for plants and foliage. This has resulted in almost four cubic metres of water being saved per day.

In 2015, RB reduced water consumption by 6%, and we are well on track to meet our 35% goal in 2020. To ensure the target is met, we will continue to focus on water efficiency and share learning and best practices across our facilities.

#### Wastewater quality

All sites are required to ensure compliance with local laws, including measurement of water discharge parameters and compliance with legal levels where applicable. We monitor site compliance with discharge requirements at the Group level, where sites discharge directly to water bodies. We have set minimum wastewater quality requirements at all of our global manufacturing sites for discharging process wastewater direct to water bodies.

#### Our goals:

Reduction in water use by 2020<sup>1</sup>

35%

1. Per unit of production over 2012 baseline.

#### Our performance:

Reduction in water use<sup>1</sup>

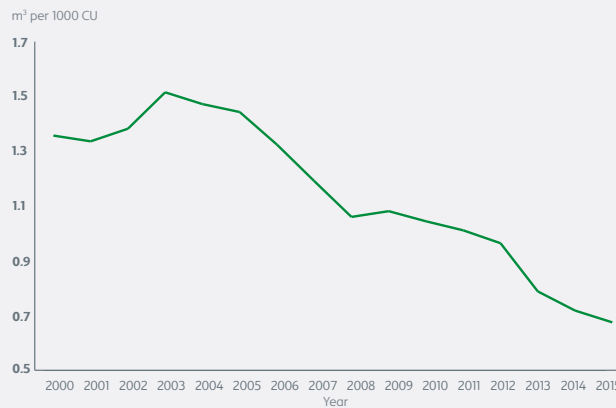
30%

#### Continuing to reduce water use

Our approach is to continually reduce, reuse and recycle water in order to lower the water impact of our manufacturing operations. We have made good progress in reducing water abstracted by our manufacturing sites and will continue to identify ways in which we can make further improvements, ensuring we meet our 2020 goal – a 35% reduction over 2012.

#### Water use – per unit of production

m<sup>3</sup> per 1000 CU



#### Water recovery projects at RB

##### St Peters site, USA

The RB site in St Peters installed a water recovery system that filters rejected water and reuses it in the reverse osmosis process, saving over 8,300 gallons of water per day.

##### Hull site, UK

The RB facility in Hull introduced a water recovery system that reuses 75% of the bleed water in the cooling tower. The dirty bleed water passes through a resin bed filter, water softener, pre-filter and a reverse osmosis membrane, generating savings of approximately £24k per year, and 30 cubic metres of water per day.



# betterenvironment

## Waste

### Reducing waste

#### Our view

As the world's population increases, so too does its level of consumption. This means more waste produced by both industry and consumers. Together, we must all contribute to a more sustainable future by reducing the waste we generate and its disposal. RB is committed to lowering waste volumes from our operations and to improving and increasing our recycling – in particular, hazardous waste.

#### Managing waste

Our manufacturing sites continually strive to be as efficient as possible and are continually finding ways to reduce their waste production and disposal. In 2015, waste consumption was reduced by 5.1% per unit of production over 2014. The commitment and effort of our sites worldwide has meant that we have achieved our 2020 goal – a 10% reduction in waste – five years early. This is a source of great pride. However, we will not allow ourselves to lose focus of our commitment to continually reduce waste generation and improve recycling. To reinforce this, we are setting a revised target of a 20% reduction in waste by 2020 over the 2012 baseline.

#### Diversion from landfill

RB is committed to continually reducing waste levels – in particular focusing on diversion away from landfills – which is epitomised in our Zero Manufacturing Waste to Landfill Challenge. Each property has undertaken a project to identify alternatives for waste streams that go to landfills and are actively moving to waste handling processes that avoid landfills entirely. We have continued to make significant progress with our landfill diversion programme; all but five sites now send zero waste to landfill. The remaining facilities have clearly defined plans in place to meet the target before 2020. During 2015 the average waste sent to landfill was 4% translating to over 72,000 tonnes of hazardous and non-hazardous waste being diverted from landfill. We have continued to drive performance throughout the year and in December 2015 waste sent to landfill was reduced to 2.6% of total waste generated.

#### Product packaging

Packaging is essential to securely and safely contain our products. However, it is a very visible source of waste once the products have been used. Optimising product packaging has several environmental benefits:

- It reduces the raw materials and energy used in manufacturing the packaging.
- It reduces the size and weight of products requiring transport, cutting fuel use per item.
- It can make it easier for consumers to recycle, where facilities exist.
- It reduces the volume of waste packaging generated for consumer reuse, recycling or disposal.

As a result of our focus on improved packaging materials, 50% of the products in our pipeline now have less packaging than their predecessor. This has been accomplished by reducing the weight of our packaging, using more sustainable materials, and increasing the recyclability of our products.

#### Continued focus on waste reduction

We will continue our drive towards zero waste to landfill until all of our sites have achieved it. This includes developing waste processes at current sites not yet reaching this goal and also at newly acquired sites. A key to achieving this will be through continuing to support and develop our Waste Champions' network, sharing learning and best practices throughout the organisation.

#### Our goals:

Factories zero waste to landfill by 2020

100%

Reduction in waste by 2020<sup>1</sup>

10%

Increased 2020 target to 20%

1. Per unit of production over 2012 baseline.

#### Our performance:

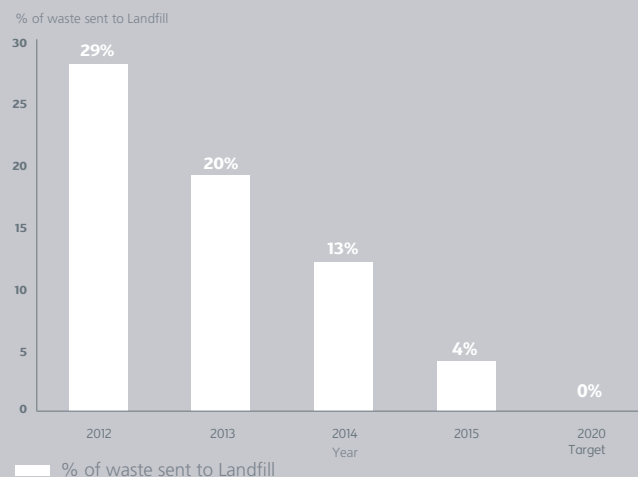
Factories with zero waste to landfill

89%

Reduction in waste since 2012<sup>1</sup>

14%

#### Percentage of waste sent to landfill (hazardous & non-hazardous)



### Waste Recycling in Thailand

The Department of Industrial Work (DIW) approved the commission of a process for recycling water treatment sludge, generating concrete blocks that can be used for construction at local schools. The RB Bangpakong site works with an external waste company that converts the sludge to blocks, which has reduced the waste sent to landfill by 90%.



# betterenvironment

## Responsible sourcing

### Natural raw materials

#### Our view

When selecting the ingredients used in our products, it is essential that we balance the cost of materials with their long-term sustainability, risk and safety profile, and the transparency of their supply chain. Working together with our suppliers forms the basis of our responsible sourcing strategy, partnering with global and local organisations to help us do this.

#### Responsible natural raw materials

RB believes in responsibly sourcing all of our natural raw materials. Our policy clearly defines the minimum standards accepted of our suppliers and has been value-checked by The Forest Trust (TFT), and was found to meet or exceed the levels they set. We are committed to:

- zero deforestation
- zero development on peatlands (of any depth)
- zero exploitation of workers or communities
- being transparent on our requirements and progress with implementation

#### Palm oil

Due to the use of palm oil in consumer products and food, areas of rainforest are being cut down to make way for palm oil plantations, sometimes with harmful consequences for local populations and the environment. As a purchaser of palm oil for some of our products, RB will continue to build responsible palm oil supply chains. RB have been members of TFT since 2013 and together have undertaken an in-depth review of our palm oil supply chain. In 2015, our achievements included:

- 70% of our palm oil traceable to mill (excluding surfactants)
- Completed on-the-ground risk assessments with all key suppliers of palm oil
- Covered all our palm oil purchases with Green Palm Certificates

We learned over the past year that palm oil traceability in India is complex, making traceability to origin difficult. To address this, we partnered with TFT in the hosting of a palm oil traceability workshop in India. The event brought together palm oil suppliers, distributors and other TFT Brand members to discuss the challenges of palm oil traceability and how they could be overcome.

RB recognises the need to tackle the difficulties of traceability for derivative products such as surfactants. In 2015, RB entered into a partnership with Clariant to conduct a palm oil traceability study of a surfactant back to its refinery and mill. The study resulted in full traceability to refinery, and we aim to have traceability to mill going forward.



#### Other materials

RB considers the supply chain implications of other purchased materials including latex, soy, and paper and board. In 2015, RB – in partnership with TFT – completed on-the-ground field assessments of its direct latex suppliers, with the findings confirming that RB's latex is responsibly sourced by meeting the requirements of our Natural Raw Material Standard.

RB completed additional due diligence in 2015 establishing that 100% of raw soya supplied to RB originates from a low-risk country.

RB is committed to ensuring that our paper and board is sourced in a responsible manner. We have specific standards outlined in our Natural Raw Materials Policy for our paper and board suppliers.

You can learn more about our approach to natural raw materials in the Detailed Sustainability Performance Report 2015.

#### Continuing to focus on sustainable sourcing

We will continue to focus on increasing our palm oil traceability in addition to purchasing Green Palm Certificates in 2016. However, we are continually reviewing how best we can achieve a responsible supply chain. With that in mind, we are conducting a feasibility study to gauge the effectiveness of small holder farmer programme. In 2016, we will continue to work closely with our latex suppliers to complete a scoping exercise to identify opportunities to work with smallholder farmers.



#### Our goals:

**All natural raw materials responsibly sourced by 2020**

#### Our performance:

**Palm oil traceable to mill<sup>1</sup>**

**70%**

**Palm oil purchasing covered by Green Palm certificates**

**100%**

1. Excluding surfactants.

# Our performance and assurance

## Reporting standards

This is the second Report to be prepared in line with the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines. The Report is 'in accordance' with the Guidelines – core option. A GRI Content Index and Application Level Table is provided in the Detailed Sustainability Performance Report 2015. In preparing this Report, we referenced the criteria and principles of accountability set out in the AA1000 Assurance Standard (2008) and the AA1000 AccountAbility Principles Standard, produced by AccountAbility. We also took into account the evolution of best practice in corporate sustainability reporting. The principles and methodologies we have used in reporting sustainability performance data for 2015 are available in our Reporting Criteria and Basis of Preparation, available at rb.com.

## External assurance

Since 2012, we have commissioned Ernst & Young to provide a limited assurance of selected data within the Sustainability Report. In 2015, they reported: no exclusions of material reporting units, no errors in the selected data, no inconsistencies in the reporting criteria, and no issues relating to data collation from sites. For more details, see the Independent Assurance Statement on Selected Sustainability Data in the Detailed Sustainability Performance Report 2015.

## External reporting and recognition

We regularly provide information to the Dow Jones Sustainability Index (top score in six categories), FTSE4Good Index, the Carbon Disclosure Project (member of FTSE350 Leadership Index), and various other organisations assessing and recognising economic, social and environmental performance, including:

- Ranked ninth in Corporate Knights Global 100 Index.
- Newsweek Green Rankings – fourth in 2015.
- RobecoSAM's 2015 Sustainability Yearbook – Gold Class distinction.
- Finalists for 2015 EDIE Awards in two categories: product innovation and waste management.
- Corporate Engagement Awards – best internal communications (Bronze Award).

In addition, many of our operations are independently certified to external standards such as ISO 9001, ISO 14001 and OHSAS 18001.

## Table of indicators that have limited assurance by EY

	Units	2012	2013	2014	2015
<b>Healthier Communities (Social Metrics)</b>					
People reached to improve their health and hygiene	millions (cumulative)	–	24	141	<b>237</b>
<b>Better Design (Product Metrics)</b>					
Total net revenue from more sustainable products (Q4 2014-Q3 2015)	£ million	–	230 <sup>1</sup>	325 <sup>1</sup>	<b>558</b>
Total carbon footprint	grams per dose	65.37	–	65.08	<b>65.87</b>
Total water impact	e–litres per dose	8.31	–	7.95	<b>7.58</b>
<b>Environment, Health &amp; Safety Metrics</b>					
GHG emissions from energy use in manufacturing and warehouses	tonnes CO <sub>2</sub> e per 1,000 CU	0.0402	0.0392	0.0374	<b>0.0347</b>
Total waste at manufacturing and warehouses	tonnes per 1,000 CU	0.0117	0.0114	0.0105	<b>0.0100</b>
Hazardous waste at manufacturing and warehouses	tonnes per 1,000 CU	0.0016	0.0016	0.0014	<b>0.0012</b>
Water discharges from manufacturing and warehouses	m <sup>3</sup> per 1,000 CU	0.496	0.344	0.289	<b>0.281</b>
Energy use at manufacturing and warehouses	GJ per 1,000 CU	0.4704	0.4488	0.4130	<b>0.3959</b>
Water use at manufacturing and warehouses	m <sup>3</sup> per 1,000 CU	0.964	0.788	0.718	<b>0.675</b>
Lost working day accident rate <sup>2</sup>	per 100,000 hrs	0.107	0.107	0.093	<b>0.080</b>
Employee fatalities	number	1	0	0	<b>1</b>
Severe accidents	number	1	1	2	<b>3</b>
<b>Diversity</b>					
Women employed – Board	% at 31 December	20	10	17	<b>29</b>
Women employed – senior management	% at 31 December	16	17	19	<b>19</b>
Women employed – global employees	% at 31 December	41	42	42	<b>42</b>

1. 2013 and 2014 total net revenue from more sustainable product Q1-Q3.
2. LWDA rate from manufacturing, warehouses and R&D.

# Our sustainability approach

## Engagement

### Audience for this Report

Although we hope this report reaches as wide an audience as possible, it is primarily aimed at those who have shown an interest in our sustainability activities and performance during 2015, including: employees; trade customers; shareholders/investors; end-consumers of our products; and advocacy and campaigning groups with an interest in our products, operations or supply chain.

### Stakeholder dialogue

Discussions with our stakeholders enable us to fully understand our most important sustainability issues, which contributes to our assessment of materiality. We regularly communicate with a variety of different stakeholder groups including those from the workplace, the market place and local communities. More information is available in our Detailed Sustainability Performance Report 2015.

### External partnerships

We seek to develop industry-wide solutions to shared challenges and actively engage in partnerships that will assist and challenge us to perform better. Details of many of our external partners in 2015 can be found in our Detailed Sustainability Performance Report 2015.

## Governance

### Governance model

Sustainability at RB is governed by our corporate responsibility framework, which comprises our Vision and Values, our Code of Conduct, core group policies, control arrangements and reporting. We report our progress on an annual basis, both in the Annual Report and the Sustainability Report. For more information on governance and our Corporate Responsibility Framework, please refer to the Annual Report or rb.com.

### Governance structure

The Board has overall responsibility for sustainability and corporate responsibility and undertakes a formal review of environmental, social and governance matters at least annually. The Chief Executive Officer has specific responsibility for sustainability policies and performance. The Category Group Director – Innovation & Sustainability, co-ordinates the sustainability programme on a day-to-day basis.

## Sustainability materiality reporting

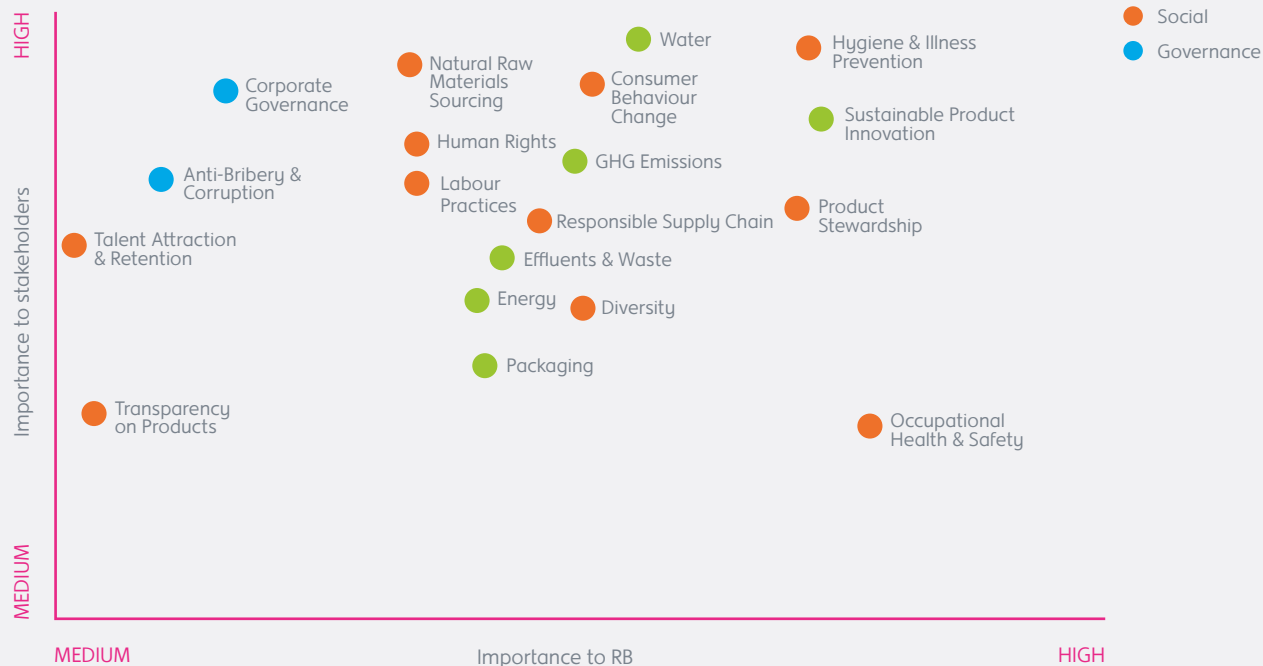
### Framework for assessment

RB follows a rigid methodology for assessing the materiality of sustainability issues and reporting. Based upon the Accountability Five-Part Materiality Test and the GRI G4 reporting guidelines, we collect key sustainability issues from a number of sources including stakeholders and industry experts. These issues are then prioritised based upon their risk and importance, both to RB and to stakeholders. The Detailed Sustainability Performance Report 2015 describes this process in more detail and can be found at rb.com.

In 2015, a review of RB's material issues was carried out. No new issues were identified and no changes to the risks or importance of existing issues were made. A comprehensive assessment of materiality will be carried out in 2016, including a review of RB's materiality assessment process and a thorough assessment of sustainability issues, using the UN Sustainable Development Goals as a basis for categorisation and prioritisation.

### Materiality Matrix for sustainability reporting

RB's key sustainability topics





HEALTH • HYGIENE • HOME

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For more information  
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## Contacts

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