



HEALTH ▸ HYGIENE ▸ HOME

# Healthier Happier Stronger



*Sustainability Report 2012*

### This is an interactive PDF

Use the menu bar across the top of each page for easy navigation around this report. The contents list is also interactive. Links to websites and appendix items appear throughout this report.

### Printing this report

Please be mindful of the pages you print. Avoid waste, only print the pages you wish to read and print double sided. Colourful, full bleed backgrounds in this PDF will revert to white when printed.

## What's in this report?

### About us

The opening sections tell you about our business and our sustainability strategy (pages 3-7)

### Priority action areas

This is the core narrative of the report. It tells you what we achieved in 2012 in our three priority areas (pages 8-23)

### Performance

Here you'll find all the numbers and other details of our performance (pages 24-33)

### Approach

Everything you would want to know about the background to our reporting is in this final section (pages 34-end)

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# Stepping up on water with new 2020 goals

This report reflects the sharp focus of the new sustainability strategy, **betterbusiness**, which we launched in 2012. It aligns with our business strategy that has an emphasis on health and hygiene and aims for half our core revenues to come from emerging markets by 2015.

Water is one of the key areas for RB. It's an increasingly critical issue for health and hygiene, especially in emerging markets and when consumers use our products. We will cut our water impact by a third by 2020 across the products' whole lifecycle, not just in our factories.

We also continue responding to the global need to reduce energy and greenhouse gas emissions. We have already cut our carbon footprint by 25% per dose from 2007 – 2012. Now we're aiming to cut emissions by a further third by 2020.

Pulling these big ambitions together with other targets means we will have a third of net revenue from more sustainable products by 2020. We will do this through the innovation that drives the business. All new product developments are now being assessed with our sustainable innovation calculator to drive performance.

We've made good progress in 2012. Our greenhouse gas emissions from manufacturing is down by 9% per unit of production and our energy usage per unit of production is 11% lower than in 2011. We planted 371,000 trees to keep our manufacturing effectively carbon neutral. The CDP recognised this great work by including us in their Carbon Performance Leadership Index of just 33 companies worldwide.


Water, as a new focus area, is a bigger challenge but our water use per unit of production has decreased by 6% since 2011 and 31% since 2000.

And in 2012 we've completed an exciting piece of work on our water impact which will help us focus where it matters most.

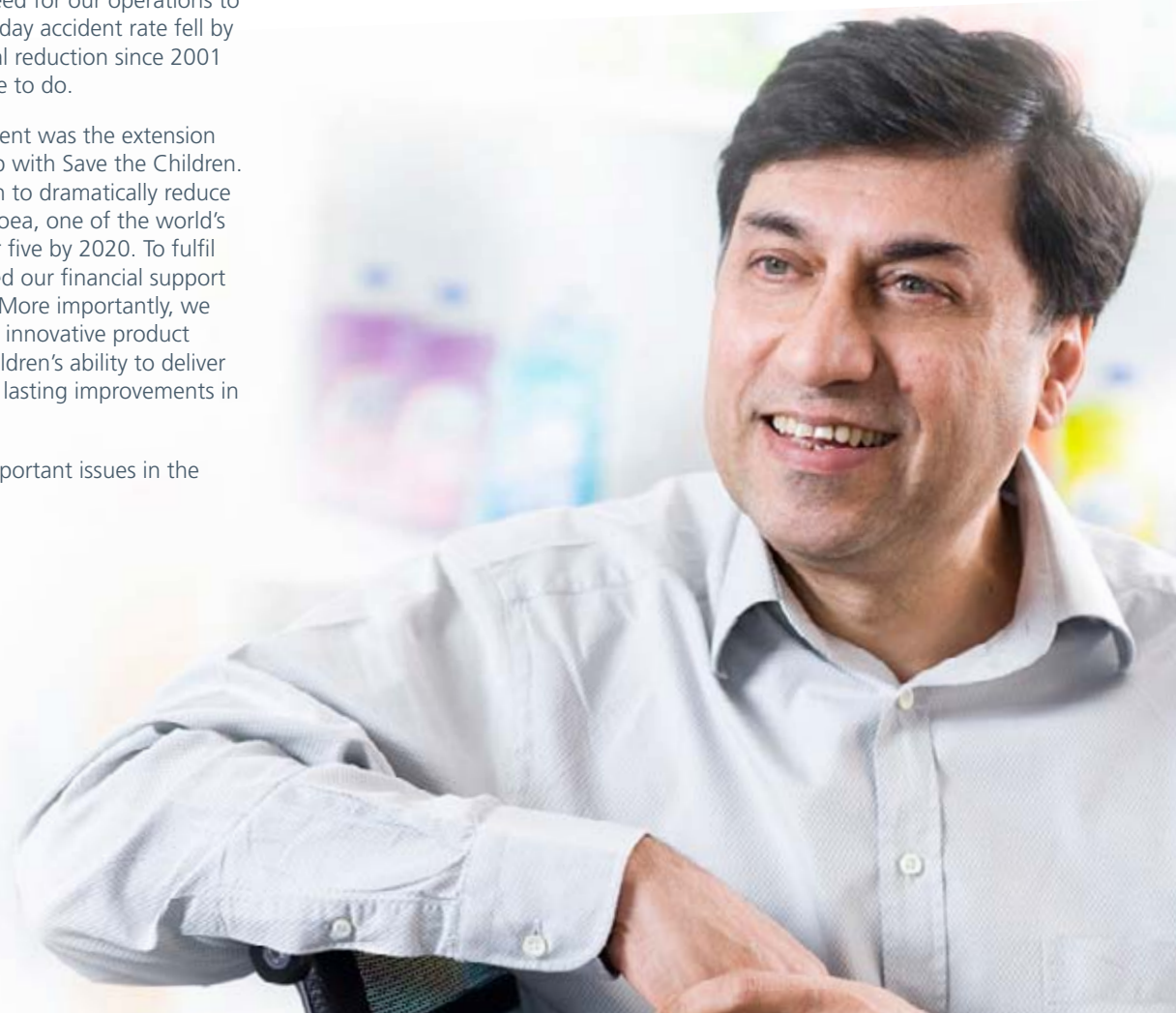
We mustn't lose sight of the need for our operations to keep improving. Our lost work day accident rate fell by 22% in 2012, bringing the total reduction since 2001 to 94% but there's always more to do.

One other important development was the extension of our longstanding partnership with Save the Children. We are pursuing a shared vision to dramatically reduce preventable deaths from diarrhoea, one of the world's biggest killers of children under five by 2020. To fulfil this ambition, we have increased our financial support for Save the Children by 60%. More importantly, we will combine RB's expertise and innovative product development with Save the Children's ability to deliver life-saving treatments to create lasting improvements in health and hygiene.

You'll find more on all these important issues in the following pages.



**Rakesh Kapoor**  
CEO, Reckitt Benckiser



# Healthier lives, Happier homes, Stronger business

In 2012, RB announced a new vision and purpose and laid out a strategy to deliver our second decade of market outperformance.

**Our vision** is a world where people are healthier and live better.

**Our purpose** is to make a difference by giving people innovative solutions for healthier lives and happier homes.

**Our strategy** to deliver outperformance has two key pillars:

## A focus on Powerbrands and Powermarkets

– In 2012 our 19 Powerbrands in **health, hygiene** and **home** delivered 70% of our net revenue. These Powerbrands are in health: Durex, Gaviskon, Nurofen, Mucinex, Scholl and Strepsils. In hygiene: Bang, Clearasil, Dettol, Finish, Harpic, Lysol, Mortein and Veet. In home: Air Wick, Calgon, Vanish and Woolite. And French's in Food. Within our three categories, health and hygiene take precedence and

our goal is for their revenues to 72% of our core by 2015.

Our brands are marketed and sold in 200 markets across the world, but we know that the vast majority of our global growth will come from a few areas. We have identified 16 Powermarkets, in both developed and emerging countries where we have a strong presence and ability to win.

**A focus on emerging markets** – We take a consumer-centric view of the world and we organise ourselves around major consumer clusters (each of which have Powermarkets within them). Consumers within these clusters have significant similarities in how they choose, buy and use consumer goods and so it makes sense to group them together. Our organisational structure is informed by these consumer clusters and divided into the three areas seen below: LAPAC, RUMEA and ENA. Our medium-term goal is to grow the emerging market areas of LAPAC and RUMEA faster so

that they together represent 50% of our core revenue by 2015.

As our business grows, particularly in emerging markets, we will only achieve our vision of a world where people are healthier and live better through recognising and responding to the social and environmental challenges our consumers face. We will continue to focus on minimising our impacts across the lifecycle of our products and maximising the positive impacts we have on health and hygiene behaviour. In doing so, RB will become more sustainable and more successful.



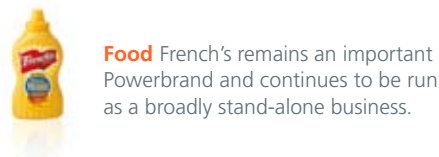
Hygiene is the foundation of healthy living.



Good health is the key to happiness.



Home is the centre of family life.



**Food** French's remains an important Powerbrand and continues to be run as a broadly stand-alone business.

## AREAS



### LAPAC

- ▶ North Asia
- ▶ South East Asia
- ▶ Australia & New Zealand
- ▶ Latin America

### ENA

- ▶ North America
- ▶ Central Europe
- ▶ Northern Europe
- ▶ Southern Europe
- ▶ Western Europe

### RUMEA

- ▶ Russia & CIS
- ▶ North Africa, Middle East & Turkey
- ▶ Sub-Saharan Africa

*Sustainability is central to our vision, purpose & business strategy.*

# The world is changing...



Rising energy costs & emission constraints

**80%**

more energy is needed worldwide by 2050



Pressures on natural resources & waste

**12-15 million**

hectares of forest are lost each year



Growing need for better health & hygiene

**1 million**

children under five are killed each year from diarrhoea and similar diseases



Increasing water scarcity

**884 million**

people do not have access to clean and safe water



Growth of emerging markets

**6 of the top 10**

economies in 2050 will be currently emerging markets



Consumers demand greater transparency

**Open & honest**

communications are needed to rebuild trust



*...and we are changing with it with our refreshed sustainability strategy:*

**betterbusiness**  
Healthier lives. Happier homes.

We are responding to these global developments with a strategy for more sustainable innovation, especially in the areas where we can make the biggest difference – the need for better health and hygiene behaviour and the increasing scarcity of water.



**Health and hygiene behaviour** because this is central to our business purpose of healthier lives and happier homes and is essential to reducing child mortality, HIV/AIDS, malaria and other diseases.

**Water** because 15 of our Powerbrands contain water, around half of them need water for use and all of them require water to produce.

**Innovation** drives RB and will enable more sustainable health and hygiene choices in a world where water, energy and other resources are constrained.

# Our goals for 2020



net revenue from more sustainable products



less water impact\*



further reduction in our carbon footprint\*



Partner with Save the Children to deliver a vision of stopping diarrhoea from being the world's second biggest killer of children under five by 2020

*These goals are supported by specific targets and functional programmes in three areas:*

## Healthier Communities

Helping our consumers and communities to improve their health and hygiene and reduce their environmental impacts.

1. Innovating products and behaviours to tackle the causes of diarrhoea and piloting these in key markets
2. Developing brand-specific sustainability activities and ensuring consistent sustainability communications for 100% of Powerbrands
3. 100% transparency on ingredients
4. Engaging with employees about more sustainable behaviour and practices

## Better Design

Creating products that use less water and energy and more sustainable ingredients.

1. 100% of innovations to use RB's Sustainable Innovation Calculator, covering water, carbon, packaging and ingredients
2. 100% compliance with RB's Global Ingredient Guidelines
3. 100% responsibly sourced natural raw materials

## Better Production

Using less water and other resources, meeting our social standards and keeping our people safe.

1. **Safety**
  - Zero fatalities and serious accidents
  - Continued reduction in lost work-day accident rates
  - 100% of manufacturing sites with certified EHS management systems
2. **Environment**
  - 10% improvement in water efficiency and meeting wastewater standards
  - Zero waste to landfill and reducing waste intensity by 10%
  - 35% energy intensity reduction and 40% greenhouse gas intensity reduction
  - Effectively carbon neutral manufacturing
3. **Social responsibility**
  - 100% compliance with RB social standards

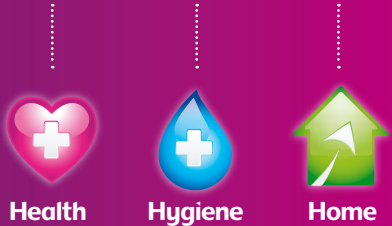


Look out for this icon throughout the report indicating our goals, targets and priorities for 2020.

\* Our water impact and carbon footprint reduction goals are expressed on a 'per dose' basis. We have taken a total lifecycle approach with a baseline of 2012. A dose is defined as the measure of each individual RB product required to deliver that product's intended service, either for a single use or for a defined period of time e.g. one Finish automatic dishwashing tablet for one load of dishwashing, the recommended number of Nurofen tablets for 24 hours of pain relief. See pages 27 and 43 for details.

# RB at a glance...

19 Powerbrands



which represent 70% of net revenue

Our products are sold in



20 markets worldwide

35,900

employees in over 60 countries

20m  
consumer units sold a day

£9,567 million our net revenue in 2012

7.3 billion

£2,570m adjusted operating profit in 2012

consumer units sold per year

## Healthier Communities

£11 million

raised for Save the Children since 2003

More than 14,000 school children in 65 cities in India participated in Dettol's Healthy Hand Wash Programme



The partnership helped fund health and hygiene programmes in over 40 countries & reached nearly 350,000



In 2012 **durex** reached

100,000 students at 100 secondary schools in South Africa with its sexual health programme

CONNECT-ED<sup>SM</sup>

## Better Design

Since 2007, we've had a

25% reduction

in the total carbon footprint of RB's global products per dose

69%

of our water impact comes when consumers use our products



2500

formulations changed as part of ingredient removal programmes since 2001



than the previous active ingredient

## Better Production

Since 2006, we've planted 5.8 million



In 2012, we planted 371,000 trees

31% reduction in factory water use (per unit of production) v 2000

To keep our manufacturing carbon neutral, we've extended our land holdings by 13km<sup>2</sup> to plant more trees

Absolute GHG emissions from production down 17% since 2000

total 73km<sup>2</sup>

We've decreased our energy use by 49% per unit of production since 2000

94% reduction in lost work day accident rate v 2001



# Healthier Communities



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# Fighting disease with innovation

**Dettol, Lysol, Mortein and Durex are key weapons in the fight against the diseases that cripple many communities, with brand partnerships focusing on health and hygiene education. With innovation and information, through our partnership with Save the Children and the involvement of RB employees, we will achieve our goal of helping consumers improve their health and hygiene behaviour.**

Many lives, especially children's, are lost needlessly because of a lack of understanding about sexual health and good hygiene practices. Progress is being made but the world is not on track to meet the Millennium Development goal of reducing the number of children who die under the age of five by two-thirds. Malaria, HIV/AIDS and diarrhoea are among the biggest killers.

*More than 200 million people suffer from malaria.*

Malaria is rife in nearly 100 countries worldwide, particularly in Sub-Saharan Africa but also South Asia. Despite progress, it still kills one child every 30 seconds and causes poor growth and development in those who survive. Insecticides such as Mortein can prevent many deaths if they are used correctly, especially in conjunction with bed nets to protect children and pregnant mothers while they sleep.

*More than 220 million women in developing countries have no access to effective contraception.*

The death toll from HIV/AIDS has fallen but it still claims almost 1.7 million lives a year. Condoms help prevent the spread of the disease and other infections and enable women to plan families.

*Nearly one million children under the age of five die each year because of diarrhoea.*

Diarrhoea is another killer in developing countries where people often have little access to clean water and good sanitation. Hygiene is even more important in these conditions and this is the focus of our partnership with Save the Children (see pages 12-13).



## Our priorities for Healthier Communities

- Developing brand-specific sustainability communications for 100% of our Powerbrands
- Partnering with Save the Children to deliver a vision of stopping diarrhoea from being the world's second biggest killer of children under five by 2020
- Innovating products and behaviours to tackle the causes of diarrhoea and piloting these in key markets
- 100% transparency on ingredients\*
- Engaging with employees about more sustainable behaviour

## Happier Homes

In 2012 we revamped our consumer sustainability website and renamed it Happier Homes. We know, through our carbon and water lifecycle analysis, that most of our products' environmental impact arises when consumers use our products. Therefore, the site provides tips and advice on how to use our products in a more sustainable way. But it is not only about preserving the environment – we also share information on the positive impact of our brands on health and well-being, to create happier homes.



\* Ingredients transparency is a broad topic - at a minimum, we will comply with all relevant legislation on ingredient disclosures and our own global ingredient guidelines as well as providing information to consumers relating to specific enquiries on ingredient sensitivities and allergies. We will define our global ingredients transparency approach in support of our 2020 ambition.

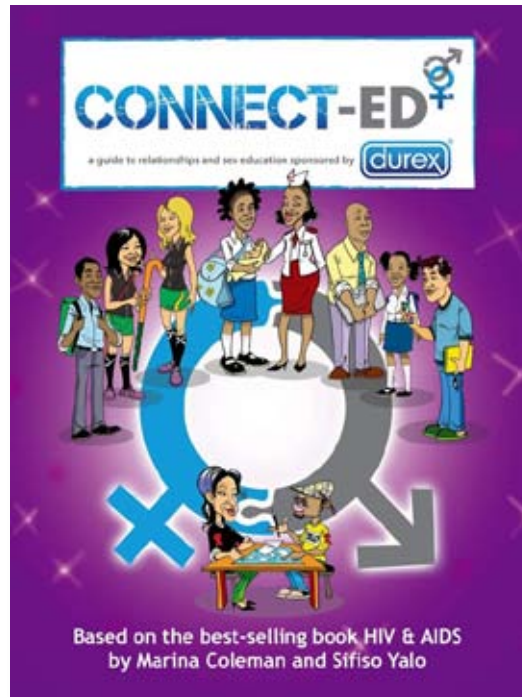
# Connecting students to sexual health

**Enormous progress has been made on HIV/AIDS over the past 10 years but much more needs to be done, especially to educate teens about sexual health. Durex launched a pilot programme in South Africa in 2012 and is active in many countries promoting HIV awareness and safe sex.**

Almost six million people live with AIDS in South Africa – millions more than any other country. Ignorance is a major factor and leads to unwanted pregnancies and the spread of sexually transmitted infections (STIs) as well as HIV. More than a third of teenage girls in South Africa have been pregnant by the time they are 19.

Durex South Africa created CONNECT-ED in 2012. It is an ambitious high school programme piloted in the Gauteng province, which includes Johannesburg, Pretoria and Soweto. The campaign reached 100,000 students at 100 secondary schools with materials to help them make informed decisions about sexual health. The program was developed with experts, teachers, students, parents and NGOs, in co-operation with the Gauteng Department of Education. Durex ambassadors visited schools to introduce CONNECT-ED.

Materials include the first ever South African book on teenage sexuality, created for CONNECT-ED by the award-winning author Marina Coleman and cartoonist Sifiso Yalo. A website also helps to overcome the misinformation that can undermine safe sex, including an opportunity for students to post questions to relationship and sexual health experts.



*When the program rolls out nationally in 2013, it will reach 500,000 students at 350 secondary schools and five universities.*

## Raising HIV awareness with music & dance

Durex worked with the MTV Staying Alive Foundation – the world’s largest youth-focused HIV and AIDS campaign, and the youth HIV charity dance4life, which uses music and dance to educate and inspire young people in schools. More than two million messages were shared on World Aids Day and Durex decided to more than double its commitment, giving at least five million condoms to HIV prevention and education projects in more than 40 countries.

Durex and the MTV Staying Alive Foundation will collaborate further in 2013 to empower young people to adopt positive sexual attitudes and behaviour.

Durex is also donating five million condoms as part of its drive to achieve an HIV-free generation. The 1share1condom campaign in support of World AIDS Day 2012 promised one condom donation for every message or image shared about HIV. It reached more than 65 million people in over 150 countries on Twitter alone.



## Teaching teens to 'Think Safe'

Durex runs the Think Safe teen education programme in Italy, in partnership with the AIDS charity Anlaids. Like in South Africa, the programme gives teens information to protect themselves, prevent sexually transmitted diseases and unwanted pregnancies. Think Safe kits were sent to 2000 schools, with lesson plans and materials on subjects including anatomy and physiology, teen psychology, sexually transmitted diseases and methods of contraception.

# Healthy habits halt diseases

**A Dettol campaign in India reached more than 14,000 school children in 65 cities with vital hygiene messages. Working with the Healthy Hand Wash Programme, carried out by the NGO School Health Annual Report Programme (SHARP), Dettol helped young children understand why they have to wash their hands.**

The children took a pledge to always follow a proper hand wash regime and Dettol awarded a first aid kit and an attendance certificate to children with a perfect attendance record. The schools also received posters illustrating proper hand wash techniques.

A Dettol/Lysol study for the Hygiene Council emphasised the importance of basic hygiene, clearly linking it to good health. The HABIT study (Hygiene: Attitudes, Behaviour, Insight and Traits) is the largest of its kind, surveying 12,000 people in 12 countries. It found that many people don't always wash their hands after using the toilet, even though they know it will help keep them healthy.

Most people were aware they should wash their hands with soap and clean the house frequently to help prevent contamination and the spread of disease. But many said they are simply too busy for even the most basic hygiene measures. They also cited tiredness and being too hungry to wash their hands as often as they should.

*“Simple hand washing is one of the most effective ways to stop the spread of germs.”*

Dr. Narendra Saini, India representative, Global Hygiene Council



## *Understanding malaria saves lives*

Nigeria is more exposed to malaria than any other country in Africa. The disease is particularly deadly for babies, causing a **quarter of all deaths in their first year**. But relatively simple hygiene practices can save young lives.

Mortein created an awareness campaign aimed at pregnant women and mothers to spell out that people can protect themselves with an efficient insecticide like Mortein, using treated bed nets and keeping homes clean.

The brand recruited singer and women's rights activist Omawumi Megbele to write the theme song *Our Voices Against Malaria*, helping to launch the campaign on World Malaria Day. Working with the Lagos State Ministry of Health, the Nigerian Medical Association and the National Association of Nigeria Nurses and Midwives, Mortein sponsored teams of nurses and midwives. They reached more than 5,000 women in visits to 80 antenatal clinics and maternal care centres across the country, providing malaria testing and advice and demonstrating the correct use of insecticide.




The Hygiene Council is a group of medical experts from 16 countries, formed in 2006 to monitor infection threats and provide realistic advice on the importance of hygiene in the home and community to prevent the spread of disease and infection. The Council's work is funded by an education grant from RB. Visit [www.hygienecouncil.org](http://www.hygienecouncil.org) for more information.

# Healthier lives for children & families

**Our partnership with Save the Children began over ten years ago – it started with just £100k and has continued to grow exponentially. Since 2003, we have raised £11 million – a tremendous achievement that has allowed us to reach more than a million children. We have now extended our partnership and have committed £23 million to pursue our shared vision to dramatically reduce preventable deaths from diarrhoea.**

Diarrhoea kills approximately 800,000 children under five each year – the second leading cause of death from preventable disease, after pneumonia. Our goal is to target the devastating global death rate in children under five from diarrhoea by 2020. The combination of RB's expertise and innovative product development with Save the Children's ability to deliver life-saving treatments will bring us a step closer to our mutual vision where no child under the age of five dies from preventable diseases such as diarrhoea.



**HEALTH • HYGIENE • HOME**      **Save the Children**

*reached more than 350,000 people, including 150,000 children in 2012*

In 2012 we supported 12 health, hygiene and protection programmes in 10 countries and provided funding to support Save the Children's global health work in over 40 countries, including Indonesia, Mexico, Nigeria, Romania and South Korea.

For example, in Tanzania, RB funds a health and hygiene programme which, to date, has reached 82,000 people, including more than 13,000 children under five and 16,000 pregnant and breastfeeding women. Our support trained over 80 community health workers, gave parents advice on the importance of breastfeeding and good hygiene and distributed insecticide-treated nets to help protect children and families from mosquitoes carrying deadly malaria.



*RB and Save the Children will unite to help stop children under five dying from diarrhoea.*

## Faidha's story

Faidha gave birth to her first daughter at the Kitomanga health centre in Tanzania, where RB's funding has helped to train staff.

*"The nurses helped me understand how a good diet would help the growth of my child in the womb and prepared me for giving birth at the health centre and for breast feeding."*

Photo: Caroline Trutmann/Save the Children



## Supporting health services in Indonesia

In West Java, Indonesia, we launched a programme for babies and mothers to improve health, hygiene and hand washing practices. Over the next five years the programme will reach up to 35,000 newborn babies and 25,000 mothers and give health and hygiene support for 400,000 members of the community. Save the Children has developed relationships with local district health authorities, mobilising community members, training staff, and conducting research on health and hygiene behaviour as part of the programme.

A community health volunteer demonstrates appropriate bathing for a newborn baby. Photo: Save the Children



## Responding to emergencies

RB was Save the Children's first corporate partner to donate to the Children's Emergency Fund in 2007 and in 2012 we gave £300,000. The Fund allows the charity to respond the moment disaster strikes, which is critical because time saves lives in an emergency.

RB also supports emergencies by donating health and hygiene products. In 2012, RB South Africa, Middle East, Philippines, Colombia and China all directly supported the charity's lifesaving work by donating Dettol products to protect children from disease. A donation of 120,000 bars of Dettol soap made a huge difference to families in the Zata'ari camp in Jordan who had been made homeless by the conflict in Syria.

# A worldwide effort for children

Employees are central to our relationship with Save the Children, contributing ideas, energy and time to fundraising and volunteering. In 2012, employees raised £1.75 million for the charity – doubled by RB’s matched funding commitment.

Employees from offices around the world celebrated the UN’s Universal Children’s Day on 20 November and their collective efforts raised more than £100,000 for Save the Children. They came up with imaginative and creative ways to raise money and awareness:

## China

An hour’s pay was the entry price to the Universal Children’s Day event. Once inside, colleagues auctioned their skills to each other. The management committee dressed up in costumes to run a barbecue.



## UK

A retro theme was the order of the day to get money rolling in. School dinners and a tuck shop kept colleagues going and a raffle to win five days’ extra annual leave was very popular.

## Zimbabwe

During a visit to a local children’s hospital in Harare, employees could donate clothes and toys for children in need.

**£3.5m**

was raised for Save the Children in 2012

## Giving time to help young people

While raising money is essential for Save the Children, giving time also provides fantastic support for families in need. For example, in Pakistan, 20 employees volunteered at a remote school giving a Dettol hygiene education and handwashing demonstration as well as an art session with the children. In the UK, 50 employees volunteered to support 200 families in Slough living in severe poverty with practical tasks such as gardening and decorating. In UAE, 75 employees went into 45 retail stores to raise awareness of RB and Save the Children’s partnership with consumers.

## Rising to the challenge

In some countries employees rose to exceptional challenges to raise money or provide practical support to communities.

More than 20 people from six countries took part in the Latin America region’s first ever challenge for Save the Children. They raised £50,000 to build a community centre providing a child-friendly space for 400 vulnerable children and support for 160 families in Cali, Colombia.

The challengers each raised £2,000 in four months to take part in the activity which involved a three-day trek through the Colombian coffee zone and a day volunteering to build the community centre as part of the Save the Children programme.

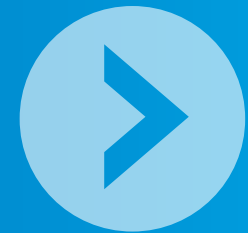
Similarly, a group of 10 employees from the Africa business challenged themselves to reach new heights by scaling Mount Kilimanjaro in Tanzania. As well as reaching the summit, they reached their fundraising target of £40,000.

Elsewhere, employees in Belgium and Netherlands, Spain and Australia raised more than £50,000 in cycling and running challenges. RB US put on a different kind of challenge with its first Charity Golf Day and auction. More than 100 golfers joined in, including many from our suppliers, raising £90,000 for Save the Children.

*“It was an amazing journey. When I met the children I knew every single minute I had dedicated to the challenge was worth it.”* Thorsten Trompeter, Brazil



# Better Design



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# More sustainable products by design

We design products such as Lysol, Dettol, Finish and Vanish to work brilliantly for the environment as well as for consumers.

Better design is about paying attention to everything throughout the product's lifecycle, from the raw materials to disposing of the pack once it's finished with. We work to design out our environmental impacts, especially in the consumer use phase – without asking consumers to pay more or lose out on product performance.

We choose ingredients that are safe for the environment and for people. We formulate them so they use as little energy and water as possible right up to when consumers finished them. We give consumers the information they need to choose the right products and use them responsibly.

Combining insights from consumer research with our technological know-how, our aim is to keep creating more sustainable products so that consumers can be confident they are making the right choices for their families and the environment.

Our 2020 target is for a third of our sales to come from products that are significantly more sustainable, as measured by our Sustainable Innovation Calculator. This challenging goal is based on net revenue because this is the language of business and our Carbon20 experience has shown that using a common language helps to integrate sustainability.



## Our Net Revenue Goal

By 2020, 1/3 of our net revenue will come from products that are significantly more sustainable than their predecessors and continue to deliver excellent product performance.

## Our Better Design targets

1. 100% of product innovations assessed by our Sustainable Innovation Calculator
2. 100% compliance with RB's Global Ingredient Guidelines
3. 100% responsibly sourced natural raw materials

## Sustainable Innovation Calculator

We have developed a Sustainable Innovation Calculator to help us create more sustainable products. The tool uses a simple traffic light system that allows product developers to quickly understand the environmental footprint of their innovation compared to that of a similar product.

The Calculator is a streamlined Life Cycle Analysis (LCA) tool that models the most significant environmental impacts of our products, including raw materials and consumer use. We use it at key decision points to ensure we are making more sustainable choices affecting the carbon footprint, water impact, packaging or ingredients. See page 27 for details.

## Mucinex Fast Max

The Sustainable Innovation Calculator helped to identify some surprising carbon, water and packaging savings for these Cold, Flu & Sore Throat Caplets. The product was originally available in a bottle but the Calculator identified that new packaging for the caplets would be almost 95% lighter, saving more than 80% of greenhouse gas emissions and more than 90% of the water impact.



# Targeting water where it matters

**In 2012 we carried out detailed research to identify where we should concentrate our efforts and how to measure progress towards our target of a 1/3 reduction by 2020.**

As with carbon, we are looking at the whole product lifecycle. But unlike carbon, where total global emissions are what matters, it is essential to look at where water is used as water availability varies by location. As a result, it is vital to focus our efforts where water is most scarce.

We calculate how much water our products use and which stages of the lifecycle are most significant. That is the global water **use** footprint.

We've then developed a measure of water **impact** which takes account of where there isn't enough to go around.

Water impact applies location specific scarcity factors to the footprint to derive 'equivalent litres', which we will use to measure progress towards our goal.

The diagram below highlights the difference between these two measures. It shows that two-thirds of our total water use footprint is associated with manufacturing raw materials and packaging. But when taking scarcity into account, it's clear we need to concentrate more on consumer use of our products. The next page provides more detail on this.

We will continue to develop this analysis as water scarcity factors evolve, to ensure that we are acting to reduce the water demand of our products in the categories, brands and countries where we have the biggest impact.

See [pages 41-43](#) for details of the water scarcity calculation.

2020

Our goal is to reduce our water impact\* by 1/3

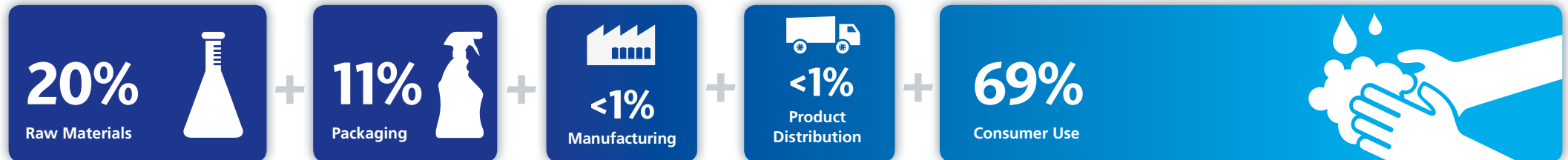
## Our Water Use x location-specific water scarcity factor = Our Water Impact

Water scarcity factors vary by country based on water availability. For example, water rich Canada has a factor of 0.02 while water scarce Saudi Arabia has a factor of 10.79.\*\*

### Our Water Use Footprint



### Our Water Impact Footprint



\*Our water impact reduction goal is expressed on a 'per dose' basis. We have taken a total lifecycle approach with a baseline of 2012. A dose is defined as the measure of each individual RB product required to deliver that product's intended service, either for a single use or for a defined period of time e.g. one Finish automatic dishwashing tablet for one load of dishwashing, the recommended number of Nurofen tablets for 24 hours of pain relief. See [pages 27 and 43](#) for details.

\*\*Water scarcity data has been sourced from the Water Footprint Network. See [page 41-43](#) for details.



# The who, what, where of our water impact

As 69% of our water impact happens in the consumer use phase, we conducted further analysis to understand the countries and consumer use categories where the biggest impacts are occurring.

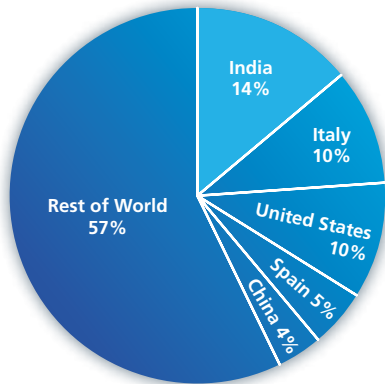
Geographically, India is the country with the biggest impact based on water use, scarcity and the size of our business there. Due to the extremely high water scarcity factors of some Middle Eastern countries, they make up a

large part of our water impact despite the relatively small size of our business there.

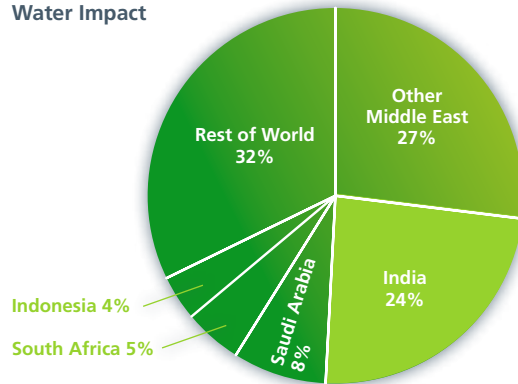
Taking scarcity into account, handwashing is the consumer use category with the largest impact, while automatic laundry care uses the most water in absolute terms. The analysis shows how important it is for us to conserve water as we expand in hygiene categories in emerging markets, many of which face growing water scarcity.

## Contribution by Country (%)

Water Use

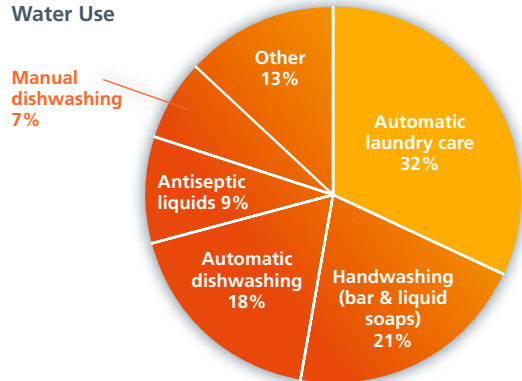


Water Impact

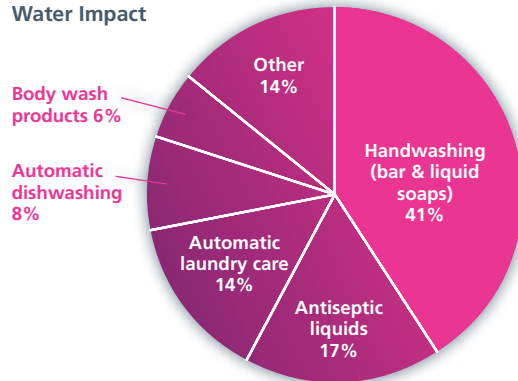


## Contribution by Consumer Use Category (%)

Water Use



Water Impact



## A touch of foam from Dettol

Better design means we have to understand how a consumer will use a product because a large part of the environmental footprint is in product use.

We developed Dettol Touch of Foam after studying consumers' hand washing habits with liquid, bar and foaming hand soaps. We discovered that people use much more water with liquid and bar soaps than they do with foaming soap. We therefore designed Dettol Touch of Foam to need less water.

Unlike ordinary soap, it is a ready-to-spread, non-drip lather with micro-bubbles that deliver moisture to the skin. This means consumers only need to run water to rinse their hands, not to create the lather. The result is that Dettol Touch of Foam uses about 15% less water than conventional handwash products.



# Building on our Carbon20 success

We achieved our Carbon20 target to cut emissions per dose by 20% eight years early at the end of 2011. This is applied to our carbon footprint across product's lifecycle. The diagram below shows that in 2012, consumer use remained the most significant stage.

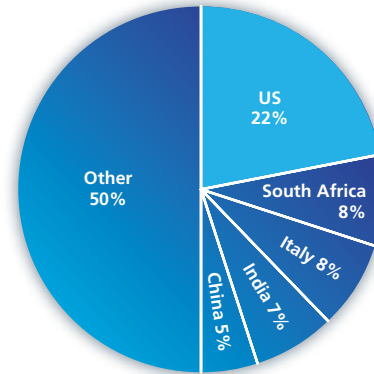
The pie charts examine the consumer use phase in more detail, looking at the locations and categories that are the most carbon intensive, showing that 22% of our products' footprint comes from the United States and almost half from automatic dishwashing.

We are now aiming to reduce by a further third by 2020. We made a good start in 2012 with a 5% reduction per dose in the lifecycle carbon impact.

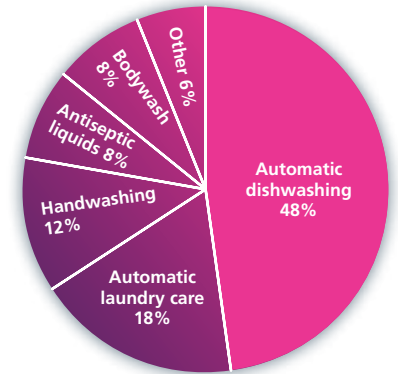
## Our Carbon Footprint



Carbon Footprint from Consumer Use Phase (% contribution by country)



Carbon Footprint from Consumer Use Phase (% contribution by consumer use category)



2020

*Our goal is to reduce our carbon footprint\* by 1/3*

### Durex Fetherlite

Durex Fetherlite Ultra condoms are the thinnest condoms in our latex range. They are 20% thinner and 25% lighter than standard latex condoms and still provide the same high level of reassurance and protection.

We save approximately 5,200 tonnes of CO<sub>2</sub>e/year across the lifecycle of this product compared to standard condoms, mostly from savings in natural raw material use.



### Reporting on carbon

*"RB's 2012 CDP disclosure reflects the company's commitment to carbon reduction and recognition of its role in the transition to a low carbon economy. Being part of CDP's Climate Performance Leadership Index (CPLI) demonstrates that RB's climate change strategy is integral to the business and that measurement most definitely leads to management."*

Frances Way, Co-Chief Operating Officer, CDP

\* Our carbon footprint reduction goal is expressed on a 'per dose' basis. We have taken a total lifecycle approach with a baseline of 2012. A dose is defined as the measure of each individual RB product required to deliver that product's intended service, either for a single use or for a defined period of time e.g. one Finish automatic dishwashing tablet for one load of dishwashing, the recommended number of Nurofen tablets for 24 hours of pain relief. See pages 27 and 43 for details.

# Ingredients for success

**We are working to ensure that the ingredients in our products and packaging are the best possible so far as the environment, health and safety and social impact are concerned.**

In 2012 we launched a new Policy and Standard on Responsible Sourcing of Natural Raw Materials. This applies to all our natural raw materials, whether they are used in our factories or in our supply chain, including palm oil, latex and wood fibres used in paper and board.

Suppliers must be also able to demonstrate compliance with applicable laws, regulations and our Global Manufacturing Standard for responsible production (GMS) and they must promote this in their supply chain. We also expect them to provide information on the sources of the materials they supply.

To make sure the policy is put into practice, we developed a guide for suppliers and we've introduced a new monitoring programme. This follows a risk-based approach and depending on our assessment of risks, suppliers may be asked to complete sustainability questionnaires and/or undertake independent audits. We may also carry out sustainability-focused site visits. See **pages 32-33** for more details.

## Sustainable Palm Oil

RB fully supports a moratorium on any further deforestation associated with the cultivation of palm oil. We are a member of the Roundtable for Sustainable Palm Oil (RSPO) and are working with suppliers and others in the industry so that the world's major palm oil supplies come from certified, sustainable sources by 2015.

### Our approach has three strands:

- 1. Engaging with suppliers** to ensure they meet our responsible sourcing and production requirements and to help them increase production of certified, sustainable palm oil.
- 2. Buying RSPO certified sustainable palm oil (CSPO)** – by the end of 2014 we will buy certificates to cover all our palm oil purchases, providing growers with a premium to reinvest in social and environmental improvements. We will also look for opportunities to buy mass balance CSPO, which will help us ensure the palm oil in our supply chain is from certified sustainable sources.
- 3. Advocacy** – From 2013, we will work with environmental groups to help raise awareness of the importance of sustainable palm oil and promote best practice in India.

## Lysol Power & Free

We understand that some consumers are concerned about the harshness of the chemicals in their cleaning products. Lysol Power & Free Bathroom Cleaner gives a powerful clean without leaving any harsh chemical residue behind. The active ingredient, hydrogen peroxide, is powerful (it kills 99.9% of germs) yet simple. It breaks down into water and oxygen so needs no rinsing after use. Hydrogen peroxide also has 1/3 less carbon footprint than the previous active ingredient.

Lysol Power & Free demonstrates that responding to consumer insights and innovating in line with our purpose for healthier lives and happier homes is good business – revenue from the launch of the Power & Free range proved to be entirely incremental for Lysol.



## Global Ingredient Guidelines (GIG)

The GIG requires product design teams to remove selected ingredients from product formulations and packaging where alternatives exist that have a better environmental and safety profile. We have been doing this for over 10 years and we remove materials above and beyond regulatory requirements. In 2012, we re-emphasised the importance of the GIG for our product designers, moving it online and setting up GIG training sessions. A list of ingredients removed from our global product formulations to date is on **page 28** of this report.

# Better Production



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<u>Almost 6 million trees &amp; counting</u>	23

# Targeting better production practices

**Our factories are responsible for a relatively small part of our environmental impacts, compared to the materials we use and our consumers' use of our products.**

Even so, this is an important part of our operations that we have full control and we will continue to find ways to minimise energy, water and waste as well as meet high safety and social standards.

Better production is a key part of our better**rb**usiness strategy. In 2012 we set ambitious targets (see the panel below). We will only achieve the targets with the commitment of employees who we aim to engage in maintaining safe, healthy and sustainable operations. This extends beyond the factory gates, as our tree planting activities demonstrate (see [page 23](#)).



## Our Better Production targets

### Safety

- Zero fatalities and serious accidents in all sites and continued reduction in Lost Work Day accident rates
- 100% of manufacturing sites with certified EHS management systems

### Social responsibility

- 100% compliance with RB social standards

### Environment

- **Water**
  - 10% improvement in water efficiency
  - Meet minimum wastewater standards
- **Waste**
  - Zero waste to landfill
  - Reduce waste intensity by 10%
- **Energy and emissions**
  - 35% energy intensity reduction
  - 40% greenhouse gas intensity reduction
  - Continued reduction in logistics impact
  - Effectively carbon neutral manufacturing

## Health and safety is everyone's business

We place great emphasis on a strong safety culture. Changing safety behaviour has been key to the 94% reduction in our lost work day (LWD) accident rate since 2001. Our factory in Qingdao, north east China, is one of our largest producer of condoms. It has expanded rapidly since joining RB in 2011, increasing the number of workers from 400 to more than 1000. This growth has tested the health, safety and environment management system and the team has responded energetically to embed the RB health and safety culture.



A key focus has been on ensuring everyone understands that health and safety is everyone's responsibility – it's not only down to the health and safety team. A Health & Safety Week in 2012 reinforced this message with colleagues and raised awareness of the issues. A variety of activities engaged people's interest, including fire warden and first aid training, competitions and a general knowledge quiz. To stress the importance of health & safety for workers' families, their children were encouraged to design a health and safety poster. The winners received prizes during a visit to the factory.



*"We will only achieve our objectives through the active involvement of all employees, regardless of their status or position in the company."*

Jack Feng, Health, Safety and Environment Manager

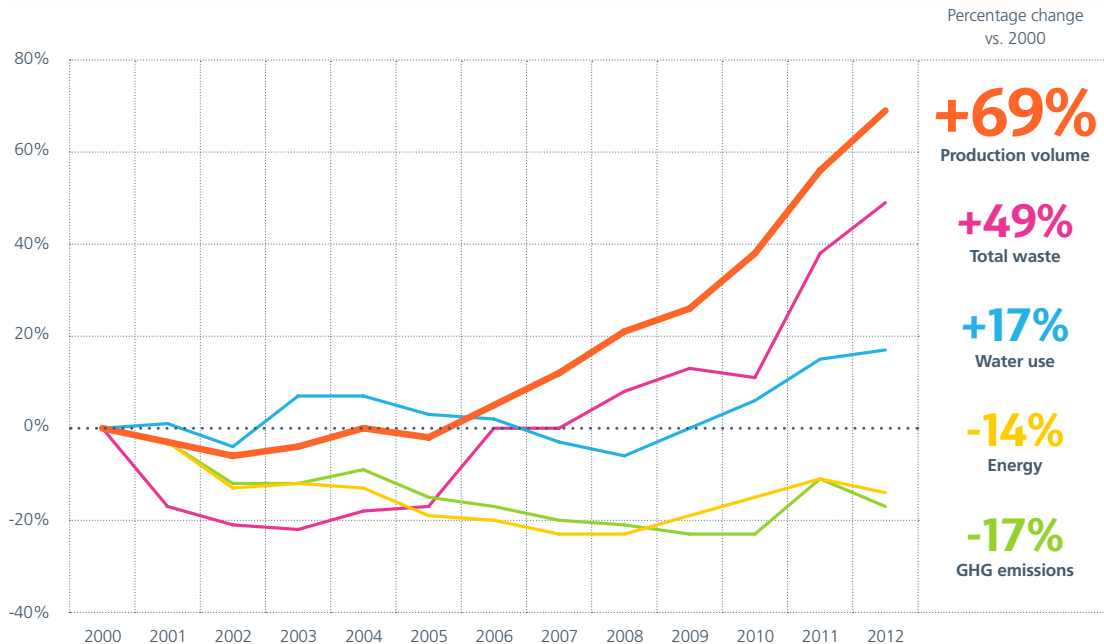
# More production. Less energy.

The essence of better production is about making more while reducing the environmental footprint from production. In other words, decoupling growth from impact. We have managed to fulfil this with energy and greenhouse gas emissions and we have reduced water and waste per unit of production. But the growth in output has meant our total water and waste figures have increased, as the chart shows.

Since 2000, we have increased production by nearly 70%. Our focus on energy efficiency and driving down greenhouse gas emissions means that even with this growth, our total energy use has fallen by more than 14% and our emissions are down by 17%.

Waste and water, both new focus areas for better production, are a bigger challenge. Water per unit of production has decreased by 31%, but our total water consumption is up by 17%. Similarly, waste per unit of production has fallen by 12%, but total waste generation has increased by 49%. Our focus in 2013 will be on tackling this water and waste challenge.

## Decoupling growth from impact



## Saving money and materials

Our factory in Tatabanya, Hungary, which has been operating since 1996 and mainly produces air care products, introduced a new waste management system in 2012 that has achieved zero waste to landfill.

This will generate more than £300,000 over five years in landfill tax and transport cost savings and revenues from recycled materials. This great step forward began with a strong commitment from factory management and is dependant on employees being more aware of waste and the opportunities to reduce and reuse materials. A full analysis of the factory's wastes gave the team an excellent understanding of the type of waste being generated and led to:

- Installing waste pressing machines next to the waste generation points
- Installing specialised waste bins for all types of waste throughout the factory
- Recycling all types of material and using recycled or recyclable raw materials
- Constant monitoring including weekly internal audits



## Global Manufacturing Standard

In 2012, we updated our Global Manufacturing Standard for Responsible Production (GMS) that we originally launched in 2004. It has seven fundamental principles based on the International Labour Organization (ILO) and other widely accepted international standards. They include avoiding child and forced labour, supporting freedom of association, and ensuring health, safety and environmental protection. Each of our manufacturing sites continues to aim for 100% compliance with the GMS. See our progress in 2012 on page 32.

# Almost 6 million trees & counting

Since 2006, RB has planted approximately 5.8 million trees in Canada. Employees in several countries have also been inspired to get behind reforestation programmes in their own countries. For example, Colombia employees are supporting the Amatea Foundation with proceeds from Punto Verde, their employee-led recycling program.

Amatea has planted 27,000 native trees since 2010 with funding from RB Colombia's recycling programme. Employees planted some of these trees during Environmental Week in 2012, helping to restore 14 hectares with 20 native species. As well as helping to maintain water flows in the region's rivers and capturing carbon dioxide, the programme helps employees to make a link between their recycling behaviour, tree planting and fresh water.

Employees and their families in the Philippines planted 1,000 seedlings as part of a campaign to restore a million hectares of rainforest by 2020. They were supporting the Haribon Foundation, a nature conservation organisation which also runs nurseries to preserve native tree species. Haribon's ROAD to 2020 program advocates 'rainforestation', emphasising the importance of using native species. Employees planted 17 different varieties of trees native to the Philippines on half a hectare of land in a communal forest in Baras, Rizal. They were at least six months old to ensure they were strong enough to have a good chance of survival.



**1,000**  
seedlings & 17 different varieties of trees native to the Philippines.



**27,000**  
native trees planted in Colombia

## About RB Trees

Our production continued to be effectively carbon neutral in 2012 after we extended our ambitious tree planting project to cover three more years (2012 – 2014). As a result, we acquired more land in Canada and continued planting hundreds of thousands of native trees.

**5.8m**  
trees planted since 2006

To plant more trees we've extended our land holding by 13km<sup>2</sup>



Total emissions offset by the program since 2006

**1.85 million tonnes of CO<sub>2</sub>**

**371,000** trees planted in 2012



# Our Performance & Approach



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# Progress and Performance

## Our people

### Remuneration and benefits

Total remuneration changes in line with the number of employees and our remuneration policy that encourages, reinforces and rewards the delivery of shareholder value. The total remuneration paid to employees in 2012, including Directors, was £1,196 million (2011: £1,246m). We seek to offer competitive remuneration that reflects both market conditions of the country in which people are based and their abilities and skills. Benefits (in addition to salaries, bonuses and long-term incentives) vary regionally and nationally, and generally include items such as: pension plans, health, accident and disability insurance, medical care plans and annual health checks. Our international transfer policy provides support for employees who move internationally. Additional benefits help them face the challenges of moving to a foreign country, and compensate people for differences in pay and living costs.

### A strong yet diverse culture

We work hard to attract, develop and retain highly capable and talented employees who can work together to produce outstanding results. We encourage diversity of nationality and international mobility among employees. This contributes to the generation of innovative ideas by applying new and different experiences and viewpoints across our business.

The Company operates within a corporate diversity and inclusion policy framework which is reviewed by the Executive Committee. The Davies recommendation for boards to have a minimum of 25% female representation by 2015 and the draft EU directive which sets an objective for EU-listed companies to achieve 40% representation of 'the under-represented sex' among Non-Executive Directors (by 2018 for listed companies) are aspirations which the Company considers carefully as part of its recruitment exercises. Liz Doherty stepped down from the Board and her executive role as CFO in February 2013. The resulting Board composition is now 10% female down from 20% as of 31 December 2012.

The Board reiterates its view that ensuring, facilitating and driving diversity in its broadest sense has helped propel the Company's success to date and it remains its practice to ensure that the Company's Top40 executive roles, in particular, are open to fresh thinking and must include personnel from different global backgrounds who bring new ideas to the table. The Company values its freedom to retain a group of people who, collectively, have the skills, experience and insight to achieve the Company's global vision and objectives and to achieve long-term value growth without being hindered by a gender quota which does not take cognisance of the specific situation and culture of the Company. As at 12 February 2013:

- 10% of the Board is female and 50% is non-UK nationals
- 11% of the Executive Committee is female and 78% is non-UK nationals; and
- 15% of the Top 40 managers is female and 70% is non-UK nationals.

Additionally, 17.5% of the Top40 managers can be classed as Black or minority ethnic (BME). When added to the number of female Top40 managers, 32.5% of the Top40 managers come from the groups usually under-represented in most organisations.

All RB employees understand their personal responsibility for ensuring that diversity policies and programmes are actively pursued, implemented and maintained. The Company does not set specific targets in absolute percentage terms to deter artificiality in the process; it measures progress year on year to ensure an improving picture on gender balance which contributes to the Company's growth and success. As at 31 December 2012:

- 41% of the Group's professional population of 7,640 is female; and
- 16% of the Group's Top 400 population is female.

Gender balance has improved consistently across the professional population. Within the Top400, gender balance has improved with recruitment over the past 12 months.

14, 44 and 94 nationalities are represented in the Top40, Top400 and professional populations respectively.

A diverse company enables the business to better understand its opportunities and risks and to develop robust solutions to them. We believe that:

- Diversity is clearly much broader than gender. It incorporates diversity of race, thought, experience, skills, understanding, perspective and age and also requires implementation at all management levels.

HR	Units (restated)*	2009	2010	2011	2012
<b>Staff numbers*</b>					
ENA	000s			13.8	13.9
RUMEA	000s			7.2	7.1
LAPAC	000s			15.7	13.7
RB Pharmaceuticals	000s			0.6	0.6
Other	000s			0.5	0.6
Total	000s			37.8	35.9

### Remuneration\*

Total employee remuneration	£m	860	933	1,062	1,022
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### Diversity

Nationalities in management – Board*	Number at 31 December	6	6	6	6
Nationalities in management – Exec Committee†	Number at 31 December	6	6	7	7
Nationalities in management – Top40*	Number at 31 December	14	14	16	14
Nationalities in management – Top400*	Number at 31 December	47	47	45	44
Nationalities in global employees*	Number at 31 December	104	104	106	108
Black or minority ethnic – Top40	% at 31 December	-	-	13	17.5
Women employed – Board*	% at 31 December	10	10	20	20
Women employed – Executive Committee*	% at 31 December	0	0	22	22
Women employed – Top40*	% at 31 December	8	13	12	16
Women employed – Top400*	% at 31 December	16	17	14	16
Women employed – Global employees*	% at 31 December	40	40	40	41

The Top400 includes the Top40, the Top40 includes the Executive Committee  
2012 global employee data for women and nationalities is based on data for 23,529 global Group employees, which is 66% of the average number of people employed by the Group during 2012.

\* Restated for the change in reportable geographic segments (see page 51 of annual report)

† assured by E&Y (\*assured by PwC as part of the RB 2012 Annual Report)

## Progress and Performance

- Successful companies sell their goods and services to customers regardless of gender, race, ethnic group or religion and a diverse workforce should reflect its customers. A diverse management is more in touch with its customers' demands, investors' expectations and staff concerns and provides a forum for these different perspectives to come together in devising successful business strategies.
- Diversity is a matter of organisational culture largely set by example from the top. Company management that actively considers diversity is better able to support diversity efforts in the rest of the organisation and is equipped to identify the organisation's requirements.

See page 22 of our Annual Report for more information on our position on Boardroom diversity.

### Development and training

Development and training is an important part of attracting and motivating talented people. It can help people to achieve their full potential and helps RB maintain our competitive edge. We have an experience-based approach to development, moving our people into new roles and geographies. We support this with people skills and coaching. And these are underpinned with formal training. We provide site-level, regional, area and global training and awareness programmes on functional competencies and personal skills. For example, around the world in 2012, our training programme provided courses in: leadership; business & organisation; people management & development, marketing, sales and finance. Other training programmes include health and safety, environment, quality and preventative maintenance.

Most employees globally have an annual performance development review (PDR) which assesses their skills, ability and performance against personal and business objectives and desired competencies. The PDR process is integrated with how we identify people for further growth and different or more senior roles in the future.

The Group trains and develops its management pipeline through formal training programmes focusing on three areas – leadership skills, functional skills and general skills – and through a deliberate policy of training on the job. The Group has 25 formal training modules for middle management and Top400 international managers (T400).

During 2012, the Group ran over 64 courses on these modules, training over 933 people. Management is international and is trained through rotation in international postings both in countries and in the Group's central functions. Succession planning is a critical management discipline and is reviewed annually (at least) by the full Board and the Executive Committee.

### Equal opportunities and diversity

We employ, promote and reward people based on their skills, abilities and achievements, regardless of gender, race or other personal characteristics. We seek to encourage, recognise and reward four core values:

- Achievement
- Ownership
- Entrepreneurship
- Partnership

### Business Conduct

Our Code of Conduct sets out the principles and ethical values we want to uphold. It is available at [rb.com](http://rb.com). Senior managers across the company are required by Internal Audit to report and sign-off on compliance with the Code every year. The Board Audit Committee monitors the findings of this certification process.

### Whistleblower Helpline

Our Whistleblower Helpline is a confidential free phone number in each country, operated by an external organisation, which employees can use to report any suspected breaches of our Code of Conduct. Typical issues identified include grievances with managers and allegations of unprofessional behaviour or bullying. All reported issues are investigated by Internal Audit and appropriate action is taken. Depending on the type of issue identified, new policies may be issued, training may be provided and formal warnings may be issued. In some cases, if allegations against an employee have been proven valid by legal and HR, their contract may be terminated. This process is reported to and overseen by the Board Audit Committee.

### Human and labour rights

We believe human rights at work are an absolute and universal requirement. In countries where we operate we aim to support progress on human rights issues in accordance with what can reasonably be expected from a commercial organisation. We subscribe to the principal international standards and guidelines for human rights and working conditions. Our Code of Conduct and Global Manufacturing standard (see [page 32](#)) enshrine our approach to protecting human and labour rights at work.

### Our Economic Contribution

#### Cash Value Added

Cash value added is a measure of actual monetary distribution in terms of cash. It is derived directly from the data provided in the Company's Annual Report & Financial Statements 2012. Our cash value added was £3,435 million (2011 £3,477m), 92% of which was distributed to employees, shareholders and governments.

Cash Value Added	2009	2010	2011*	2012†
Shareholders	648	773	873	1,451
Employees	860	933	1,062	1,022
Governments	512	824	861	702
Retained in Business	1,316	263	668	253
Capital Providers	4	-8	13	7
<b>Total Cash Value Added (£millions)</b>	<b>3,340</b>	<b>2,785</b>	<b>3,477</b>	<b>3,435</b>

\*Assured by PwC in 2011

†Assured by E&Y

# Progress and Performance

## Total Carbon and Water Use Footprints

### Achieving our Carbon20 Target

Our Carbon20 target was a 20% reduction per dose\* in our global products' Total Carbon Footprint by 2020, against a 2007 baseline. In May 2012, we announced that we beat our Carbon20 goal early having reduced our total lifecycle carbon emissions /dose by 21% since 2007, effectively decoupling our business' growth from our products' impacts.

### 2012 Total Carbon Footprint

In 2012, we reduced our total lifecycle carbon emissions / dose by 4.6% since 2011. In total, we reduced our total lifecycle emissions/dose by 25% against our original 2007 baseline. In 2012, we emitted 54.8 CO<sub>2</sub>e per dose of product.

### New 2020 goals (using 2012 baseline)

Using what we have learned from Carbon20, we have committed to reduce our per dose carbon footprint by a further third by 2020. Our 2020 carbon reduction target is accompanied by new targets, announced in September 2012, to cut water impact by a third and generate a third of our net revenue (NR) from more sustainable products. This will be measured by our new Sustainable Innovation Calculator which assesses the product-level impacts of ingredients, packaging, carbon and water.

### One third less carbon footprint per dose by 2020

Our carbon performance will be measured by our Total Carbon Footprint per dose of product against a 2012 baseline (54.76 CO<sub>2</sub>e per dose of product). Total Carbon Footprint enables robust and comprehensive calculation of greenhouse gas emissions for the 'cradle-to-grave' lifecycle of RB products and this breakdown is shown on **page 18**. The system has been developed in general accordance with the requirements and principles of recognized international standards such as PAS 2050:2011 and the GHG protocol and the methodology has been assured by Deloitte LLP, PricewaterhouseCoopers LLP and later Ernst & Young.

\*'Per dose' means one instance of consumer use or use of a product for a defined period of time, such as the maximum number of Strepsils lozenges recommended for a 24hr period or one Finish tab used in a dishwasher or one Finish dishwasher freshener tab that lasts for 60 washes.

### One third less water impact per dose by 2020

Our water performance will be measured by our Total Water Use Footprint (litres) and Total Water Impact Footprint (e litres) per dose of products against a 2012 baseline (6.5 litres per dose and 5.1 e litres per dose respectively). Our Total Water Use Footprint and Total Water Impact Footprint enable robust and comprehensive calculation of water use and water impact for the 'cradle-to-grave' lifecycle of RB products. The breakdown of each footprint is shown on **page 16**. The water use and water impact measurement methodologies have been developed in general accordance with the requirements and principles of the following recognised water accounting guidance document: The water footprint assessment manual: Setting the global standard, (Hoekstra, A.Y., Chapagain, A.K., Aldaya, M.M. and Mekonnen, M.M. 2011) and the methodology has been assured by Ernst & Young.

### One third net revenue from more sustainable products in 2020

By 2020, one third of our net revenue will come from 'more sustainable' products as measured by our Sustainable Innovation Calculator (see below). Our net revenue target will improve our ability to reduce our full lifecycle impacts by translating them into the language of our business. The sustainability team is working closely with the CFO to develop systems that will measure and manage our impacts more effectively and help bolster the business case for sustainability. These efforts, supported by new 2013 performance objectives requiring RB's biggest brands to derive a bigger percentage of their net revenue from more sustainable products, ensure even larger carbon and water reductions in the future.

### Sustainable Innovation Calculator

We have developed the Sustainable Innovation Calculator to determine whether or not a product

will be considered 'more sustainable' and have its revenues count towards our net revenue target. The Calculator is a streamlined Life Cycle Analysis (LCA) tool that models the most important environmental impacts of products, including raw materials and consumer use. To count towards our net revenue target, a product innovation must score better in at least one of the following categories without scoring worse in any others:

- Carbon – significant savings (>10%) in grams of CO<sub>2</sub>e per dose
- Water – a significant decrease (>10%) of water impact per dose
- Ingredients – adhere to RB's Global Ingredient Guidelines and have at least one preferred sustainability credential (Fairtrade or FSC certification, for example)
- Packaging – the product must use less packaging overall or use less virgin packaging material resulting in a significant savings (>10%) in the weight of virgin packaging per dose (after subtracting any post-consumer recycled content)

The tool is also used to assess our product pipeline so we know what changes are likely to affect our Total Carbon and Water Use Footprints over the coming three years as products are launched. A network of Sustainability Champions representing each category in their respective markets has been established across the globe.

Total Carbon Footprint Performance	Units	2007*	2011*	2012
Absolute emissions	million tonnes CO <sub>2</sub> e	26.5	28.6	29.5
Total number of doses	billions of doses	363	497	538
Per dose of product	grammes CO <sub>2</sub> e / dose	72.9	57.4	54.8
Reduction versus 2007 Carbon20 baseline	%	n/a	21%	25%
Reduction versus 2011 baseline	%	n/a	n/a	4.6%

\*restated see **page 38** for details

Total Carbon and Water Use Footprints 2012	Units	Raw	Pack	Raw / Pack	Manufacturing	Logistics	Retail	Consumer use	End of life	Total / Average
Doses 2012	billions of doses									538
Total Carbon Footprint	Total (million tonnes CO <sub>2</sub> e)	4.5	4.6	9.1	0.4	0.5	0.8	18.2	0.5	29.5
	g / dose	8.4	8.5	16.9	0.7	0.9	1.4	33.8	1.0	54.8
	<b>% split</b>	<b>15%</b>	<b>15%</b>	<b>31%</b>	<b>1%</b>	<b>2%</b>	<b>3%</b>	<b>62%</b>	<b>2%</b>	<b>100%</b>
Water Use Footprint	Total (billion litres)	1,451	855	2,306	8	0.01	0	1,163	0	3,477
	litres / dose	2.7	1.6	4.3	0.0	0.0	0.0	2.2	0.0	6.5
	<b>% split</b>	<b>42%</b>	<b>25%</b>	<b>66%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>33%</b>	<b>0%</b>	<b>100%</b>
Water Impact Footprint	Total (billion e-litres)	550	302	851	6	0.01	0	1,882	0	2,740
	e-litres / dose	1.0	0.6	1.6	0.0	0.0	0.0	3.5	0.0	5.1
	<b>% split</b>	<b>20%</b>	<b>11%</b>	<b>31%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>69%</b>	<b>0%</b>	<b>100%</b>

# Progress and Performance

## Our approach to 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 re-use, recycling or disposal.

We have a three-pronged approach:

1. Reduce packaging weight
2. Consider more sustainable materials
3. Increase recyclability

Our main packaging materials are:

- Paper and board
- Plastics (mainly PP, HDPE and LDPE)
- Tin plate
- Glass

## Product safety and ingredient removal programmes

### Product Safety

Our product safety policy (available at [rb.com](http://rb.com)) ensures safety is an integral part of the product development process. It is our corporate responsibility to consumers, customers and employees and to sound ethical business practices. It is applied to all our products by a core global Product Safety team through a global product safety programme comprising of guidelines, standards and procedures and implemented throughout the product life cycle from conception through market delivery and post market surveillance.

The global product safety team is a function within our global regulatory division and as such ensures products are evaluated based on their intended use and within the framework of the applicable regulatory jurisdiction. This means the safety team works closely with the regulatory teams

(global and regional) and across all of our business functions from supply (to ensure the appropriate raw materials are used) to Global Category (to ensure the appropriate precautions and safety language are provided on the product label and the product is appropriately packaged).

### RB's Global Ingredient Guidelines (GIG)

RB has been monitoring and reviewing ingredients for the past 11 years and has been carrying out a range of ingredients removal and restriction programmes outlined in our GIG. We have, in many instances, gone above and beyond regulatory requirements in implementing our Global Ingredients Guidelines. Our objective is to continually improve the environmental and safety profile of our products, by systematically removing specific ingredients from product formulae and packaging / device component specifications, where alternatives exist.

These Global Ingredient Guidelines combine regulatory and safety requirements for generic ingredient groupings, plus specific directions on the use (or the prohibition of use) of specific raw materials / ingredients to assist formulators and other Company employees in the development and marketing of products that meet these commitments. RB also runs training programmes with the R&D, Regulatory and Procurement Organisations on the Global Ingredients Guidelines to ensure all staff with responsibilities of selecting or approving ingredients to be used in products are fully aware of our internal policies. Our R&D colleagues do not actively formulate with ingredients under GIG restriction or ban but raw materials can sometimes contain residual levels of such ingredients as impurities.

The table outlines some achievements of our Global Ingredient Guidelines<sup>1</sup>.

### Transparency on ingredients

We publish lists of ingredients for our products:

- 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)

We also supported an educational website, [chemistryinyourcupboard.org](http://chemistryinyourcupboard.org), which explains more about our ingredients for selected products.

### Product quality and consumer satisfaction

We are committed to consistently delivering the highest quality of products. We build in quality at the product design stage and aim to minimise quality risks across our supply chain, so we can stop quality issues before they arise. Our Quality organisation includes global, area, regional and site-level quality assurance functions that oversee and monitor process and product quality. We regularly audit key suppliers to assure and continuously improve the quality of raw materials, components or finished products.

RB has a network of dedicated teams, to support any consumer contact, accessed via the contact details published on product packs.

This consumer feedback is continually reviewed for product issue trends and used by our quality teams to help enable continuous product improvement.

RB has a full set of global executive reporting routines that enable us to see the level of consumer dissatisfaction compared to the level of products sold, using industry standards of measure (Complaints Per Million Sold) plus periodically survey additional consumer satisfaction directly during or after their initial contact with our consumer relations centres.

In 2012, our consumer complaint level was slightly higher than 2011 but within our target range. RB is committed to providing consumers with the highest level of quality products. To support this, the role of Consumer Relations is to be the voice of the consumer to the organisation to ensure continuous improvement of our products to gain the trust and loyalty of our consumers.

### Ingredients removed from global product formulas

Ingredient	Completion date	Comments
Parabens (methyl, ethyl, butyl, propyl, isoparabens)	2013 (EU) 2015 (rest of the world)	Reduction programme (excluding medically licenced products)
Chlorpyrifos	end 2009	
Boron Compounds	end 2009	Removal / reduction to meet threshold levels established in the European Union
PVC Packaging of Household products	end 2009	Healthcare products are excluded from its target as no viable alternatives have yet been identified for some healthcare applications
Fragrance raw materials: – Non-GN – Geranyl Nitrile (GN)	end 2009 end 2007	
Brominated Flame Retardants	end 2007	
Formaldehyde-donor preservatives Formaldehyde	end 2009 end 2006	
APE's / NPE's	end 2006	
Dichlorvos	end 2006	
Glycol Ethers (Monoethylene series)	end 2006	
Paradichlorobenzene (PDCB)	end 2006	

**1.Note:** Through acquisitions the Company can periodically acquire additional products which contain ingredients which may be banned or restricted under the Global Ingredients Guidelines. Those products are then assessed to be brought in line with RB ingredients policy.

# Progress and Performance

## Energy use, greenhouse gas and other air emissions

Since 2000, we have reduced energy consumption by 49% per unit of production and 14% in actual energy used. We used 0.47 Gigajoules (GJ) for every 1,000 Consumer Units (CUs) of production in 2012.

Our energy and production efficiency programmes are behind this improvement. For example:

- Compressed air upgrades in Baddi HC (India), Sao Paolo (Brazil), Mira (Italy), Chartes (France), Tatabanya (Hungary) and Derby (UK).
- Upgrading to more energy efficient lighting, including moves to LED in Shashi (China), Qingdao (China), Mira (Italy) and Sao Paolo (Brazil).

## Greenhouse gas emissions

Greenhouse gas emissions (GHG) from energy use in manufacturing have fallen by 51% per unit of production since 2000, and total emissions are 17% lower. During 2012 we reduced these emissions by 9.3% per unit of production from 2011; down to 0.0386 tonnes of CO<sub>2</sub> per 1,000 CUs. Total emissions were 273,500 tonnes of CO<sub>2</sub> equivalent, 1.8% less than 2011. These emissions are generated directly on-site, through burning fossil fuels for space heating, hot water and process heating or cooling, and indirectly from our use of electricity. As well as improvements in energy efficiency we have made further GHG savings with new technologies and fuels:

- Eleven of our sites use energy from combined heat and power (CHP) plants or 'greener' energy such as hydroelectricity, biomass and solar power.
- We have replaced some high carbon fuels such as coal and furnace oil with biomass at our Hosur and Jammu sites in India and Semarang in Indonesia.
- We installed solar hot water heating in Johannesburg (South Africa).

We participate in the CDP on an annual basis. In 2012 we scored 93% for disclosure and level A for performance. See [cdproject.net](http://cdproject.net)

## Other emissions

Common industrial air emissions such as sulphur and nitrous oxides (SO<sub>x</sub> and NO<sub>x</sub>) and particulates (dust) are not generally emitted from our manufacturing facilities. Where present, these emissions are below applicable legal requirements.

## Water management

### Water usage

Since 2000, our water use has decreased by 31% per unit of production, but because of increased output our total consumption has risen by 17%. Total consumption was 6.7 million<sup>3</sup>, an increase of 1.4% on 2011. In 2012 we used 0.95m<sup>3</sup> of water for every 1,000 consumer units (CUs) of production, 6% less than in 2011.

The decrease in our water consumption per unit of production during 2012 was due to process improvements. For example:

- Reduced frequency of washing gravel filters in Nowy Dwor (Poland).
- Upgraded line cooling system and installed water safe filters to social areas in Tatabanya (Hungary).
- Raising awareness of water consumption in Shashi (China).
- Installed and started to use water controlling system in dipping processes in Qingdao (China).
- Increased water reuse and recycling in Baddi HC (India), Hosur (India), Cali (Colombia), Atizapán (Mexico), Qingdao (China), Jammu (India) and Sitarganj (India).

In 2012, we withdrew water from the following sources:

- Public supply – 3,121,308 m<sup>3</sup>
- Private wells – 1,966,225 m<sup>3</sup>
- Rivers – 1,436,766 m<sup>3</sup>
- Other (including tankers) – 196,960 m<sup>3</sup>

We participate in the CDP Water Disclosure initiative.

## Water discharges

We have reduced water discharges by 44% per unit of production and decreased by almost 5% in absolute terms since 2000. In 2012, our water discharges decreased by 8.5% per unit of production.

We discharged 0.48 m<sup>3</sup> of water for every 1,000 CUs of production in 2012 and 3.4 million<sup>3</sup> in total. We discharged 0.0197 kg of Biological Oxygen Demand (BOD) for every 1000 CUs of production and 0.0726 kg of Chemical Oxygen Demand (COD) per 1000 CUs of production. Over half (51%) of the water we used in 2012 was discharged into water systems. The remaining 49% went into our products, was in liquid and solid wastes sent off site, or evaporated from cooling and process systems.

In 2012, we discharged water via the following methods:

- Sewers (treated before discharge) – 1,035,611 m<sup>3</sup>
- Sewers (untreated before discharge) – 521,154 m<sup>3</sup>
- Other e.g. Rivers (treated before discharge) – 1,046,087 m<sup>3</sup>
- Other e.g. Rivers (untreated before discharge) – 825,151 m<sup>3</sup>

## Waste management

We have reduced our total waste generation by 12% per unit of production since 2000 but the total waste volume has increased by 49%. Our long-term strategy is to continually reduce waste generation and improve our recycling of waste arising from our operations, especially hazardous waste, which is more difficult to recycle and dispose of. We created 0.011 tonnes of waste for every 1,000 CUs of production in 2012 of which 13% or 0.0015 tonnes per 1,000 CUs is hazardous and is disposed of in accordance with local legislative requirements. The total waste volume per unit of production has remained the same as in 2011 but hazardous waste was 19% higher per unit of production. Our total waste in the year increased by 8% and hazardous waste increased by 29%. For this year's report, we have included all waste from our Johannesburg site. It was removed from our 2000-2011 data due to data quality concerns. Continual improvement of our waste management since 2000 has reduced hazardous waste generation by 31% per unit of production.

Warehouse energy, water and waste	Units	2012
<b>Energy usage</b>		
Absolute usage	million GJ	0.024
<b>GHG Emissions from manufacturing</b>		
Absolute emissions	thousand tonnes CO <sub>2</sub> e	2.613
<b>Fresh water usage and discharge</b>		
Water use – absolute	million m <sup>3</sup>	0.009
Water discharge – absolute	million m <sup>3</sup>	0.006
<b>Waste</b>		
Total waste generation – absolute	thousand tonnes	1.595
Hazardous waste generation – absolute	thousand tonnes	0.061
Total waste recycled (inc. hazardous waste)	% of total waste	63%

# Progress and Performance

## Environment, health and safety management systems

Our goal is for all manufacturing sites to have implemented functioning EHS management systems externally certified to ISO 14001 and OHSAS 18001 and we will report annually on our progress. At the end of 2012, 53% (47% in 2011) of our factory

sites, where we have overall management responsibility, held OHSAS 18001 certification and 62% (52% in 2011) held ISO 14001 certification. All our factory sites are currently working towards developing certified systems by the end of 2013. Our Group H&S management system continues to be certified as compliant with OHSAS 18001.

During 2012, to further strengthen our existing EHS management systems, we:

- Commissioned external EHS legal compliance and data assurance reviews at more than 20% of our factory sites.

- Completed compliance assessments at two of our aerosol manufacturing sites against the requirements of our own internal Aerosol Manufacture Process Safety Standard.

Factories and R&D energy, water and waste	Units	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009*	2010*	2011*	2012†	% Change vs 2011	% Change vs 2000
Production volume	million CUs	4,187	4,052	3,951	4,035	4,175	4,107	4,417	4,709	5,061	5,285	5,789	6,551	7,090	8.2%	69.3%

## Energy usage

Per unit of production	GJ per 1000 CU	0.9248	0.9263	0.8564	0.8457	0.8082	0.7632	0.7043	0.6298	0.5914	0.5938	0.5690	0.5256	0.4694	-10.7%	-49.2%
Absolute usage	million GJ	3.87	3.75	3.38	3.41	3.37	3.13	3.11	2.97	2.99	3.14	3.29	3.44	3.33	-3.3%	-14.1%

## GHG Emissions from manufacturing

Per unit of production	tonnes CO <sub>2</sub> e per 1000 CU	0.0791	0.0795	0.0739	0.0726	0.0722	0.0688	0.0626	0.0561	0.0520	0.0484	0.0438	0.0425	0.0386	-9.3%	-51.3%
Absolute emissions**	thousand tonnes CO <sub>2</sub> e	331.4	322.2	292.0	293.1	301.3	282.7	276.6	264.1	263.3	255.8	253.8	278.6	273.5	-1.8%	-17.5%

## Fresh water usage and discharge

Water use – per unit of production	m <sup>3</sup> per 1000 CU	1.376	1.442	1.397	1.523	1.478	1.451	1.334	1.191	1.067	1.088	1.051	1.012	0.948	-6.3%	-31.1%
Water use – absolute	million m <sup>3</sup>	5.762	5.842	5.519	6.143	6.171	5.960	5.891	5.607	5.398	5.751	6.085	6.630	6.721	1.4%	16.7%
Water discharge – per unit of production	m <sup>3</sup> per 1000 CU	0.861	0.921	0.918	0.979	0.881	0.871	0.789	0.707	0.592	0.609	0.569	0.530	0.484	-8.5%	-43.7%
Water discharge – absolute	million m <sup>3</sup>	3.606	3.733	3.629	3.950	3.680	3.578	3.485	3.329	2.996	3.218	3.292	3.470	3.435	-1.0%	-4.7%

## Waste\*\*\*

Total waste generation – per unit of production	tonnes per 1000 CU	0.0129	0.0111	0.0109	0.0105	0.0107	0.0109	0.0123	0.0115	0.0116	0.0116	0.0104	0.0114	0.0114	0.0%	-11.8%
Total waste generation – absolute	thousand tonnes	54.07	45.10	42.89	42.44	44.58	44.80	54.14	54.17	58.61	61.35	60.25	74.62	80.74	8.2%	49.3%
Hazardous waste generation – per unit of production	tonnes per 1000 CU	0.0022	0.0018	0.0013	0.0014	0.0014	0.0013	0.0012	0.0011	0.0008	0.0010	0.0010	0.0013	0.0015	19.4%	-31.4%
Hazardous waste generation – absolute	thousand tonnes	9.16	7.30	5.27	5.48	5.70	5.16	5.24	5.11	4.30	5.10	6.07	8.23	10.64	29.3%	16.1%
Total waste recycled (inc. hazardous waste)	% of total waste	no data	61%	60%	61%	63%	68%	70%	67%	67%	73%	75%	74%	72%	-3.6%	n/a

† assured by E&Y in 2012

\* assured by PwC in 2009-2011

\*\* only Factory GHG emissions

\*\*\* exclusions – Johannesburg Waste 2000-11

# Progress and Performance

## Environmental and occupational safety prosecutions and fines

A single occupational safety fine of £5,800 was levied on our factory in Mira for a tanker incident that occurred onsite during late 2011 (which resulted in no employee work days being lost). None of our other 67 factory, logistics centres and R&D sites suffered H&S related fines or were prosecuted for H&S legal non-compliances during 2012.

In 2012, Johannesburg factory was fined R21,950 and Granollers factory in Spain was fined £6,600 both for wastewater compliance issues.

## Significant spills

We record spills via our regular environmental reporting system. In 2012, there were no spills from our manufacturing sites which had a significant impact on the environment. We collected information on nine minor spills at five sites in five countries. These spills were a range of materials. The largest of these were at our factory in Johannesburg, South Africa due to a forklift bumping into a flow bin.

Systems / regulatory		2009	2010	2011	2012
<b>Management systems</b>					
Total manufacturing sites for environmental data	total	43	43	48	45
Manufacturing sites covered by ISO 14001	total	18	18	25	28
Manufacturing sites covered by ISO 14001	%	42	42	52	62
Total manufacturing sites for health and safety data	total	44	48	49	49
Manufacturing sites covered by OHSAS 18001	total	15	20	23	26
Manufacturing sites covered by OHSAS 18001	%	34	42	47	53
<b>Internal EHS audits</b>					
Facilities audited by EHS function (inc. data audits)	%	44	31	16	20.4
<b>Prosecutions and fines</b>					
Environmental prosecutions	number	0	1	0	0
Environmental fines	number	0	4	2	2
Health and Safety prosecutions	number	1	1	0	0
Health and Safety fines	number	1	3	1	1

## Biodiversity

Six RB sites are close to protected biodiversity areas (e.g. Nature conservation zones) or an area of high biodiversity value.

- **Derby (UK)** – A small brook runs through the site.
- **Hull (UK)** – The site is within two kilometres of a Site of Special Scientific Interest (Humber Estuary).
- **Nowy Dwor (Poland)** – The site’s wastewater discharge point is close to a “Nature 2000” area.
- **Porto Alto (Portugal)** – The site is close to a nature conservation area.
- **Redruth (UK)** – The site is approximately three kilometres from a Site of Special Scientific Interest – the West Cornwall Bryophytes.
- **Sitarganj (India)** – The Jim Corbett National Park is approximately 25 kilometres from the site.

Excluding Sitarganj, which has installed air pollution control devices and monitors air emissions, these sites are not required to implement any additional measures to protect biodiversity. Our site level environment, health and safety management systems identify, prioritise and manage environmental aspects and impacts, including biodiversity where appropriate.

## RB Trees

We launched our tree planting programme in 2006, buying land and beginning the task of planting and managing forests that will last for at least 100 years. In that time the trees will absorb an amount of carbon dioxide equivalent to the emissions from the energy used to make our products. The trees effectively offset the carbon dioxide emissions we can’t yet avoid even though we constantly strive to improve energy efficiency and to use renewable energy where we can in our factories.

Since 2006, we have planted and looked after 5.8 million trees. In 2012 we planted 371,000 trees and acquired 13km<sup>2</sup> of new land to extend our holdings to 73km<sup>2</sup>.

We manage this land in-house rather than using an external offsetting company, which means we are responsible for making sure enough trees survive and grow, including replacing the ones that don’t make it. Challenges include frost, high winds, and damage by voles and we have developed several programs to counter these issues.

Our methodology for estimating the carbon that will be sequestered by the trees planted in our RB Trees Programme is aligned to the Intergovernmental Panel on Climate Change’s (IPCC) Good Practice Guidance (GPG) for Land Use, Land-Use Change and Forestry (LULUCF) Projects (2003). Our methodology (as at December 2012), used for estimating the carbon sequestered by trees planted between 2006 and 2010\*, and its alignment with the IPCC GPG for LULUCF Projects have been subject to independent assurance (see [page 45](#)).

RB Trees		2006	2007	2008	2009	2010	2011	2012
Total trees planted (cumulative)	number of trees	45,000	665,000	2,258,000	3,629,000	4,563,000	5,428,000	5,799,000
Total emissions to be offset by programme (cumulative)	tonnes CO <sub>2</sub> e	276,600	540,700	804,049	1,059,824	1,309,529	1,580,412	1,853,936
Total area acquired to date	kilometres							73km <sup>2</sup> (28 sq miles)

\*Trees planted since 2010 are subject to an interim simplified estimation method, which will be updated to the method described above once the current planting cycle is complete (i.e. in 2013/14)

# Progress and Performance

## Health and Safety

### Approach

We seek to prevent accidents, injuries and occupational ill health at all locations under our control. Our occupational health and safety (OHS) policy, objectives, responsibilities and control arrangements are available at [rb.com](http://rb.com). We make some assumptions when calculating working hours (used for our lost working day accident rate data).

### 2012 Performance

#### During 2012:

Our Group occupational health & safety management system was audited and recertified as compliant with OHSAS 18001. This gives assurance that Group-level H&S control arrangements are suitable and sufficient.

Regrettably, one RB employee lost his life while working for RB. The lessons learned have been communicated across the Group. There were no RB fatalities in 2010 and 2011.

No legal prosecutions were brought against RB factory, LC and R&D sites.

Our factory, LC and R&D site lost work day (LWD) accident rate fell by almost 22% compared to 2011.

Since 2001 our LWD accident rate has been reduced by almost 94%.

## Responsible supply chain management

### Our supply chain

Our worldwide supply chain includes thousands of businesses providing us with everything from raw materials and packaging, through logistics and warehousing, to office supplies. Some of our suppliers are large, multinational companies with substantial business and ethical conduct programmes of their own. Smaller, local companies – for example in our emerging markets areas – may not have such formal conduct programmes in place, but they can still be excellent suppliers. We do not have a formal policy on preferring locally based suppliers. Supplier selection includes quality, cost, location and compliance to our Code of Conduct and Global Manufacturing Standard for Responsible Production (GMS).

### Our focus areas

Our responsible supply chain programme focuses on the following groups of suppliers:

- Raw Material Suppliers
- Packaging Suppliers
- Third party manufacturers
- Third party warehousing providers
- Third party transport providers

These supplier groups have been selected on the basis of the potential for sustainability risks, proximity to our brands, importance to our business operations and spend. Our areas of focus are reviewed annually. In 2012, we also invited 54 suppliers (based on carbon and water impacts and spend) to participate in CDP's supply chain programme.

### Our requirements

#### Responsible Production Standards

Our Global Manufacturing Standard for responsible production ('GMS') outlines the minimum labour, health & safety and environmental standards we expect our suppliers to meet in their production of goods and services for RB. Our requirements are organised around seven principles, which reflect international and industry standards such as the International Labour Organisation's Fundamental Conventions:

1. No child labour. Limitation of work by young workers.
2. No forced labour.
3. A safe and healthy working environment.
4. Freedom of Association.
5. No discrimination. Equal opportunities and rights.
6. Reasonable terms and conditions of employment.
7. Protection of the environment.

## Progress in 2012

In 2012, we reviewed and refreshed our GMS and compliance monitoring programme. The key changes are to:

- Extend the scope of the GMS to include all suppliers, not just third party manufacturers
- Expand our detailed requirements (available on [rb.com/our-responsibility](http://rb.com/our-responsibility))
- Create a guide for new suppliers (accessible via [rb.com/our-responsibility](http://rb.com/our-responsibility))
- Refresh the compliance monitoring programme, which we will be rolling out in 2013.

In 2012, we conducted six independent pilot GMS compliance audits; four at our own facilities and two at third party manufacturers. In addition, senior and middle manager from across our R&D, Supply and Corporate Affairs functions included GMS discussions, reviews and audits as part of their visits to our own and supplier sites and reported issues back to the Global Sustainability Team.

We continue to participate in the AIM Progress initiative. AIM is backed by a group of consumer goods manufacturers working to promote responsible sourcing practices and sustainable production systems, while also seeking to reduce the burden for suppliers through collaboration and harmonisation of approaches.

Our new risk-based compliance monitoring programme, which we will be rolling out in 2013, involves the following stages, which will apply for our own sites and to selected suppliers:

- Self Assessment
- Risk Assessment
- Audit
- Corrective Action

In addition we will be including more detailed requirements relating to compliance with our GMS in our supplier contracts. Further information on our requirements and compliance monitoring plans can be found in our Sustainability Guide for Suppliers ([rb.com/our-responsibility](http://rb.com/our-responsibility)).

Health and Safety	Units	2001	2002	2003	2004	2005	2006	2007	2008	2009*	2010*	2011*	2012'
Lost work day accident rate (LWD AR)**	per 100,000 hours	1.340	0.815	0.577	0.404	0.324	0.338	0.220	0.182	0.142	0.136^^	0.105	0.082
Employee fatalities	number	(1)^	0	0	0	0	0	0	0	0	0	0	1
Contractor fatalities	number	1	0	0	0	0	1	0	0	1	3	0	0
Severe accidents***	number	8	1	5	2	5	5	2	2	1	2	0	1

\* assured by PwC in 2009-11

† assured by E&Y in 2012

\*\* at manufacturing, warehouse and R&D sites

\*\*\* a severe accident is any permanent disability, including loss of sensory or motor dexterity e.g. loss of a fingertip

^ suspected suicide

^^ restated 2010 figure due to the removal of 3 joint venture sites and amended data for Johor Baru and Johannesburg from previously published data (0.139). PwC assured the original 2010 data.



# Progress and Performance

## Responsible sourcing of natural raw materials

We are committed to ensuring the natural raw materials used in our products and packaging are produced in a manner that meets or goes beyond applicable laws and regulations, respects human rights, safeguards health & safety, protects the environment, and generally supports the contribution of business to achieving sustainable development.

In 2012, we developed and launched our new Policy and Standard on the Responsible Sourcing of Natural Raw Materials, which apply to all natural raw materials used in products and product packaging that are produced by or on behalf of Reckitt Benckiser Group companies, including at both company owned/managed facilities and those facilities owned/managed/operated by suppliers, contractors and subcontractors. Our Global Sustainability team set the standards and provide guidance on implementation. Our Supply function is responsible for implementing the Policy & Standard. The Policy & Standard can be accessed via [rb.com/responsibility](http://rb.com/responsibility)

### The key new requirements for natural raw materials

They must be from sources that:

- Use previously cleared and/or degraded land rather than natural forests, where possible.
- Do not contribute to deforestation or degradation of primary forests or High Conservation Value Forest.

Raw materials	Unit	2010	2011*	2012†
<b>Top 5 raw materials used†</b>				
Total amount	million metric tonnes	0.97	0.99	0.85
% that is salts, organic matter, hydrocarbons, acids, minerals and metals	%	85	85	90

† assured by E&Y in 2012  
\* assured by PwC in 2011

- Are managed in accordance with all applicable tenure and use rights.
- Avoid the use of fire for preparing land for replanting and/or waste disposal.
- Are managed to protect biodiversity and ecological processes.
- Do not put indirect pressure on forests by using all available agricultural land in an area.

To make sure the policy is put into practice, we developed a **guide for suppliers** and we've introduced a new monitoring programme. This follows a risk-based approach and depending on our assessment of risks, suppliers may be asked to complete sustainability questionnaires and/or undertake independent audits. We may also carry out sustainability-focused site visits.

## Transport and logistics

We use transport contractors to move our products by road, sea, rail and sometimes air. As we do not have operational control of these companies we do not have direct control over their greenhouse gas emissions but we collect data from them and work with them to reduce emissions.

Supply chain	Unit	Road	Boat	Air	Rail	Total
<b>Logistics 2012</b>						
Total transport	billion tonne-kilometres	3,901	1,184	0.021	0.649	5,754
Total transport CO <sub>2</sub> emissions per consumer unit	tonnes CO <sub>2</sub> e	0.049	0.002	0.002	0.003	0.056
Total transport CO <sub>2</sub> emissions – absolute	tonnes CO <sub>2</sub> e	349,323	14,913	13,854	20,502	398,592
Total transport CO <sub>2</sub> emissions – split	%	88%	4%	3%	5%	100%

**NOTE:** In 2012 we collected data for our key partners as well as five of our largest geographies. We used this information and data from previous years to extrapolate to the whole business.

Most of our impact is through road transportation. To reduce the environmental impact (and cost) of product transport, we are working with our transport contractors to:

- Combine our truck journeys with those of other companies, so that a truck is carrying products on both the outward and return legs of its journey, reducing 'empty' running.
- Combine 'less than a truck load' (LTL) shipments.
- Move freight off roads to rail, inland waterways and inland sea shipping.

This will increase our efficiency and reduce our total carbon footprint, contributing to our carbon reduction goals.

# Materiality

## Our approach

Following Accountability's 5-Part Materiality Test (see [accountability.org](http://accountability.org)) and the GRI Technical Protocol on Applying the Report Content Principles (see [globalreporting.org](http://globalreporting.org)), we carried out a detailed assessment of the most material sustainability issues for our business and our stakeholders (see [page 36](#)) in 2011 as part of our sustainability strategy refresh process. We used the 5-Part Materiality test to help us identify the full range of sustainability issues affecting RB and its stakeholders in 2011. In 2012, we updated the full list of sustainability issues and revised our prioritisation based on external developments and RB's new vision, purpose and strategy.

Sources we used as part of this process included:

- Issues identified through our existing policies and commitments and by internal stakeholders
- Employee and consumer sustainability surveys
- Reviews of key customer, NGO, competitor, peer, regulatory and trade association sustainability concerns
- A literature review to identify the key sustainability megatrends likely to affect RB

Drawing on the methodology outlined in the GRI's Technical Protocol, we then prioritised these issues, using the following criteria:

- Potential to impact on RB's business:
  - Risks or opportunities from an issue (including potential for long term or short term impact, the likely severity and business criticality of impacts)
  - RB's preparedness to manage the issue
- Importance for stakeholders, determined by:
  - Stakeholder perception of RB's impacts on the topic
  - Expectations regarding transparency on the topic
  - Diversity & range of stakeholders interested in the issue

This materiality assessment process will be refreshed annually and is managed by the Global Sustainability team and overseen by our Internal Audit team.

## Strategic priorities

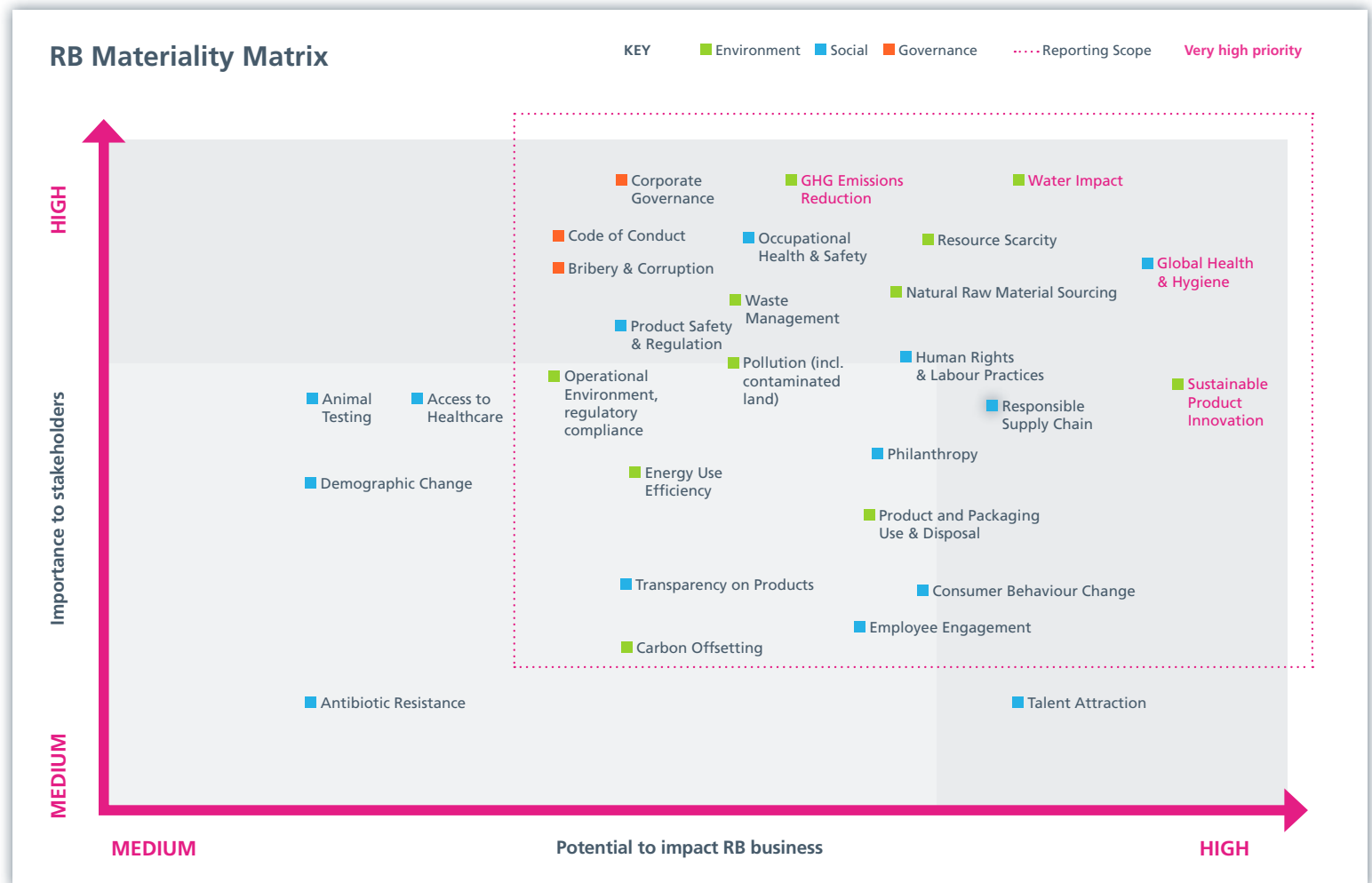
The aspects and risks we have identified are common to fast moving consumer goods (FMCG) companies with well-known brands and are essentially determined by our industrial sectors (Household, Health & Personal Care) and the products we make and sell.

Our strategic priorities therefore remain:

- to achieve continual improvement in our overall environmental performance, focusing on those issues where we can make a significant difference including global health and hygiene, sustainable product innovation, water impact, greenhouse gas emissions

- to manage our business in a socially and ethically responsible manner.

We report on the majority of these issues in this report and have management and improvement programmes in place across them all, at Group, regional and/or local levels.



# Managing Sustainability

## Overview of RB's Sustainability policies and positions

RB is governed by a corporate responsibility framework comprising our Code of Business Conduct plus policies, control arrangements and reporting. Policies are available on [rb.com](http://rb.com), and include:

- Environmental Policy
- Occupational Health and Safety Policy.
- Global Manufacturing Standard (GMS) Policy and GMS Detailed Requirements (for more information, see [page 32](#))
- Responsible Sourcing of Natural Raw Materials Policy (for more information, see [page 33](#))
- Product Safety Policy
- Animal Testing Policy
- Whistleblower Policy
- Anti-Bribery Policy

## Our environmental commitment

RB is committed to running its business in an environmentally sound and increasingly sustainable manner. We recognise that our processes and products have both direct and indirect environmental impacts and we seek to achieve continuous improvement in our environmental performance with respect to those impacts. We are committed to using energy and natural resources wisely, eliminating and minimising waste where practical, and re-using and recycling where it is sensible to do so. Our policies and programmes look beyond the activities under our direct control to the impacts of our products across the whole lifecycle.

## Occupational health and safety policy statement

RB is committed to: the health, safety and welfare at work of its employees; complying with applicable health and safety legal requirements; and the continual improvement of its health and safety control arrangements and performance.

Specifically, the Group is committed to providing and maintaining:

- Control of the health and safety risks arising from work activities.
- A safe place of work with safe means of entry and exit.

- Safe plant, equipment and systems of work.
- A safe and healthy working environment.
- Arrangements for the safe use, handling, storage and transport of articles and substances.
- Necessary information, instruction, training and supervision to protect safety and health at work.

## Governance

### Corporate Responsibility Framework

Our Corporate Responsibility Framework (below) comprises our Vision and Values, our Code of Conduct, and the core Group policies, control arrangements and reporting arrangements that govern how we conduct our business in the area of sustainability.

### Code of Conduct

We have made our updated Code of Conduct policies and training programme available in twenty core languages to ensure that employees worldwide receive clear communication and training in this important area.

### Governance structures and responsibilities

The Board is responsible for the overall stewardship of the Group, including sustainability and corporate responsibility. The Chief Executive Officer (CEO) is the Board member with specific responsibility for the Group's sustainability policies and performance. The Executive Committee is responsible for the day-to-day management of the Group and is chaired by the CEO. Its structure reflects the Group's organisation and its members are responsible for sustainability issues within their respective areas and functions. Our Director of Global Sustainability, Environment, Health and Safety manages the sustainability programme. Our Senior Vice President (SVP) of Corporate Communications and Affairs is secretary to the Executive Committee. She is responsible for our community involvement and much of our stakeholder engagement. The research & development (R&D) function includes the Global Regulatory Affairs (GRA) services group, which is responsible for ensuring that our products meet regulatory requirements and are safe for their intended use.

Our SVP Human Resources (HR) and the global HR function manage our human resources, employee remuneration and benefits, employment practices, organisational development /training and elements of health and safety (e.g. stress management).

### The role of the Board

The Board regularly considers and takes account of the significance of environmental, social and governance (ESG) matters and their potential risks to the company, including reputational risks and the opportunities to enhance value that may arise from an appropriate response. The Board undertakes a formal review of ESG matters at least annually.

The Board's Audit Committee undertakes a regular review of the arrangements for, and effectiveness of, risk management and internal audit, including ESG matters and reputational risks.

The Directors Report on ESG matters and reputational risks, including an assessment of those risks, is provided in our Annual Report & Financial Statements 2012, pages 15-16, available at [rb.com](http://rb.com).

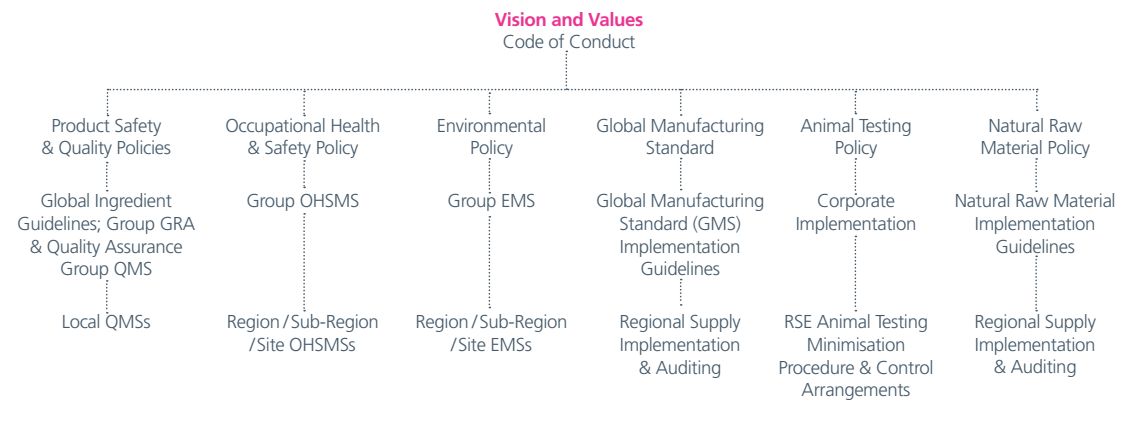
## Corporate governance

Details of our corporate governance arrangements, including Board composition, committee structure, internal control, performance evaluation and details of non-executive and independent Directors and their compensation arrangements, are provided on pages 15-16 of our Annual Report and Financial Statements 2012, available at [rb.com](http://rb.com).

## International standards and guidelines

We subscribe to a range of international standards and guidelines relating to sustainability and corporate responsibility, including: the United Nations (UN) Declaration of Human Rights: [un.org](http://un.org), and the International Labour Organisation (ILO) eight Fundamental Conventions: [ilo.org](http://ilo.org). The intent of these standards and guidelines, along with others such as the social accountability standard SA8000: [sa-intl.org](http://sa-intl.org), are incorporated in the Company's Code of Conduct and other elements of our Corporate Responsibility Framework, such as our Global Manufacturing Standard.

## Corporate Responsibility Framework



QMS – Quality Management System; OHSMS – Occupational Health & Safety Management System; EMS – Environmental Management System; GRA – Global Regulatory Affairs services group

# Managing Sustainability

## STAKEHOLDER ENGAGEMENT

### We talk to stakeholders:

- As part of normal, day-to-day business.
- In connection with specific sustainability issues and programmes.
- In the development of our sustainability reporting.

### Our key stakeholder groups are:

#### Workplace

- Employees
- Employee collective representatives (e.g. workers' councils)

#### Marketplace

- Consumers (the users of our products)
- Customers (the retailers who sell our products to consumers)
- Regulators
- Shareholders and other financial stakeholders
- Suppliers
- Trade associations

#### Community

- Local communities (local to our manufacturing, R&D, office and distribution facilities)
- National and local government
- Non-governmental organisations (NGOs) and consumer organisations
- Civil society

### Employee engagement

Providing an environment and culture in which employees can and want to give their best is a priority. We regularly seek feedback from employees on a variety of matters and in a variety of ways. This includes departmental meetings, formal feedback tools and electronic surveys, which we carry out all over the world. We translate any opportunities for improvement into plans which are tracked in line with other business critical KPIs.

Although there are some significant differences in the opportunity areas, depending on location and geography, we get consistent feedback that our

employees are energised by the scope of their jobs and the freedoms they have to make decisions, but we can do a better job of setting career expectations. Our Top 400 leaders are now trained in conducting career feedback, and a new global process requiring such feedback was rolled out during 2011.

### External partnerships

We seek to develop industry-wide solutions to shared challenges. In 2012, our work with external partners included:

- **Roundtable on Sustainable Palm Oil (RSPO)** promoting the growth and use of sustainable palm oil: [rspo.org](http://rspo.org)
- **A.I.S.E. (the International Association for Soaps, Detergents and Maintenance Products)** in Europe, which coordinates the voluntary Charter for Sustainable Cleaning and the Save Energy & Water project: [aise.eu](http://aise.eu)
- **CSPA (Consumer Speciality Products Association) Product Care:** [cspa.org](http://cspa.org)
- **AIM Progress** – a forum of consumer goods companies assembled to enable and promote responsible sourcing practices and sustainable production systems: [aim.be](http://aim.be)
- **FRAME** funding external research into alternatives to animal testing: [frame.org.uk](http://frame.org.uk)

## INDUSTRY SUSTAINABILITY PROGRAMMES

### The Sustainability Consortium

We joined the Sustainability Consortium (TSC) in 2012.

It is an organisation of diverse global participants that work collaboratively to develop transparent methodologies, tools, and strategies to drive a new generation of products and supply networks that address environmental, social, and economic imperatives. TSC allows us to work closely with our customers to share sustainability related consumer insights that inform our product innovation process.



### A.I.S.E. Charter for Sustainable Cleaning

We work with A.I.S.E. on a number of projects. A.I.S.E. is the International Association for Soaps, Detergents and Maintenance products ([aise.eu](http://aise.eu)), which represents, among others, members of the European air freshener products industry.



The Charter is the principal expression of the detergent industry's commitment to sustainability. This voluntary initiative promotes a common industry approach to sustainable improvement and reporting, based on a lifecycle framework.

RB has been a member of the Charter since June 2005 and has contributed to the Charter's update in 2010. This major upgrade introduces Additional Sustainability Procedures for products, supplementing the existing Charter Sustainability Procedures for companies. The Charter logo on packaging recognises our commitment and can only be used by companies committed to the Charter.

### A.I.S.E. Air Freshener Product Stewardship Programme

We have committed to the A.I.S.E. Air Fresheners Product Stewardship Programme, a voluntary industry initiative established in October 2007 ([aise.eu/airfresheners](http://aise.eu/airfresheners)). Companies signing up to the programme must abide by a set of rules which go beyond legislative requirements and aim to promote best practice in the responsible manufacture, consumer communication and use of air fresheners across the EU, Iceland, Norway and Switzerland.



## EXTERNAL RECOGNITION AND AWARDS

### CDP

We are featured in CDP's Carbon Performance Leadership Index (CPLI). The CPLI highlights those companies within the FTSE Global Equity Index Series (Global 500) that have demonstrated a strong approach to climate strategy and emissions reduction in their CDP responses. We scored 93% for disclosure and achieved a top A rating for performance.



### Dow Jones Sustainability Index

While we are not presently included in the Dow Jones Sustainability Indexes, we are one of the top scoring companies in our sector (Nondurable Household Products) and have won two awards: a Sector Mover Sustainability Award for our rapid improvement in sustainability and a Bronze Class Sustainability Award. We are reviewing our performance against the criteria for inclusion in 2013.



### FTSE4Good

Our 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.



### Other awards and recognition

We are rated as "prime" by oekom research and an Industry Innovator by Climate Counts. We were recognised for the success of our Carbon20 program with PR Daily's Corporate Social Responsibility Award for Best Environmental Stewardship.



# Approach to Reporting

## Our approach to reporting

This report is a key part of our continuing communication with stakeholders on our approach to and management of social and environmental issues and risks. While we seek an open and transparent dialogue with stakeholders, we maintain a focus on material issues where we can make a real difference – which is an integral part of our culture and is reflected in the content of this report.

## Audiences for this report

The report is primarily aimed at audiences that have shown most interest in our sustainability management and performance during 2012: employees, trade customers, shareholders / investors, consumers of our products, and advocacy and campaigning organisations with an interest in the impacts of our products, operations or supply chain.

## Reporting standards

We continue to report in line with the Global Reporting Initiative's Sustainability Reporting Guidelines – Version 3.0 (GRI G3) [globalreporting.org](http://globalreporting.org). A GRI Content Index and Application Level Table is provided on page 46 of the Annual Report. It provides a navigational tool for those looking for specific information in relation to the GRI's G3 Guidelines and includes the indicators that we have not reported on. 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. This report is part of an integrated approach to reporting our total performance. We report annually on calendar year data.

## Our Annual Report and Financial Statements 2012 (page 8 and 15-16) provide:

- Information necessary for an understanding of the development, performance and position of the business of the Group relating to environmental matters (including the impact of the Group's business on the environment), its employees, and social and community issues in line with the Companies Act 2006.
- Information on our management of Environmental, social and governance (ESG) matters and reputational risk in line with the Association of British Insurers (ABI) Guidelines on Responsible Investment Disclosure. We also publish regularly updated financial and non-financial information, made available on our corporate website, including a corporate responsibility section which contains our latest external benchmarking results, a library of our policies, and copies of our non-financial reports since 2000.

## Key Performance Indicators

The Key Performance Indicators (KPIs) that we use in this report are determined by:

- The significant sustainability aspects of our operations (see [page 34](#)).
- Independent, external sources of guidance on the indicators that we should be using to measure and report on those significant sustainability aspects (see below).
- The indicators that are most practical to use and add most value across our business and supply chain.

The GRI G3 performance indicators provide our main reference for selecting appropriate KPIs; as an international standard using its indicators provides compatibility with other companies. We also take account of the specific guidance on environmental KPIs for UK companies provided in the British Standard BS EN ISO 14031 (Environmental Performance Evaluation Guidelines), and the Environmental KPIs – Reporting Guidelines for UK Business (Department for Environment, Food & Rural Affairs).

## Evolution in the scope of environmental performance data presented in this report

Year	Operational factories providing data (%)	R&D centres providing data (%)	Comments
2012	45 (100%)	8 (100%)	1 new factory reporting for the first time; 1 factory sold; 3 factories closed
2011	48 (100%)	8 (100%)	Increased number of factories due to SSL acquisition
2010	43 (100%)	8 (100%)	The number of factories and R&D centers remains the same
2009	43 (100%)	8 (100%)	The number of factories remains the same; 1 new R&D centre reporting for the first time
2008	43 (100%)	7 (100%)	1 factory acquired with Adams; 3 new factories reporting for the first time; 4 factories closed; 1 R&D centre closed; 1 new R&D centre reporting for the first time
2007	43 (100%)	7 (100%)	2 factories closed; 1 factory acquired; 1 new R&D centre
2006	44 (100%)	6 (100%)	3 factories closed; 1 new factory opened; 2 factories and 1 R&D centre acquired with BHI
2005	43 (100%)	5 (100%)	1 factory closed
2004	44 (100%)	5 (100%)	2 factories closed
2003	46 (100%)	5 (100%)	1 new factory reporting for the first time; 4 factories closed
2002	49 (100%)	5 (100%)	1 factory sold; 2 factories closed
2001	52 (100%)	5 (100%)	All R&D centres included; 1 new factory reporting for the first time; 1 factory closed
2000	52 (100%)	2 (40%)	Only R&D centres within factory sites included

# Reporting Criteria

This section sets out the principles and methodologies we have used in reporting sustainability performance data for 2012 in our Sustainability Report 2012 (“the Sustainability Report”); it should be read in conjunction with the Total Carbon and Water Basis of Reporting 2012 for the year ended 31st December 2012, on [page 43](#).

## 1 – Our general reporting principles

### We have sought to ensure that:

- The reported data accurately reflects our performance and serves the general needs of the Sustainability Report’s users.
- The data is meaningful and consistent with:
  - The definitions, scope and boundaries stated in these Reporting Criteria.
  - The Total Carbon and Water Basis of Reporting 2012 (dated April 2013), on [page 43](#).
- Any specific, material exclusions are stated and explained.
- We use consistent methodologies year-to-year wherever possible and unless otherwise stated, to allow for sustainability performance comparison over time; any material changes in measurement methodologies versus the previous reporting year are made clear.
- We are clear regarding the use of assumptions we make and regarding our measurement and calculation methods.
- We report transparently such that the Sustainability Report’s users can have confidence in the integrity of the data and information we report.

### Uncertainty and estimates, assumptions & extrapolations

Every effort has been made to capture all relevant data globally, however it is not always feasible or practical to capture every single item of data across or relevant to our global operations, particularly in connection with some parts of the ‘Scope 3’ elements of our global products lifecycle carbon footprint which are outside of our direct/indirect control, in relation to our Total Carbon and Water measurement system. Where we have made estimates, assumptions or extrapolations to cover such occasions we make this clear in the Sustainability Report and/or in the Total Carbon and Water Basis of Reporting 2012, on [page 43](#).

### Restatement of reported data

We undertake continual, year-on-year improvement in our sustainability reporting processes and controls. Where it makes data and performance trends between years more comparable, and/or where any variance in prior years’ data has been identified, we restate that data in the Sustainability Report.

As stated in Basis of Reporting in the Sustainability Report, we do therefore include some revised numbers in our Sustainability Report 2012 for several parameters for several previous years, however:

- Most of those revisions are of less than +/- 1% of the number previously reported for our annual performance of a parameter.
- One of those revisions, for non-hazardous waste, is material (i.e. a +/- variance of 5% or more of the number previously reported for our annual performance of a parameter). The hazardous waste volume for 2009 in this Report is 6.4% lower than stated in our Sustainability Report 2009.
- Another is for Total Carbon. We continually improve our Total Carbon methodology, data and assumptions. For 2012, we have continued to review the assumptions made around certain consumer use categories, use of raw materials by third-party manufacturers and packaging use which where appropriate have been backdated.

Integration of the GHG emissions associated with the former SSL business acquired by RB in 2010 has been important. In 2011 whilst we sought to apply our existing carbon methodology to these emissions, delays in the integration of business systems from SSL and RB meant that some primary source data for former SSL products was not available, in particular for the consumer use element of the calculation, and we therefore, as an interim measure for 2011, had to make more assumptions and extrapolations for consumer use of former SSL products than for the more established RB products. This data has now been made available and incorporated into the revised calculation. We have also continued to review and improve the assumptions made around certain consumer use categories, use of raw materials by third-party manufacturers and packaging use and this has resulted in some changes which have been backdated for consistency. Consequently, in the

Sustainability Report 2012 we have re-stated figures previously reported for our total carbon footprint for 2007, the previous baseline year associated with the heritage programme Carbon20, and 2011 to enable these to be comparable with the 2012 figures.

### Reporting Boundaries

Our Sustainability Report 2012 provides data and information for the period 1 January 2012 to 31 December 2012 across all Reckitt Benckiser Group companies globally, as follows:

- Environment: 45 manufacturing facilities, 8 R&D centres and 8 warehouses over which we had operational control on 31 December 2012; and, in terms of our global products lifecycle carbon and water use footprint, the ‘Scope 1, 2 & 3’ greenhouse gas emissions in terms of carbon dioxide equivalents (CO<sub>2</sub>e) and direct and indirect freshwater use (litres) and water impact (e litres) associated with all stages of our global products lifecycle footprint, in line with the principles of PAS2050, the GHG Protocol and the Water Footprint Assessment Manual (see Total Carbon and Water Basis of Reporting 2012 on [page 43](#)).
- Health & Safety: the 49 manufacturing facilities, 8 R&D centres and 10 warehouses over which we had operational control for one or more months during 2012.
- HR: all Group companies and facilities as at 31 December 2012, unless explicitly stated.

### The rule applied concerning data from new acquisitions/new facilities is as follows:

- Environment: data is included for the first full calendar year of RB ownership/control (e.g. data from a manufacturing facility purchased in November is included from the 1st January of the following year).
- Health & Safety: data is included from the date of purchase (e.g. data from a manufacturing facility purchased in November is included from the date of purchase).
- HR: data, as held in the Companies Human Resources database on the 31st December of the year being reported is included (e.g. data from a manufacturing facility purchased in November is included).

- Economic: all Group companies and facilities, for our financial (calendar) year 2012, (see Basis of Consolidation on page 43 of our Annual Report and Financial Statements 2012).

### The rule applied concerning data from site disposals / closures is as follows:

- Environment: data is included up until the last full month of RB ownership/control (e.g. data from a manufacturing facility sold in November is included up to the end of October).
- Health & Safety: data is included up until the date of sale/closure, as far as practical (e.g. data from a manufacturing facility sold in November is included up until the date of sale).
- HR: data, as held in our Human Resources database, on the 31st December of the year being reported is included (e.g. data from a manufacturing facility sold in November is not included as at 31st December of that reporting year).

## 2 – Reporting specifics and methodology

### 2.1 – Environment (from manufacturing and R&D)

#### Parameter: Energy use at manufacturing, warehouse and R&D facilities

- Definition: energy consumption from our global manufacturing and research & development (R&D) operations and warehouses.
- Scope: energy consumed within the calendar year at facilities under management control of the Group; including the energy consumed by onsite CHP plants and excluding the energy generated by those onsite Combined Heat and Power (CHP) plants.
- Units: Giga Joules (GJ).

## Reporting Criteria

- **Method:** Energy data is collected using Entropy. To ensure consistency this can be reported in the same units as the invoiced quantity. This is then converted to kWh using standard factors from the WRI/WBCSD Greenhouse Gas Protocol (GHG Protocol). The final stage is conversion to GJ.
- **Source:** Data is taken from on-site or 3rd party meter readings or invoiced quantities.

Consumer units are reported by the sites to Group using the sustainability reporting system (Entropy). Consumer units are measured at the site. The following measurement methods have been identified (though more methods may be in place):

- Automatic scanning of labels on the production line.
- Counting the number of cases at the end of the production line.

The number of consumer units produced is fed into the JD Edwards system (linked to the financial reporting system).

A Consumer Unit is defined as: The normal unit of product purchased by the end-consumer (e.g. a single box, bottle, can, etc). A case of products produced at a factory will normally contain several consumer units (e.g. 6 aerosols in a case = 6 consumer units). Where several consumer units are combined together into a single pack (e.g. promotions / gift packs), each individual consumer unit is reported. To avoid double counting, if the site combines consumer units into a single pack it should only report each consumer unit if they are made on site - any consumer unit produced in another site should not be reported as the other site would have already reported these.

### Parameter: Greenhouse gas (GHG) emissions from manufacturing energy use

- **Definition:** Greenhouse gas (GHG) emissions arising from energy consumption at our global manufacturing facilities, in carbon dioxide equivalents (CO<sub>2</sub>e). Where GHGs comprise, in line with the GHG Protocol Corporate Accounting and Reporting Standard (WRI & WBCSD, 2004), the six gases listed in the Kyoto Protocol (carbon dioxide (CO<sub>2</sub>); methane (CH<sub>4</sub>); nitrous oxide (N<sub>2</sub>O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF<sub>6</sub>).

- **Scope:** Scope 1 and Scope 2 CO<sub>2</sub>e emissions from energy consumption within the calendar year at manufacturing facilities under the management control of the Group.
- **Units:** Tonne CO<sub>2</sub>e.
- **Method:** Calculated by multiplying the reported energy quantities in kWh by the conversion factors derived from the most recently currently available international sources outlined below.
- **Source:** CO<sub>2</sub>e emissions are calculated using internationally recognised methodologies from the WRI/WBCSD Greenhouse Gas Protocol (GHG Protocol) and International Energy Authority (IEA). With addition of IPPC to account for CH<sub>4</sub> & N<sub>2</sub>O.

### Parameter: Water consumption at manufacturing, warehouse and R&D facilities

- **Definition:** water consumption at our global manufacturing, warehouse and R&D facilities.
- **Scope:** Water consumed on-site, within the calendar year, inclusive of operational water consumption, water included in our products and domestic water use at facilities under management control of the Group.
- **Units:** Cubic Metres.
- **Method:** This is collected using Entropy. The quantities can be reported in units to suit the user and are automatically converted into cubic metres.
- **Source:** This is extracted from internally managed databases derived from direct meter readings or 3rd party meter readings and invoiced quantities.

### Parameter: Water discharges at manufacturing, warehouse and R&D facilities

- **Definition:** Water discharged from our global manufacturing, warehouse and R&D facilities.
- **Scope:** Water discharges arising from our facilities under management control of the Group, excluding water reuse and recycling and water used on-site for irrigation purposes.
- **Units:** Cubic Metres.
- **Method:** This is collected using Entropy. The quantities can be reported in units to suit the user and are automatically converted into cubic metres.

- **Source:** This is extracted from internally managed databases and where possible this information is based on invoiced quantities or direct measurement, where discharges are not metered, or are partially metered, water balance assumptions are made by the reporting site.

### Parameter: Total waste at manufacturing, warehouse and R&D facilities

- **Definition:** Total non-hazardous and hazardous waste generated from our global manufacturing, warehouse and R&D operations.
- **Scope:** Waste materials generated from our facilities within the calendar year (construction and demolition wastes), under management control of the group and removed from site for either recycling or ultimate disposal by 3rd party waste contractors.
- **Units:** Metric Tonnes.
- **Method:** Using Entropy all wastes are reported and, where required, the quantities are converted to Metric Tonnes. Volumes of liquids are converted to metric tonnes using an assumed density of 1 (i.e. 1 Cubic Metre is 1 Metric Tonne).
- **Source:** This data comes from internal or 3rd party databases and is derived from invoiced quantities / direct measurement, derived from waste transfer notes.

### Parameter: Hazardous waste at manufacturing, warehouse and R&D facilities

- **Definition:** Hazardous waste, defined as: wastes which exhibit one or more hazardous characteristics, (such as being flammable, oxidising, poisonous, infectious, corrosive, ecotoxic) which cause them to be classed or considered by relevant regulators as hazardous. This is a component of the Total Waste and is reported separately also.
- **Scope:** Hazardous wastes materials generated from our facilities within the calendar year, excluding construction and demolition wastes, and removed from site for either recycling or ultimate disposal by 3rd party waste contractors.
- **Units:** Metric Tonnes.
- **Method:** Using Entropy all wastes are reported and, where required, the quantities are converted to Metric

Tonnes. Volumes of liquids are converted to metric tonnes using an assumed density of 1 (i.e. 1 Cubic Metre is 1 Metric Tonne).

- **Source:** This data comes from internal or 3rd party databases and is derived from invoiced quantities / direct measurement, derived from waste transfer notes.

**Note:** During the preparation of the 2010 report we identified a data quality issue with one element of waste reporting at our Johannesburg site in South Africa. We removed all waste data from this site from 2010 and all prior years. The issue was not fully resolved for 2011 so we have removed all waste data for 2011 in addition to the prior years. The issue was resolved in 2012 and all Johannesburg waste data has been included for the 2012 calendar year only.

### Parameter: Top five raw materials used

- **Definition:** Quantities of each of the top five materials by volume at the Group's global manufacturing facilities in the financial / calendar year.
- **Scope:** Raw materials used by facilities under management control of the Group; including the materials consumed by onsite CHP, but excluding packaging materials and water (which is reported separately).
- **Units:** Metric Tonnes.
- **Method:** Data is collected using Entropy and, where required, the quantities are converted to Metric Tonnes. Volumes of liquids are converted to metric tonnes using an assumed density of 1 (i.e. 1 Cubic Metre is 1 Metric Tonne).
- **Source:** Data is taken from on-site purchase / inventory records, and / or invoiced quantities.

### Parameter: total waste recycled (not part of the RB sustainability data assurance process)

- **Definition:** % of total non-hazardous and hazardous waste generated from our global manufacturing and R&D operations that is recycled. Recycled waste is defined as waste which is recycled, reused or reclaimed with a view to extracting secondary raw materials.
- **Scope:** % of total waste materials generated from our facilities within the calendar year (excluding pallet waste, construction and demolition wastes), under management control of the group and removed from site for recycling.

## Reporting Criteria

- Units: % of total waste.
- Method: Using Entropy all wastes are reported and, where required, the quantities are converted to Metric Tonnes. Volumes of liquids are converted to metric tonnes using an assumed density of 1 (i.e. 1 Cubic Metre is 1 Metric Tonne).
- Source: This data comes from internal or 3rd party databases and is derived from invoiced quantities / direct measurement, derived from waste transfer notes.

### Parameter: Significant spills (not part of the RB sustainability data assurance process)

- Definition: Total number of spills of potentially hazardous materials. Defined as any incident during which, or as a result of which, primary containment measures were breached by a potentially hazardous material (e.g. fuel/chemical release from a drum, intermediate bulk container (IBC) or road tanker etc.).
- Scope: Total number of spills recorded in 2011.
- Units: Number of spills.
- Method: Using Entropy all significant spills are reported and, where appropriate, the material spilled, the volume and any other relevant information.
- Source: This data comes from internal or 3rd party databases, data is input by site level EHS coordinators.

### Parameter: Biodiversity (not part of the RB sustainability data assurance process)

- Definition: number of sites in or close to any protected biodiversity area.
- Scope: Any geographically defined area that is designated, regulated, or managed to achieve specific conservation objectives such as protection of rare or endangered plant species or due to the area being a habitat of a protected animal species.
- Units: An area recognised for important biodiversity features by governmental and non-governmental organizations, often habitats that are a priority for conservation.
- Method: Using Entropy all sites in or close to any protected biodiversity areas are reported and, where appropriate, further details are provided.

- Source: This data comes from internal or 3rd party databases, data is input by site level EHS coordinators.

### Parameter: Logistics (not part of the RB sustainability data assurance process)

- Definition: Freight transport of finished goods manufactured by RB from the point of manufacture to the point of delivery to the customer.
- Scope: Global freight transport of finished goods in 2012.
- Units: Tonne CO<sub>2</sub>e per kilometre.
- Method: Using the transport specific reporting form, all freight transport (excluding logistics managed by several third party logistics companies (3PLs)) is reported from 5 of the 24 reporting regions in 2012. Data is also collected directly from five 3PLs. This includes all freight transport associated with the delivery of finished goods from our factories to our customers.

Carbon emissions (Scope 3) are calculated by multiplying the reported transport in Tonne Km by the conversion factors derived from the most recently currently available international sources outlined below.

- Source: This data comes from internal or 3rd party databases, data is input by regional logistics managers/coordinators, or for the selected 3PLs is supplied by RB's client contact at these companies. CO<sub>2</sub>e emissions are calculated using internationally recognised methodologies from the DEFRA and DECC.

## 2.2 – RB Trees programme

### Parameter: The expected emissions reductions from the trees planted on our land in Canada as part of our RB Trees programme.

- Definition: Carbon dioxide sequestered by the trees we planted between 2006-2010 (Note: the modelling for trees planted between 2011-2013 will be carried out in 2013/14 once this planting cycle is completed. In the meanwhile an interim simplified estimation has been used).

- Scope: Our approach accounts for carbon transfer between the following:
  - Aboveground biomass
  - Belowground biomass
  - Aboveground dead organic matter (DOM) pools
  - Belowground DOM pools
  - Emissions into the atmosphere.

The model does not include the carbon emissions associated with transport or energy used to manage the project as, over the whole project, these emissions are estimated to not be material.

- Units: Net tonnes CO<sub>2</sub>e sequestered in the pools listed above.
- Method: We have adopted a methodology that is in line with the Intergovernmental Panel on Climate Change's Good Practice Guidance for Land Use, Land-Use Change and Forestry (LULUCF) projects (2003). Our approach to quantifying initial carbon stocks is based on Canada's National Forest Inventory Ground Sampling Guidelines (2004) and we carry out sampling at each of our sites prior to planting. The approach we use for the projection of future carbon stocks uses this initial carbon stock data and then models tree growth, based on the number and species mix planted, over 100 years.

The operational-scale carbon budget model of the Canadian Forest Sector (CBM-CFS3) is used for the modelling. The methodology also uses the Tree and Stand Simulator II (TASS II) to derive yield tables based on site indexes and the species planted and this information is input into the model. This method was applied to trees planted between 2006 and 2010. Trees planted since 2010 are subject to an interim simplified estimation method which will be updated to the method described above once this planting cycle is complete in 2013/14. In the absence of the project it can be reasonably assumed that agricultural activities would be net emitters of GHG. However a conservative decision was taken to use a baseline of net zero GHG emissions, which means we only take into account carbon sequestered by the trees we plant and not the emissions that have been avoided by the land use change.

- Source: Publicly available information in addition to data gathered through sampling.

## 2.3 – Total Carbon and Water / Global Product Lifecycle Carbon and Water Use Footprint and Water Impact

### Parameter: global product lifecycle carbon footprint. See also: the Total Carbon and Water Basis of Reporting 2012 (dated April 2013), on page 43.

- Definition: The total carbon footprint is a measure of direct and indirect greenhouse gas (GHG) emissions (GHG Protocol Scope 1, 2 & 3 emissions) that RB's products have, in terms of the amount of carbon dioxide equivalent (CO<sub>2</sub>e) GHG emissions associated with their entire life cycle, during the calendar year (1 Jan 2012 to 31 Dec 2012). Where GHG's comprise, in line with the GHG Protocol Corporate Accounting and Reporting Standard (WRI & WBSO, 2004), the six gases listed in the Kyoto Protocol (carbon dioxide (CO<sub>2</sub>); methane (CH<sub>4</sub>); nitrous oxide (N<sub>2</sub>O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF<sub>6</sub>).

- Scope: GHG Protocol Scope 1, 2 & 3 emissions (i.e. those associated with the raw and packaging material supply chain, through product manufacturing, distribution, retail sale and consumer use, to subsequent disposal / recycling of the product and its packing).

- Units: Lifecycle CO<sub>2</sub>e emissions per unit dose of products sold in the financial / calendar year. A dose is the amount of each individual RB product required to deliver that product's intended service, either for a single use or for a defined period of time e.g. one Finish automatic dishwashing tablet for one load of dishwashing, the recommended number of Nurofen tablets for 24 hours of pain relief, one hard skin file (which lasts for 12 months) etc. In Lifecycle Assessment (LCA) terminology a dose is the 'functional unit' of consumer use. The number of doses per year is not comparable to other measures of sales or production volume used in either our financial or non-financial reporting.



## Reporting Criteria

- Method: We have adopted a methodology that is based on and aligned with the principles of:
  - PAS 2050:2011, Specification for the assessment of the life cycle greenhouse gas emissions of goods and services, Final version, September 2011.
  - Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, September 2011.
  - The GHG Protocol Corporate Accounting and Reporting Standard (2004) WRI/WBCSD.

**See:** the Total Carbon and Water Basis of Reporting 2012 (dated April 2013), on **page 43**.

Our GHG emissions are calculated by multiplying publically available emission factors by amounts of materials brought, used and disposed of, energy used and distances travelled. Whilst the basic methodology remains consistent year on year, we continue to seek ways to improve either data processing, data sources and assumptions. Key improvements in the 2012 calculations have been associated with better consumer use data for certain consumer use categories and improved assumptions regarding use of raw materials by third-party manufacturers and volumes of packaging used.

- Source: Our GHG emissions are calculated by multiplying publically available emission factors by amounts of materials brought, used and disposed of, energy used and distances travelled.

We have endeavoured to apply complete coverage of our global emissions based on the scope and boundaries defined in the standards referenced. However, there are limited, specific and (in terms of our global products' overall life cycle carbon footprint) non-material exclusions from the scope of the reported data, which includes business travel by forms other than air (i.e. in company cars, use of private cars for business travel and train travel) and consumer use of certain very small volume regional products associated with the former SSL business. GHG emissions associated with these sources were estimated for 2006 (business travel) and 2011 (excluded SSL products) and found to be less than 0.1% of our global products' carbon footprint, therefore we exclude these from regular reporting on the basis of non-materiality.

**Parameter: global product lifecycle water use footprint.** See also: the Total Carbon and Water Basis of Reporting 2012 (dated April 2013), on **page 43**.

- Definition: The total water use footprint is a measure of direct and indirect water use that RB's products have, in terms of the amount of water use (litres) associated with the entire lifecycle, during the calendar year (1 Jan 2012 to 31 Dec 2012). Where water use comprise rainwater used in growing materials such a paper, cotton, leather i.e. consistent with the principles of 'green' water in water footprinting terms; and freshwater including water abstracted from surface and groundwater, municipal water i.e. consistent with the principles of 'blue' water in water footprinting terms. The use of non freshwater (i.e. sea water) has been excluded.

- Scope: Direct and indirect water use (i.e. those associated with the raw and packaging material supply chain, through product manufacturing, distribution, retail sale and consumer use, to subsequent disposal/recycling of the product and its packing). Water associated with the provision of energy (i.e. cooling water used in the power station, water used in extraction of oil, coal) has been excluded from the scope of the water use footprint across all life cycle stages.

- Units: Lifecycle water use (litres) per unit dose of products sold in the financial / calendar year. A dose is the amount of each individual RB product required to deliver that product's intended service, either for a single use or for a defined period of time e.g. one Finish automatic dishwashing tablet for one load of dishwashing, the recommended number of Nurofen tablets for 24 hours of pain relief, one hard skin file (which lasts for 12 months) etc. In Lifecycle Assessment (LCA) terminology a dose is the 'functional unit' of consumer use. The number of doses per year is not comparable to other measures of sales or production volume used in either our financial or non-financial reporting.

- Method: The water use measurement methodology has been developed in general accordance with the requirements and principles of the following recognised water accounting guidance document:

- The water footprint assessment manual: Setting the global standard, (Hoekstra, A.Y., Chapagain, A.K., Aldaya, M.M. and Mekonnen, M.M. 2011

**See:** the Total Carbon and Water Basis of Reporting 2012 (dated April 2013), on **page 43**.

Direct application of every element of the water footprint assessment manual has not been applied to every element of the water use footprint. Most significantly the total water use footprint calculates the 'water use' and not 'water consumption'. This approach and deviation from the water footprint definition / methodology is driven by the desire to drive behaviour change across all life cycle stages particularly within product Research and Development, new product innovation and consumer use of products. Water pollution and water quality impacts (referred to as grey water in water footprinting terms) have also not been included in the measurement system and water pollution is monitored through other corporate programmes.

- Source: Our water use is calculated by multiplying publically available water factors by volumes of materials and packaging brought, from primary operational water use data collected or sources of product / consumer use data

We have endeavoured to apply complete coverage of our global water use based on the scope and boundaries defined in the standards referenced. However, there are limited, specific and (in terms of our global products' overall life cycle water use footprint) non-material exclusions from the scope of the reported data, which includes direct water use in transport (e.g. vehicle washing) and waste disposal and consumer use of certain very small volume regional products associated with the former SSL business. These have been excluded from regular reporting on the basis of non-materiality.

**Parameter: global product lifecycle water impact**

- Definition: Water use factored to consider local water scarcity
- Scope: Impact associated with direct and indirect water use (i.e. those associated with the raw and packaging material supply chain, through product manufacturing, distribution, retail sale and consumer use, to subsequent disposal/recycling

of the product and its packing). Water impact associated with the provision of energy (i.e. cooling water used in the power station, water used in extraction of oil, coal) has been excluded from the scope of the water impact footprint across all life cycle stages.

- Units: Lifecycle water impact litre equivalents (e litres) per dose of products sold in the financial /calendar year. A dose is the amount of each individual RB product required to deliver that product's intended service, either for a single use or for a defined period of time e.g. one Finish automatic dishwashing tablet for one load of dishwashing, the recommended number of Nurofen tablets for 24 hours of pain relief, one hard skin file (which lasts for 12 months) etc. In Lifecycle Assessment (LCA) terminology a dose is the 'functional unit' of consumer use. The number of doses per year is not comparable to other measures of sales or production volume used in either our financial or non-financial reporting.

- Method: The water impact measurement methodology has been developed in general accordance with the requirements and principles of the following recognised water accounting guidance document:

- The water footprint assessment manual: Setting the global standard, (Hoekstra, A.Y., Chapagain, A.K., Aldaya, M.M. and Mekonnen, M.M. 2011.

**See:** the Total Carbon and Water Basis of Reporting 2012 (dated April 2013), on **page 43**.

Unlike carbon footprinting, in water footprinting and accounting understanding the location of the water use is as important (if not more so) as understanding the amount used. This is because the impacts of water are local rather than global as with CO<sub>2</sub>. Understanding only the number of litres water used is of limited value if there is no consideration of geographical spread and the water resource availability in the area in which the water is consumed or used. In line with these principles and to be able to measure, monitor and minimise the impacts to global water resources as a result of the manufacture and use of RB's global product portfolio, a measure of 'water scarcity' has been incorporated into the water use calculation to

## Reporting Criteria

numerically account for the global variations in water availability and allow the quantification of 'water impact'.

Water impact litres equivalents (e litres per dose) is calculated by multiplying water use (litres per dose) by a scarcity factor relevant to the location of where the water is used. The location of the water use at each point in the lifecycle has been defined as accurately as possible using supplier names and country of purchase, direct engagement with suppliers, site addresses and financial data regarding sales of finished products per country.

- Source: Data regarding water scarcity has been sourced at both a country and watershed level from the Water Footprint Network.

– Chapagain, A.K. and Hoekstra, A.Y. (2004) 'Water footprints of nations', Value of Water Research Report Series No.16, UNESCO-IHE, Appendix XXI.

– Hoekstra, A.Y. and Mekonnen, M.M. (2011) Global water scarcity: monthly blue water footprint compared to blue water availability for the world's major river basins, Value of Water Research Report Series No.53, UNESCO-IHE, Appendix IX.

In the past twenty years many metrics have been developed to evaluate water scarcity and stress. It is considered that the most recent water scarcity indicators published by the Water Footprint Network comparing water footprint to water availability provide the most appropriate measure currently available, however research in this area is rapidly developing and it is anticipated that the methodology and the water scarcity data available will continue to improve and evolve.

### 2.4 – HR Performance

#### Parameter: Nationalities

- Definition: The number of nationalities in the top-four bands of management of the Group (the Board, the Executive Committee, the Top40 and the Top400) and amongst all employees globally, on the last day of the Company's financial year (31st December).

- Scope: All full or part time permanent employees (i.e. excludes contract employees).
- Units: Number of different nationalities (i.e. employee's self-stated nationality, as determined in line with the United Nations current list of global countries).
- Method: The number of employee self-stated nationalities. Where an employee states that they have two or more nationalities, the nationality that they state first (or in the case of the Board and Executive Committee, that they asked to be taken as their principal nationality) is the nationality which is used.
- Source: The Group's global HR database system.

#### Parameter: Gender split

- Definition: The percentage of female employees in the top-four bands of management of the Group (the Board, the Executive Committee, the Top40 and the Top400) and amongst all employees globally, on the last day of the Company's financial year (31st December).
- Scope: All full or part time permanent employees (i.e. excludes contract employees).
- Units: Percentage (%).
- Method: Percentage – calculated as the number of female employees divided by the total number of employees to give a percentage of the total population for which data is reported (i.e. for the top-four bands of senior management of the Company and for all employees).
- Source: The Group's global HR database system.

### 2.5 – Health & Safety at Work

Health and safety data comprises the data reported to and by Reckitt Benckiser's manufacturing facilities, R&D centres and warehouses.

#### Parameter: Lost Work Day (LWD) Accident

- Definition: A work-related accident/incident during the reporting period which resulted in an employee (including contract labour/temporary employees) being unable to undertake/complete their duties on the following scheduled work day/shift. This includes work-related travel but excludes travel to and from an employees normal place of work.

- Scope: Covers RB employees and contract labour /temporary employees at our manufacturing sites, warehouses and R&D sites over whom we have management control (but not: (i) contractors who visit the facility for a short period of time to complete a specific task such as the repair of a wall or testing of the site's electrical system, over which we do not have management control; or (ii) "permanent" on-site contractors over which we do not have management control, such as those who may run the site canteen, who manage their own area and staff).
- Units: Number of accidents.
- Method: N/A (absolute number).
- Source: Global, facility-level monthly health & safety reporting; and, global, facility-level annual H&S data reporting/assurance process.

#### Parameter: Lost Work Day (LWD) Accident Rate

- Definition: Number of LWD accidents suffered per 100,000 hours worked. Working hours include standard hours and overtime and exclude absence through sickness, holiday and approved leave.
- Scope: Same scope as LWD Accident (above).
- Units: Rate per 100,000 hours worked.
- Method: Number of LWD accidents per 100,000 hours worked.
- Source: Global, facility-level monthly health & safety reporting; and global, facility-level annual H&S data reporting/assurance process.

#### Parameter: Severe Accidents

- Definition: A work-related accident/incident during the reporting period which resulted in permanent disability of an employee (incl. contract/temporary labour) on site or whilst on company business (including business travel) e.g. amputations or any permanent loss of sensory or motor dexterity (e.g. loss of a finger tip).
- Scope: Same scope as LWD Accident (above).
- Units: Absolute number.
- Method: N/A (absolute number).

- Source: Global, facility-level monthly health & safety reporting; and, global, facility-level annual H&S data reporting/assurance process.

#### Parameter: Fatality

- Definition: A work related accident/incident during the reporting period which resulted in the death of an employee (incl. contract labour/temporary) on-site or whilst on company business (incl. business travel), or of a contractor/visitor whilst on-site.
- Scope: Covers RB employees and contract labour / temporary over whom we have management control, plus contractors who visit the site for a short time to complete a specific work task, plus "permanent" contractors who manage their own area and staff, plus visitors to the site.
- Units: Absolute number.
- Method: N/A (absolute number).
- Source: Global, facility-level monthly health & safety reporting; and, global, facility-level annual H&S data reporting/assurance process.

# Total Carbon and Water Basis of Reporting

RB's Total Carbon and Water Measurement System (the Measurement System) presents the greenhouse gas (GHG) emissions, water use and water impact associated with the full life cycle of the Company's global products for the assigned baseline year (calendar year 2012) and facilitates on-going annual calculations to enable meaningful comparison on an annual year-on-year basis, from a 2012 baseline. The Measurement System also enables ongoing comparison for GHG emissions against a previous baseline year of 2007 associated with the heritage programme – Carbon20.

The methodology used in the Measurement System is as follows:

## Scope and Boundaries

The scope of the Measurement System extends across the entire lifecycle of the Group's global products from raw and packaging materials, through product manufacturing, distribution, retail operations, consumer use, and subsequent disposal / recycling of product and packaging.

The annual KPI (Key performance Indicator) data reported from the Measurement System comprises:

- Carbon dioxide equivalents (CO<sub>2</sub>e), Water Use (litres) and Water Impact (e litres) per unit dose\* of products sold by the Company (i.e. performance versus the following targets against a 2012 baseline).
  - One third less carbon footprint by 2020
  - One third less water impact by 2020
- The overall total tonnage of carbon dioxide equivalents.
- The overall total litres of water use and water impact litre equivalents.
- The % contribution per unit dose / for the overall total tonnage and water litres, from each key stage in the product life cycle.

\*NB: A unit dose is defined as the measure of each individual RB product required to deliver that product's intended service, either for a single use or for a defined period of time e.g. one Finish automatic dishwashing tablet for one load of dishwashing, the recommended number of Nurofen tablets for 24 hours of pain relief, one automatic dishwasher freshener (which lasts for 60 washes), one hard skin file (which lasts for 12 months) etc. In Lifecycle Assessment (LCA) terminology a dose is the 'functional unit' of consumer use. The number of doses per year is not comparable to other measures of sales or production volume used in either our financial or non-financial reporting.

1. PAS2050 was developed to assess the carbon footprint of individual goods and services, whilst RB's Total Measurement System applies PAS2050 to determine the carbon footprint contribution of all key stages in the product lifecycle of its global product portfolio on an annual basis. As a result of this difference between intended use and the actual use in the context of RB's Measurement System, direct application of every single element of PAS2050 across the whole lifecycle of RB's global products has by nature not been appropriate on every single occasion although overall the Measurement System is in line with the PAS2050 specification. For further information contact: [sustainability@reckittbenckiser.com](mailto:sustainability@reckittbenckiser.com)

## Compliance with International Standards and Guidelines

Measurement of the Group's products Total Carbon Footprint has been developed over the last six years (from 2006) in line with the principles of existing and emerging standards and guidance on the calculation of corporate and product life cycle carbon footprints.

Standards / Guidance used during the development of the Total Carbon Footprint have included:

- The GHG Protocol (The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, of the World Resources Institute & World Business Council for Sustainable Development, 2004).
- PAS 2050:2011, Specification for the assessment of the life cycle greenhouse gas emissions of goods and services, Final version, September 2011<sup>1</sup>.
- Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, September 2011.

The water use and water impact measurement methodology has been developed in general accordance with the requirements and principles of the following recognised water accounting guidance document:

- The water footprint assessment manual: Setting the global standard, (Hoekstra, A.Y., Chapagain, A.K., Aldaya, M.M. and Mekonnen, M.M. 2011)<sup>2</sup>.

Unlike carbon footprinting, in water footprinting and accounting understanding the location of the water use is as important (if not more so) as understanding the amount used. This is because the impacts of water are local rather than global as with CO<sub>2</sub>. Understanding only the number of litres water used is of limited value if there is no consideration of geographical spread and the water resource availability in the area in which the water is consumed or used. In line with these principles and to be able to measure, monitor and minimise the impacts to global water resources as a result of the manufacture and use of RB's global product portfolio, a measure of 'water scarcity' has been incorporated into the water use calculation to numerically account for the global variations in water availability and allow the quantification of 'water impact'.

2. Direct application of every element of the Water Footprint Manual has not been applied to every element of the water use footprint. Most significantly the Water Footprint concept was introduced in 2002 as an indicator of freshwater consumed both directly or indirectly to produce the goods and services consumed by any well-defined group of consumers (e.g. individual country or nation) or producers (e.g. a public organisation). It is important to understand and distinguish between water use and water consumption. Water 'consumption' refers to the amount of water that does not return to the catchment from which it was withdrawn whereas 'water use', 'water withdrawal' and / or 'water abstraction' does not take into account the

## Completeness

The Total Carbon and Water Use Footprint reflects the global operations of RB and its global product portfolio. This includes the lifecycle GHG emissions, water use and water impact associated with products manufactured at the Group's own manufacturing facilities as well as those manufactured by external third party facilities producing products for RB under contract.

All identified emissions considered likely to make a material contribution to the Total Carbon and Water Use Footprint of RB's global product portfolio are included in the scope of the measurement system; no sources were knowingly excluded without initial quantification and assessment to confirm that they did not make a material contribution to the Total Carbon and Water Use Footprint either in isolation or in aggregate.

## Data Quality

Where available, primary data has been sourced directly from RB's established environmental reporting and other business management systems and its suppliers /contractors for use in the Total Carbon and Water Use Footprint.

Where this has not been available, secondary data has been obtained from sources including publicly available LCA databases, journal articles and sources of industry /product/consumer use data.

As a process of continuing improvement, and in line with ongoing developments of data availability on carbon and water footprints of individual materials, companies and processes, the quality of the data used will by nature improve further going forward, although overall it does comprise the best information currently available both internally and externally at the time of reporting.

In several cases, it has been necessary to apply assumptions and extrapolations during calculation of the Total Carbon and Water Use Footprint i.e. where appropriate primary or secondary data sources

water returned to the same catchment. The total carbon and water measurement system calculates the 'water use' resulting from the manufacture and use of RB's global product portfolio and not 'water consumption'. This approach and deviation from the water footprint definition / methodology is driven by the desire to drive behaviour change across all life cycle stages particularly within product Research and Development, new product innovation and consumer use of products. Water pollution and water quality impacts (referred to as grey water in water footprinting terms) have also not been included in the measurement system and water pollution is monitored through other corporate programmes.

have not been available. Information or data for assumptions has been sourced in a clear order of priority: e.g. seeking reputable market research before general public available data. Where assumptions and extrapolations have been required, these have been applied in a conservative manner, with the overall aim being to not materially under or over-estimate the resulting carbon or water impact. All assumptions and sources of information are clearly referenced within the measurement system

The same principle has been applied to the application of emission /water factors for calculation of CO<sub>2</sub>e emissions and water use associated with the manufacture of raw and packaging materials, and disposal of waste. Where two or more factors for a material have been available and an uncertainty as to the correct factor to apply has existed, the highest factor in terms of CO<sub>2</sub>e or litres per unit of material has typically been applied, to prevent under-counting.

Data regarding water scarcity has been sourced at both a country<sup>3</sup> and watershed<sup>4</sup> level from the Water Footprint Network. In the past twenty years many metrics have been developed to evaluate water scarcity and stress. It is considered that the most recent water scarcity indicators published by the Water Footprint Network comparing water footprint to water availability provide the most appropriate measure currently available, however research in this area is rapidly developing and it is anticipated that the methodology and the water scarcity data available will continue to improve and evolve.

For further information contact: [sustainability@reckittbenckiser.com](mailto:sustainability@reckittbenckiser.com)

3. Chapagain, A.K. and Hoekstra, A.Y. (2004) 'Water footprints of nations', Value of Water Research Report Series No.16, UNESCO-IHE. Appendix XXI

4. Hoekstra, A.Y. and Mekonnen, M.M. (2011) Global water scarcity: monthly blue water footprint compared to blue water availability for the world's major river basins, Value of Water Research Report Series No.53, UNESCO-IHE, Appendix IX

# Independent Assurance Statement on Selected Sustainability Data

## INDEPENDENT LIMITED ASSURANCE STATEMENT TO THE DIRECTORS OF RECKITT BENCKISER GROUP PLC

The Reckitt Benckiser Group plc (Reckitt Benckiser) online Sustainability Report 2012 (the Report) has been prepared by the management of Reckitt Benckiser, who are responsible for the collection and presentation of the information within it. Our responsibility, in accordance with Reckitt Benckiser management's instructions, is to carry out a limited assurance engagement on selected 2012 data (Selected Data) contained within the Report. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

### What we are assuring

The Selected Data marked with the “†” as set out in the Sustainability Report (see page 55 for page index), that consists of:

- Environmental parameters as follows: energy use at manufacturing and R&D facilities; greenhouse gas emissions from manufacturing energy use; water use at manufacturing and R&D facilities; water discharges from manufacturing and R&D facilities; total waste at manufacturing and R&D facilities; hazardous waste at manufacturing and R&D facilities; and top 5 raw materials used.
- Social parameters as follows: nationalities and gender split of the Board, Executive Committee, 'Top 40', 'Top 400' senior management and global employees; Lost Working Day accident Frequency Rate at manufacturing, R&D and warehouse facilities; numbers of fatal and severe accidents; and Cash Value Added.

Lifecycle management reporting: the description of Total Carbon and Water Basis of Reporting (on page 43 of the Report), setting out the methodology used for Reckitt Benckiser's Total Carbon and Water Measurement System.

### What we did to form our conclusions

Our assurance engagement has been planned and performed in accordance with ISAE3000<sup>1</sup>. The Selected Data have been evaluated against completeness, consistency and accuracy criteria agreed with the management of Reckitt Benckiser. These criteria have agreed to provide a basis for assessing Reckitt Benckiser's application of its Reporting Criteria (as summarised on pages 38-42 of the Report). Our criteria are set out below:

#### Completeness

- Whether all material data sources have been included and that boundary definitions have been appropriately interpreted and applied.

#### Consistency

- Whether the Reckitt Benckiser Reporting Criteria have been applied to the selected environmental and social parameters.
- Whether Reckitt Benckiser has applied the Total Carbon and Water Basis of Reporting as described within the Report.

#### Accuracy

- Whether site-level environmental and social data has been accurately collated by Reckitt Benckiser management at a Global level.
- Whether there is supporting information for the environmental and social data reported by sites to Reckitt Benckiser management at a Global level.

### In order to form our conclusions we undertook the steps outlined below:

1. Interviewed specialists responsible for managing, collating, and reviewing environmental and social data at a Global level for internal and public reporting purposes.
2. Reviewed a selection of management documentation and reporting tools including guidance documents.

3. Performed a review of Reckitt Benckiser's online data collection tool, including testing outputs and selected conversions made within the tool.
4. Carried out analytical procedures over the Selected Data.
5. Reviewed underlying documentation for a sample of site level environmental data points.
6. Reviewed and challenged the environmental social data validation and collation processes undertaken by Reckitt Benckiser management.
7. Checked Cash Value Added data against information reported within Reckitt Benckiser's Annual Report and Financial Statements 2012.
8. Interviewed specialists responsible for developing, managing, and reviewing Reckitt Benckiser's Total Carbon and Water Measurement System.
9. Reviewed the Report for the appropriate presentation of the data including the discussion of limitations and assumptions relating to the data presented.

### Level of assurance

Our evidence gathering procedures have been designed to obtain a sufficient level of evidence to provide a limited level of assurance (as set out in ISAE3000).

### Limitations of our review

- We have not sought evidence to support the data, statements or claims presented within the Report, other than those relating to the 2012 Selected Data (as set out above).
- We did not review environmental or social performance data for years prior to 2012.

### Our conclusions

#### Based on our review:

- We are not aware of any material reporting units which have been excluded from the scope of the Selected Data.
- Nothing has come to our attention that causes us to believe that the Reporting Criteria, as summarised in the Report, have not been applied.
- Nothing has come to our attention that causes us to believe that the Selected Data has not been properly collated from the information reported by sites.
- We are not aware of any errors that would materially affect the Selected Data.
- Nothing has come to our attention that indicates that the Total Carbon and Water Basis of Reporting has not been applied as described within the Report.

### Independence

This is the first year that Ernst & Young LLP has provided independent assurance services in relation to Reckitt Benckiser's sustainability reporting. With the exception of this work we have provided no other services relating to Reckitt Benckiser's sustainability data collation and reporting.

### Our assurance team

Our assurance team has been drawn from our global Cleantech and Sustainability Services network, which undertakes similar engagements to this with a number of significant UK and international businesses.

**Ernst & Young LLP, London**  
24 May 2013

**ERNST & YOUNG**  
Quality In Everything We Do

1. ISAE3000 – International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

# Independent Assurance Report on RB Trees

## INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF RECKITT BENCKISER GROUP PLC

The Directors of Reckitt Benckiser Group plc (Reckitt Benckiser) engaged us to provide limited assurance on the information described below and set out in Reckitt Benckiser’s website and Sustainability Report as at and for the year ended 31 December 2012.

### What we did and our conclusions

We planned and performed our work, summarised below, to obtain the evidence we considered necessary to support our assurance conclusion on the alignment of the Methodology with the IPCC GPG for LULUCF (as defined below). The scope of our work did not extend to information in respect of earlier periods or to any other information on the website or in the Sustainability Report for 31 December 2012.

### What we are assuring (the “Methodology”)

The alignment of Reckitt Benckiser’s RB Trees programme methodology 16 January 2013 as described on the website at [www.rb.com/Our-Responsibility/Trees](http://www.rb.com/Our-Responsibility/Trees)<sup>1</sup> with the IPCC GPG for LULUCF.

### How the information is assessed (“Reporting Criteria”)

Reckitt Benckiser’s Reporting Criteria as set out at [www.rb.com/Our-Responsibility/Trees](http://www.rb.com/Our-Responsibility/Trees)

explains how management have applied the Intergovernmental Policy on Climate Change’s (IPCC) Good Practice Guidance (GPG) for Land Use, Land-Use Change and Forestry (LULUCF) Projects (2003) in relation to the RB Trees programme methodology.

## Professional standards applied<sup>2</sup> and Level of assurance<sup>3</sup>

We have used ISAE3000 (limited level of assurance) and we have complied with the ICAEW Code of Ethics.

### Work done

#### We performed the following activities:

- Made enquiries of relevant Reckitt Benckiser management and their primary technical consultants;
- Assessed the approach to carbon quantification and projection, as documented in the Methodology’s technical documentation, to consider how the IPCC GPG for LULUCF were interpreted and applied by management; and
- Assessed the disclosure and presentation of the RB Trees programme on the website.

### Reckitt Benckiser’s responsibilities

The directors of Reckitt Benckiser are responsible for:

- Designing systems and procedures to ensure that the Methodology aligns to the IPCC GPG for LULUCF, including the production of evidence to support their statement as to that alignment; and
- The content of the website and the Sustainability Report for 31 December 2012 regarding the RB Trees programme.

## Our responsibilities

### We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Methodology is in alignment with the IPCC GPG for LULUCF;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the directors of Reckitt Benckiser.

### Our conclusions

As a result of our procedures nothing has come to our attention that indicates that Reckitt Benckiser’s RB Trees Programme methodology as at 16 January 2013 is not in alignment with the IPCC GPG for LULUCF in all material respects.

This report, including our conclusions, has been prepared solely for the directors of Reckitt Benckiser as a body in accordance with the agreement between us, to assist the directors in reporting matters relating to Reckitt Benckiser’s RB Trees programme. We permit this report to be disclosed on Reckitt Benckiser’s website, to enable the directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with their declaration as to the Methodology. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and Reckitt Benckiser for our work or this report except where terms are expressly agreed between us in writing.

**PricewaterhouseCoopers LLP,**  
Chartered Accountants, London  
16 January 2013



1. The maintenance and integrity of Reckitt Benckiser’s website is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Trees for Change Methodology or Reporting Criteria when presented on Reckitt Benckiser’s website.

2. We comply with International Standard on Assurance Engagements 3000 – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ issued by the IAASB, and with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. To comply with those standards, our work was carried out by an independent and multi-disciplinary team of sustainability and assurance specialists.

3. Assurance, defined by the International Auditing and Assurance Standards Board (IAASB), gives the user confidence about the subject matter assessed against the reporting criteria. Reasonable assurance gives more confidence than limited assurance, as a limited assurance engagement is substantially less in scope in relation to both the assessment of risks of material misstatement and the procedures performed in response to the assessed risks.

# GRI Content Index and Application Level

We report in line with version 3.0 of the Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI).

Across our Sustainability Report 2012, our Annual Report & Financial Statements 2012 and our online reporting at [rb.com](http://rb.com) we meet the requirements for the GRI Application Level A (see Application Level Table below).

In order to claim an A application level, the GRI requires us to provide information on:

- Which indicators we have reported on and where.
- Which we have not reported on, and why.
- Our plans for future reporting on those core indicators which we have not reported on but which are material.

This information is provided as below in the GRI Content Index.

For more information on the GRI and the current version (V3.0) of their sustainability guidelines, go to [www.globalreporting.org](http://www.globalreporting.org).

Status stated	What this means
Reported	This indicator is reported.
Partially reported	Some information is reported against this indicator, but not all, or not in the exact format recommended by GRI.
Not reported	This indicator is considered to be material, but no information is currently reported. Specific reasons for not reporting are given against each indicator. For Core indicators, and some other indicators where we are seeking to report in the future, we indicate the timeframe within which we expect to report on the indicator, as above.
Not material	Our materiality assessment has not identified this issue as a currently significant sustainability aspect of our business.

Requirement of G3 Guidelines	Status	Page (Sustainability Report 2012)	Comment
<b>1. Strategy and Analysis</b>			
1.1	Statement from the CEO	Reported	3, Sustainability Report Accessible on <b>page 3</b> and can be found in our Annual Report
1.2	Key sustainability impacts, risks and opportunities	Reported	34, Sustainability Report 14-16, 63, Annual Report A summary of the key sustainability impacts for Reckitt Benckiser is included in the Annual Report on page 15-16, accessible. Material financial impacts are included in the notes to the financial statements in the Annual Report (see note 18 Provisions for liabilities & charges on page 65). In addition, details of Reckitt Benckiser's materiality assessment (carried out to identify the material sustainability issues facing the company) can be found on <b>page 34</b> .
<b>2. Organisational profile</b>			
2.1	Name of the organisation	Reported	Reckitt Benckiser Group plc
2.2	Primary brands and products	Reported	4, Sustainability Report Reckitt Benckiser manufactures and sells 19 global Powerbrands across the health, hygiene and home care categories. Details of our powerbrands can be found <b>online here</b> . In addition, Reckitt Benckiser has local heroes – brands which are important in local markets. A full list of Reckitt Benckiser's brands can be found <b>online here</b> . Details are also included in our Sustainability Report on <b>page 4</b> . The group has 53 production facilities worldwide. Aproximately 15% of our production is outsourced.
2.3	Operational structure of the organisation	Reported	10, Annual Report The Group structures its business through a matrix of a centralised category development organisation, global sales organisation, supply organisation and support functions (finance, human resources and information services), combined with three area organisations: ENA, LAPAC and RUMEA. Further information can be found on page 10 of the Annual Report under the heading 'Structure of Group Operations'. Details of Reckitt Benckiser's principal subsidiaries can be found in the notes to the parent company financial statements on page 79 of the Annual Report, under note 2.
2.4	Location of the organisation's headquarters	Reported	103-105 Bath Road, Slough, Berkshire, SL1 3UH, United Kingdom
2.5	Number of countries where the organisation operates	Reported	10-11, Annual Report RB sells products through over 60 operating companies into nearly 200 countries. Further details can be found on pages 10-11 of the Annual Report under Structure of the Group Operations and Segmental Performance at Constant Exchange Rates. In addition, further details of the locations of our operations can be found <b>online here</b> .
2.6	Nature of ownership and legal form	Reported	84, Annual Report Reckitt Benckiser is a publicly listed company (PLC), with 734.2m shares held across 24,290 holdings. For further information see page 84 of the Annual Report under Analysis of Shareholders as at 31 December 2012.
2.7	Markets served	Reported	10-11, Annual Report Reckitt Benckiser sells healthcare, hygiene and homecare products into nearly 200 countries. See pages 10-11 of the Annual Report under 'Segmental Performance at Constant Exchange Rates' for further information.
2.8	Scale of the reporting organisation	Reported	10, 19, Annual Report Reckitt Benckiser's turnover in 2012 was £9,567m and the company employed an average of 35,900 people. For further information see page 10, under Performance of the Business in 2012 and page 19 under 'Employees' in the Annual Report.
2.9	Significant changes during the reporting period	Reported	10, 19, 20, Annual Report The key changes to have occurred during the 2012 reporting period are outlined in the Annual Report and principally relate to acquisitions and management change. See pages 10 (under Nature, objectives and strategies of the business) and pages 19-20 (under the 'Report of the Directors') in the Annual Report.
2.10	Awards received in the reporting period	Reported	36, Sustainability Report Details of awards received during 2012 are set out on <b>page 36</b> of the Sustainability Report.

# GRI Content Index and Application Level

Requirement of G3 Guidelines	Status	Page (Sustainability Report 2012)	Comment
<b>3. Report Parameter</b>			
3.1	Reported		The reporting period is for the 2012 calendar year (i.e. 1 <sup>st</sup> January 2012 to 31 <sup>st</sup> December 2012).
3.2	Reported		The most recent previous Sustainability Report was published in May 2012. A copy can be accessed <a href="#">online here</a> .
3.3	Reported		Reckitt Benckiser reports on its sustainability performance annually.
3.4	Reported	55, Sustainability Report	Any questions regarding the report should be directed to <a href="mailto:sustainability@rb.com">sustainability@rb.com</a> or Sustainability, Reckitt Benckiser, 103-105 Bath Road, SL1 3UH, United Kingdom.
3.5	Reported	34, Sustainability Report	Reckitt Benckiser carried out a materiality assessment (following Accountability and GRI methodologies) to identify the material sustainability issues facing the company. The approach followed and results can be found on <a href="#">page 34</a> .
3.6	Reported	38-42, Sustainability Report	Details on the boundary of the report can be found on <a href="#">pages 38-42</a> .
3.7	Reported	38-42, Sustainability Report	Details on the limitations on the scope and boundary of the report can be found on <a href="#">pages 38-42</a> .
3.8	Reported	38-42, Sustainability Report	Details on the boundary of the report can be found on <a href="#">page 36</a> .
3.9	Reported	38-42, Sustainability Report	Details on the data measurement techniques and assumptions used can be found here <a href="#">pages 38-42</a> .
3.10	Reported	38-42, Sustainability Report 43-44, 73-74 Annual Report	Details on the boundary of the report can be found on <a href="#">pages 38-42</a> . See also pages 43 and 73-74 of the Annual Report regarding financial re-statements.
3.11	Reported	38-42, Sustainability Report 10, 73-74, Annual Report	The key change from previous reporting periods is the acquisition and inclusion of Schiff with Reckitt Benckiser's business. Further information can be found on <a href="#">pages 38-42</a> . See pages 10 and 73-74 of the Annual Report for an overview of the key business changes.
3.12	Reported	n/a	Information provided in this table.
3.13	Reported	44-45, Sustainability Report 38, Annual Report	Ernst & Young provided assurance over selected sustainability performance data. In addition, Reckitt Benckiser engaged PwC to provide assurance for the alignment of Reckitt Benckiser's RB Trees programme methodology with the IPCC GPG for LULUCF. Further information can be found on <a href="#">pages 44-45</a> . Also, the Independent Auditors Report to the members of Reckitt Benckiser Group plc can be found on page 38 of the Annual Report.
<b>4. Governance</b>			
4.1	Reported	22-29, Annual Report	Full details of the governance structure of Reckitt Benckiser can be found in the Corporate Governance report on pages 22-29 of the Annual Report. This section provides a summary of the role of the board, the division of leadership responsibilities, the role of the chairman and non-executive directors. Also outlined is the board composition. Page 22 of the Annual Report also provides information on the composition of management as at 12 February 2013 (e.g. 10% of the Board is female and 50% is non-UK nationals, 11% of the Executive Committee is female and 78% is non-UK nationals and 15% of the Top 40 managers is female and 70% is non-UK nationals).
4.2	Reported	24-29, Annual Report	There is a clear division of responsibilities between the CEO and the Chairman. The Chairman is not an executive officer. Further details can be found on in the Annual Report on pages 24-29.
4.3	Reported	25, Annual Report	The Non Executive Directors are independent of management. Further details on the Non Executive members of the board are provided on page 25 of the Annual Report.
4.4	Reported	19, 20, 29, Annual Report	The Board is committed to effective communication between the Company and its Shareholders. Further details on Reckitt Benckiser's investor relations programme can be found on page 29 of the Annual Report (under Relations with Shareholders). Further information can also be found on page 20 of the Annual Report, which includes the date of the next AGM. Open and regular communication with employees at all levels is an essential part of the management process. Further details are under the 'Employees' section of the Annual Report on page 19.
4.5	Reported	31-37, Annual Report	Details on the Company's remuneration strategy and the Directors' compensation arrangements are set out in the Directors' Remuneration Report on pages 31-37 of the Annual Report.
4.6	Reported	25, Annual Report	The Nomination Committee is responsible for the Company's procedures for dealing with Directors' conflicts of interest. Further details can be found on page 25 of the Annual Report, under 'Directors' Conflicts of Interest'.

## GRI Content Index and Application Level

Requirement of G3 Guidelines		Status	Page (Sustainability Report 2012)	Comment
4.7	Process for determining the qualifications and expertise of the Board in addressing economic, environmental, and social topics	Reported	18, 25-26, Annual Report	Details on the process for appointing the Board can be found in the Annual Report, under 'Nomination Committee and Board Appointments' on page 25 and also Evaluation on page 26. Details on the qualifications of the Board and Executive Committee are set out on page 18 of the Annual Report.
4.8	Internally developed statements of mission or values, codes of conduct, and principles	Reported	4-6, 35, Sustainability Report 3-8, 27, Annual Report	In 2012, Reckitt Benckiser announced a new vision and purpose to make a difference by giving people innovative solutions for healthier lives and happier homes. Reckitt Benckiser's strategy is laid out on pages 3-8 of the Annual Report. In addition, Reckitt Benckiser ensures that high ethical standards are reflected in business behaviour and culture through the global Business Code of Conduct. All employees are required to complete an annual Code of Conduct training course. This information can be found on page 27 of the Annual Report. RB's Business Code of Conduct can be found <a href="#">online here</a> . Further information is also included in the Sustainability Report on <b>page 35</b> . An overview of RB's sustainability vision and principles is set out in the Sustainability Report on <b>pages 4-6</b> .
4.9	Procedures for identification and management of economic, environmental, and social performance, including relevant risks and opportunities and internationally agreed standards	Reported	34-36, Sustainability Report 13-14, Annual Report	The approach followed for identification of material environmental and social risks and opportunities affecting the company is set out in the Sustainability Report on <b>page 34</b> . Procedures for managing these risks and opportunities are set out in the Sustainability Report on <b>pages 35-36</b> . Processes for identifying and managing economic risks and opportunities are set out in the Annual Report, under 'Relationships and Principal Risks' on pages 13-14.
4.10	Processes for evaluating the Board's performance, particularly with respect to economic, environmental and social performance	Reported	26, Annual Report	Details of the Board evaluation processes can be found in the corporate governance report under 'Evaluation' on page 26 of the Annual Report.
4.11	Application of the precautionary approach	Reported	34, Sustainability Report 14-16, Annual Report	RB applies a precautionary approach through consideration of the significance of sustainability matters, their potential risks to the business and the opportunities to enhance value that may arise from an appropriate response (including risks relating to environmental impacts, employees, society and communities, as well as reputational risks). An overview of the approach RB takes can be found in the Annual Report on pages 14-16. RB's approach to managing significant risks is set out in the Sustainability Report on <b>page 34</b> .
4.12	Economic, environmental and social charters and principles to which we subscribe	Reported	35-37, Sustainability Report 27, Annual Report	Details of the charters, principles and memberships to which we subscribe are set out in the Sustainability Report on <b>pages 35-37</b> . Details of RB's relations with shareholders can be found on page 29 of the Annual Report.
4.13	Memberships of associations	Reported		
4.14	Stakeholder groups engaged by the organisation	Reported	34, 36, Sustainability Report 19, 29, Annual Report	Details of the stakeholder groups engaged by the organisation, and the process for identifying and selecting stakeholders, are set out in the Sustainability Report on <b>pages 34 and 36</b> . Summary details are also provided in the Annual Report. See page 19 for employees and 29 for shareholders.
4.15	Basis for identification and selection of stakeholders	Reported		
4.16	Approach to stakeholder engagement	Reported	34, 36, Sustainability Report	Details of Reckitt Benckiser's approach to stakeholder engagement can be found in the Sustainability Report on <b>pages 34 and 36</b> .
4.17	Key topics and concerns raised through stakeholder engagement, and our response	Reported	34, 36, Sustainability Report	Details of the key topics and concerns raised through stakeholder engagement are set out in the Sustainability Report on <b>pages 34 and 36</b> .
<b>Disclosures on Management Approach</b>				
Economic	Reported	24-29 Annual Report		Details on management approach to economic matters are provided in the Annual Report, in the corporate governance report on pages 24-29.
Environmental	Reported	35, Sustainability Report 15-16, Annual Report		Details on management approach to environmental matters are provided in the Annual Report on pages 15-16 and Sustainability Report on <b>page 35</b> .
Labour	Reported	26 & 35, Sustainability Report 15-16, Annual Report		Details on management approach to labour matters are provided in the Annual Report on pages 15-16 and our Sustainability Report on <b>page 26 and 35</b> .
Human rights	Reported	26 & 35, Sustainability Report 15-16, Annual Report		Details on management approach to human rights matters are provided in the Annual Report on pages 15-16 and our Sustainability Report on <b>page 26 and 35</b> .
Society	Reported	35, Sustainability Report 15-16, Annual Report		Details on management approach to societal matters are provided in the Annual Report on pages 15-16 and Sustainability Report on <b>page 35</b> .
Product Responsibility	Reported	15, 19, 28 & 35 Sustainability Report 15-16, Annual Report		Details on management approach to product matters are provided in the Annual Report on pages 15-16 and Sustainability Report on <b>page 15, 19, 28 and 35</b> .



# GRI Content Index and Application Level

Requirement of G3 Guidelines	Status	Page (Sustainability Report 2012)	Comment
<b>Economic Performance Indicators</b>			
EC1	Direct economic value generated and distributed	Reported	26, Sustainability Report Revenues – Page 39, Annual Report. Operating costs – Page 39, Annual Report. Employee wages and benefits – Page 51, Annual Report. Payments to providers of capital – Page 74, Annual Report. Payments to government (gross taxes) – Page 39, Annual Report. Community investments – Page 19, Annual Report. Economic value retained – Page 40-42, Annual Report. Information is also included in the Sustainability Report on <b>page 26</b> .
EC2	Financial implications of climate change	Reported	16, Annual Report A summary on the risks posed by climate change and Reckitt Benckiser's management of these risks is included in the Annual Report on page 16. In addition, Reckitt Benckiser discloses information on the risks and opportunities associated with climate change through the Carbon Disclosure Project Investor questionnaire <b>online here</b> .
EC3	Coverage of the organisation's defined benefit plan obligations	Reported	28-29, 31-37 & 66-68, Annual Report All employees are part of RB's defined contribution plan. Pensions contribution and post-retirement benefits other than pensions information can be found in the remuneration section of the Corporate Governance Report (page 28-29, Annual Report), the remuneration report on pages 31-37, Annual Report and under pension and other post-retirement commitments, pages 66-68 of the Annual Report.
EC4	Significant financial assistance received from government	Not Material	n/a We do not currently collect this information centrally and the information is commercially confidential.
EC5	Ratio of wages to local minimum wage (Additional Indicator)	Not Material	This indicator is not material for Reckitt Benckiser as a significant percentage of our employees are skilled technical and professional staff whose pay is above the local minimum wage. In addition, through our Global Manufacturing Standard we require staff at facilities that are responsible for the manufacture, distribution of products on behalf of Reckitt Benckiser to comply with local minimum wage regulations and industry standards.
EC6	Policy and spending on locally-based suppliers	Reported	32, Sustainability Report RB's position on locally-based suppliers is set out in the Sustainability Report on <b>page 32</b> .
EC7	Procedures for local hiring	Reported	22, Annual Report RB hires in every location where we operate. RB does not positively discriminate towards local hiring but instead, seeks to hire the best person for the job whether the person is local or from further afield. RB's culture of global mobility has helped create a diverse management team. 16, 44 and 94 nationalities are represented in the Top40, Top400 and professional populations respectively. Further Information on RB's approach to diversity is provided in the Annual Report on page 22.
EC8	Development and impact of infrastructure investments (i.e. facilities built to provide a public service)	Reported	12-13, Sustainability Report 19, Annual Report RB indirectly supports development of services for public benefit through our corporate partnership with Save The Children. Information on RB's charitable donations in 2012 can be found on page 19 of the Annual Report and on <b>pages 12-13</b> of the Sustainability Report.
EC9	Significant indirect economic impacts (Additional Indicator)	Reported	34, Sustainability Report Indirect economic impacts are reviewed as part of RB's materiality assessment. Further information can be found in the Sustainability Report on <b>page 34</b> .
<b>Environmental Performance Indicators</b>			
EN1	Materials used by weight or volume	Reported	28 & 33, Sustainability Report A summary of the key raw materials we use and the total volume of our top 5 raw materials are set out in our Sustainability Report on <b>page 33</b> . We also disclose on the key materials used in our packaging in our Sustainability Report on <b>page 28</b> . However, we do not disclose more detailed information on raw materials volumes as this is commercially confidential.
EN2	Percentage of materials used that are recycled materials	Partially reported	27-28, Sustainability Report Accurate information on this KPI is not presently available at group level (and with regard to certain raw materials is considered commercially confidential). Our approach to packaging and ingredients are included in our Sustainability Report on <b>pages 27-28</b> .
EN3	Direct energy consumption by primary energy source	Reported	30, Sustainability Report We report data on the total energy used by our facilities and the global warming potential (GWP) of this consumption. The GWP takes account of renewable energy used by our facilities. We do not report information on exports of energy as this is not a material consideration for our business. Data are set out in our Sustainability Report on <b>page 30</b> .

## GRI Content Index and Application Level

Requirement of G3 Guidelines		Status	Page (Sustainability Report 2012)	Comment
EN4	Indirect energy consumption by primary source	Reported		We report data on the total indirect energy used by our facilities in our CDP Investor information disclosure <a href="#">online here</a> . The data provided in the 2012 CDP Disclosure were: <i>Energy type (MWh)</i> Fuel: 548366 Electricity: 357392 Heat: 0 Steam: 51844 Cooling: 0 Cooling: 0
EN5	Energy saved due to conservation and efficiency improvements	Reported	29, Sustainability Report	We report on the energy savings achieved in the reporting period and outline examples of the energy savings projects we have implemented. Examples and savings achieved are set out in our Sustainability Report on <a href="#">page 29</a> .
EN6	Initiatives to provide energy-efficient or renewable energy based products.(Additional Indicator)	Reported	15, 18, 27 & 43, Sustainability Report	We provide detailed information on the initiatives we have in place to reduce the energy use associated with our products in our Sustainability Report. We also set out the assumptions that underpin the supporting data in the Sustainability Report on <a href="#">pages 15, 18, 27 and 43</a> .
EN7	Initiatives to reduce indirect energy consumption. (Additional Indicator)	Reported	15 & 18, Sustainability Report	We report on the energy used by subcontracted production, raw materials production and business travel. We do not currently report on employee commuting energy use as this is not considered material in the context of RB's overall carbon footprint. We provide examples of initiatives to reduce indirect energy use in our Sustainability Report on <a href="#">pages 15 and 18</a> .
EN8	Total water withdrawal by source	Reported	29, Sustainability Report	Water consumption data can be found in our Sustainability Report on <a href="#">page 29</a> .
EN9	Water sources significantly affected by withdrawal of water. (Additional Indicator)	Not reported	n/a	We do not currently hold this information at a group level. However, we hope to be able to provide further details in our disclosure for the next reporting period.
EN10	Percentage and total volume of water recycled and reused. (Additional Indicator)	Reported	29, Sustainability Report	The percentage and total volume of water recycled and reused can be found on <a href="#">page 29</a> .
EN11	Location and size of land in, or adjacent to, protected areas and areas of high biodiversity value	Reported	31, Sustainability Report	Reckitt Benckiser's operations do not involve the ownership or use of large areas of land. Land use is restricted to office and factory locations. Our supply chain has a greater impact on land use than our own operations. However, we collect information on whether sites are located in or adjacent to protected areas and information is included in our Sustainability Report on <a href="#">page 31</a> .
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value	Reported	19, 31 & 33, Sustainability Report	Reckitt Benckiser's day to day operations do not have significant direct effects on biodiversity. Potential impacts on biodiversity could be from pollution events either from our factories or products. We disclose information on management of this risk in our Sustainability Report. In addition, the use of natural raw materials has impacts on biodiversity and we disclose on this via the Forest Footprint Disclosure Project <a href="#">online here</a> and also in the Sustainability Report on <a href="#">page 19 and 33</a> .
EN13	Habitats protected or stored (Additional Indicator)	Reported		Reckitt Benckiser's operations do not result in significant land use changes or direct adverse effects on habitats. However, our tree planting initiative in Canada, RB Trees, has seen 73km <sup>2</sup> of degraded farmland restored to native forest. See further details <a href="#">online here</a> .
EN14	Strategies for managing impacts on biodiversity (Additional Indicator)	Not material		We provide information on our approach to managing the biodiversity risks associated with our operations and from purchasing natural raw materials in our Sustainability Report on <a href="#">page 33</a> . However, the nature of RB's business activities means that direct impacts on biodiversity is not a material issue for the business.
EN15	Protected species with habitats in areas affected by operations (Additional Indicator)	Not material		The footprints our facilities are limited in size and operations are contained within factory buildings. As a result, this issue does not represent a material sustainability issue for our business.
EN16	Total direct and indirect greenhouse gas emissions by weight	Reported		We set out our total direct and indirect greenhouse gas emissions in our information submission as part of the CDP Investor programme. They can be found <a href="#">online here</a> . The data we provided in 2012 were:
EN17	Other relevant indirect greenhouse gas emissions by weight	Reported		Scope 1: 94,868 (metric tonnes CO <sub>2</sub> e) Scope 2: 178,657 (metric tonnes CO <sub>2</sub> e) Scope 3 data are set out in section 15.1 of the RB 2012 CDP survey response.
EN18	Initiatives to reduce greenhouse gas emissions (Additional Indicator)	Reported	15, 18, 27 & 29 Sustainability Report	We provide details on our activities to reduce our greenhouse gas emissions in our Sustainability Report on <a href="#">pages 15, 18, 27 and 29</a> . This includes details the carbon savings achieved through the various activities.
EN19	Emissions of ozone-depleting substances	Not material	n/a	Reckitt Benckiser is not a significant user of ozone depleting substances and as a result, this is not a significant issue for our business. (NB: ozone-depleting substances contained or emitted from products during their usage and disposal are not covered by this Indicator). Our site level environment management systems identify and manage risks at a local level.
EN20	NO, SO, and other significant air emissions	Reported	29, Sustainability Report	Our significant direct air emissions (greenhouse gas emissions from energy use) are reported on <a href="#">page 29</a> ; we do not have significant NOx or SOx emissions.

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Requirement of G3 Guidelines		Status	Page (Sustainability Report 2012)	Comment
EN21	Total water discharge by quality and destination	Partially reported	29, Sustainability Report	We report on total water discharged by quality and location in our Sustainability Report on <b>page 29</b> ; we do not report on Total Suspended Solids (TSS).
EN22	Total weight of waste by type and disposal method	Reported	29, Sustainability Report	We provide data on the total waste by type and disposal method in our Sustainability Report on <b>page 29</b> .
EN23	Total number and volume of significant spills	Reported	31, Sustainability Report	We provide information on spills in our Sustainability Report on <b>page 31</b> .
EN24	Waste deemed hazardous under the terms of the Basel Convention (Additional Indicator)	Partially reported	29, 30, Sustainability Report	Data on the hazardous waste generated by Reckitt Benckiser is found in the Sustainability Report on <b>pages 29 and 30</b> .
EN25	Water bodies and related habitats significantly affected (Additional Indicator)	Reported		There are no water bodies that are significantly affected by RB's water discharges (as defined by the GRI Indicator Protocols v 3.1).
EN26	Initiatives to mitigate environmental impacts of products	Reported	15-19 & 27, Sustainability Report	We provide information on the initiatives we are implementing to mitigate the environmental impacts of our products in the Sustainability Report on <b>pages 15-19 and 27</b> .
EN27	Percentage of products sold and their packaging materials that are reclaimed	Not reported	n/a	As a minimum, RB complies with local legal requirements in relation to packaging reclamation, such as the Waste Electrical & Electronic Equipment Regulations and Packaging Waste Regulations in the EU. Information on packaging and waste management is included in our Sustainability Report.
EN28	Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations	Reported	31, Sustainability Report	Details of any significant fines or non-monetary sanctions for non-compliance with environmental law and regulations are set out in the Sustainability Report on <b>page 31</b> .
EN29	Environmental impacts of transporting products and other goods and materials, and the workforce (Additional Indicator)	Reported	33, Sustainability Report	The most significant impacts of the transport of RB products are the associated greenhouse gas emissions. Details on the emissions associated with transport of products are provided in the Sustainability Report on <b>page 33</b> and CDP Investor information disclosure (section 15.1 of RB's response).
EN30	Total environmental protection expenditures and investments by type (Additional Indicator)	Not reported	n/a	We do not currently report this information as it is considered commercially sensitive information.

## Social – Labour Practices and Decent Work Performance Indicators

LA1	Total workforce by employment type, employment contract and region	Reported	25, Sustainability Report 22, Annual Report	We disclose data on employee breakdown by region in our Sustainability Report on <b>page 25</b> . We also provide data on employee split by gender and ethnicity in our Annual Report on page 22. Information on our approach to employment and diversity can be found in our Annual Report on page 22. Our Annual Report also highlights that a similar employment contract is used for all employees. See page 28. Information on the full/part type status and contract types (i.e. temporary/permanent/self employed) is held at the local level and is not currently available at the group level (as this is not a material business issue).
LA2	Total number and rate of employee turnover by age group, gender and region	Reported	17, 22, Annual Report	We report the turnover of management during the reporting period in our Annual Report (see page 17), but at present we do not disclose other employee data (i.e. numbers of new hires and leavers) as this information is managed by our local operations and is not currently consolidated at the group level. Information on our approach to employment and diversity can be found in our Annual Report on page 22.
LA3	Benefits provided to full-time employed that are not provided to temporary or part time employees (Additional Indicator)	Partially reported	28, Annual Report	A similar employment contract is used for all employees and compensation rules apply equally to Reckitt Benckiser's Top 400 managers in all markets. Salary ranges are based on global benchmarking and RB's annual cash bonus structures and long-term incentive plans are the same for all employees, as are pensions, healthcare plans and other benefits. See page 28 of the Annual Report. At present we do not disclose on arrangements for temporary /part time employees as this varies according to location and is managed locally, so information is not aggregated at the group level. This information is not collated at the group level as it is not a material issue for our business.
LA4	Percentage of employees covered by collective bargaining agreements	Partially reported	n/a	This is not something we track at a global level as it is managed by local operations. However, 39% of full-time permanent employees are covered by collective bargaining agreements.
LA5	Minimum notice period(s) regarding operational changes	Reported		As a minimum, RB complies with applicable local laws regarding minimum notice periods. Some locations also have specific policies regarding minimum notice periods. In addition, group management (Top400) has a standard notice period of 6 months.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees (Additional Indicator)	Reported		Our global manufacturing, warehouse and R&D facilities all have H&S committees with employee and management representatives. Further information on our H&S management can be found in our Sustainability Report on <b>page 32</b> .
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Partially reported	32, Sustainability Report	We report data on rates of injury, lost days and number of work-related fatalities (i.e. 3 of the 5 items identified for this KPI) in our Sustainability Report on <b>page 32</b> . Data on absenteeism and occupational diseases are tracked locally and as a result, this information is not currently available at the group level.

## GRI Content Index and Application Level

Requirement of G3 Guidelines		Status	Page (Sustainability Report 2012)	Comment
LA8	Programs in place to assist workforce members, their families, or community members regarding serious diseases	Reported	This table	Programmes are coordinated locally and are tailored to meet the local needs. Examples include HIV/AIDS awareness programmes, stress management support, health & nutrition awareness programmes and child/elderly care support.
LA9	Health and safety topics covered in formal agreements with trade unions (Additional Indicator)	Not reported	n/a	We do not currently collate this information at the group level as it is managed locally.
LA10	Average hours of training per year per employee by employee category	Partially reported	26, Sustainability Report	Information on employee training is provided in our Annual Report (see page 13 and 19) and in our Sustainability Report on <b>page 26</b> . We report on the training of our management pipeline but our internal reporting systems are not currently set up for the external reporting of this information in terms of actual hours of training provided on specific subjects across our global facilities for all employees. We do not believe the benefit of doing so warrants diverting resources to do so, versus the other things we are instead doing with our resources in terms of actively improving the health, safety & welfare of employees at work.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees (Additional Indicator)	Partially reported	13, Annual Report	Reckitt Benckiser is committed to continuing professional development of its employees. Details are set out in the Annual Report on page 13. We do not currently report on transition assistance programmes as these are tailored to meet specific needs and circumstances.
LA12	Percentage of employees receiving regular performance and career development reviews (Additional Indicator)	Reported		All employees are included in RB's Performance & Development Review programme, which includes setting performance, development and training objectives and reviewing progress against these.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Reported	25, Sustainability Report 22, Annual Report	We report on the composition of governance bodies and the breakdown of employees by gender and minority group on page 22 of the Annual Report. Information is also included in the Sustainability Report on <b>page 25</b> . We do not currently report on employees by age group as this is not a relevant metric for our business as we hire and promote employees on the basis of experience and performance, not age. Information on our approach to diversity is set out in our Annual Report (also on page 22).
LA14	Ratio of basic salary of men to women by employee category	Not material	n/a	Salaries are locally determined according to the geographical location and type of work performed. We provide information on remuneration in our Annual Report but this does not currently include the basic salary of men to women. We have a policy of non discrimination and employee salaries are determined by grade, experience and performance regardless of gender. Group HR also monitors average pay of males and females in the Top 400 to ensure this reflects industry averages.
LA15	Return to work and retention rates after parental leave, by gender	Not material	n/a	As a minimum, we follow local legal requirements regarding parental leave. At present information on employees taking parental leave, return to work and retention rates is managed at the local level and is not available at the group level as this is not a material issue for our business.

### Social – Human Rights Performance Indicators

HR1	Investment agreements that include human rights clauses or have undergone human rights screening	Reported	56 & 73-74, Annual Report	We report on significant investment agreements – which include company acquisitions and significant capex projects – in our Annual Report. See pages 56 and 73-74. Human Rights issues are reviewed as part of the due diligence process for significant investment agreements and the conclusions will inform investment decisions.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	Partially reported	32, Sustainability Report	We provide details of our Global Manufacturing Standard (GMS) which outlines our requirements in relation to human rights in our Sustainability Report on <b>page 32</b> . In 2012, we refreshed our GMS and risk-based compliance monitoring programme and created a guide for new suppliers available <b>online here</b> . We do not currently report externally on the results of our screening programme.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights (Additional Indicator)	Partially reported	n/a	All employees are required to complete annual training on RB's Code of Conduct (which includes human rights issues). See page 14 of the Annual Report. As training is managed on an individual basis, we do not currently intend on compiling group-wide data on training hours completed.
HR4	Total number of incidents of discrimination and actions taken	Partially reported	26, Sustainability Report	Our reporting systems are not currently set up for the external reporting of this information but refer to page of the Sustainability Report for information on our approach to this topic.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	Partially reported	32, Sustainability Report	We provide details of our Global Manufacturing Standard (GMS) which outlines our requirements and processes in relation to collective bargaining, no child labour and no forced labour in our Sustainability Report on <b>page 32</b> . In 2012, we refreshed our GMS and risk-based compliance monitoring programme and created a guide for new suppliers available <b>online here</b> . We do not currently report externally on the results of our screening programme.
HR6	Operations identified as having significant risk for incidents of child labour	Partially reported		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour	Partially reported		

# GRI Content Index and Application Level

Requirement of G3 Guidelines		Status	Page (Sustainability Report 2012)	Comment
HR8	Percentage of security personnel trained in human rights policies or procedures	Not material	n/a	Reckitt Benckiser is not required to have a strong security presence at our facilities and as a result, this issue is not considered a material risk to the business.
HR9	Total number of incidents of violations involving rights of indigenous people (Additional Indicator)	Not material	n/a	Given the nature of Reckitt Benckiser's business and the locations of our facilities, this is not considered a material risk for the business.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	Partially reported	32, Sustainability Report	We provide details of our Global Manufacturing Standard (GMS) which outlines our requirements in relation to human rights reviews in our Sustainability Report on <b>page 32</b> . In 2012, we refreshed our GMS and risk-based compliance monitoring programme and created a guide for new suppliers available <b>online here</b> . We do not currently report externally on the results of our screening programme.
HR 11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms	Reported	26, Sustainability Report	Reckitt Benckiser's grievance process is outlined in the Sustainability Report on <b>page 26</b> .

## Social – Society Performance Indicators

SO1	Nature, scope and effectiveness of programs that assess and manage our impacts on communities	Reported	9-13, Sustainability Report	Our community programmes address key health and hygiene issues in local/global communities and individual sites also work with local communities. Examples of community programmes Reckitt Benckiser supports are set out in our Sustainability Report on <b>pages 9-13</b> . Other aspects are not currently identified as material.
SO2	Business units analysed for risks related to corruption	Partially reported		100% of RB employees have received formal training on the UK Bribery Act and all employees with email access are required to pass a mandatory on-line test covering the UK Bribery Act. This is in addition to the annual Code of Conduct training and has been supported by extensive Legal and Internal Audit visits to high risk overseas operations.
SO3	Employees trained in anti-corruption policies and procedures	Reported	14, Annual Report	All employees receive training on Reckitt Benckiser's Anti-bribery Policy and Code of Conduct. For further information see page 14 of the Annual Report.
SO4	Actions in response to incidents of corruption	Not reported		RB Group policies require the reporting of all incidents of possible corruption to the Chief Auditor, who is responsible for oversight, guidance and investigation. All reported instances of possible Fraud and Corruption are presented to the Audit Committee along with key actions which are regularly followed up.
SO5	Public policy positions and participation in public policy development	Reported	36, Sustainability Report 22, Annual Report	Activities we are involved with through trade associations, roundtables and task forces are set out in the Sustainability Report on <b>page 36</b> . In addition, RB's position in relation to diversity is set out on page 22 of the Annual Report.
SO6	Value of contributions to political parties, politicians, and related instruments (Additional Indicator)	Reported	n/a	As stated in our Code of Business Conduct <b>online here</b> , the Company is not a political organisation. It does not support political parties or contribute funds to groups whose activities are calculated to promote party interests or the election of a specific candidate.
SO7	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices (Additional Indicator)	Reported	17, Annual Report	Information on legal action during the reporting period in relation to anti-competitive behaviour is provided in the Annual Report on page 17 (under 'Contingent Liabilities').
SO8	Significant fines and non-monetary sanctions for non-compliance with laws and regulations.	Reported	31, Sustainability Report 17 & 65, Annual Report	Information on fines and non-monetary sanctions for environmental, health and safety matters are provided in the Sustainability Report on <b>page 31</b> . Information on other material fines and non-monetary sanctions are included in the Annual Report. See pages 17 and 65.
SO9	Operations with significant potential or actual negative impacts on local communities	Not material	n/a	Given the nature of Reckitt Benckiser's business and the locations of our facilities, this is not considered a material risk for the business.
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	Not material	n/a	Given the nature of Reckitt Benckiser's business and the locations of our facilities, this is not considered a material risk for the business.

## Social - Product Responsibility Performance Indicators

PR1	Life cycle stages in which health and safety impacts of products and services are assessed	Reported	21 & 32, Sustainability Report	We report on our management of health & safety considerations relating to the life cycle of our products in our Sustainability Report on <b>pages 21 and 32</b> .
PR2	Incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products (Additional Indicator)	Not reported	n/a	This information is managed at the local level and as a result, is not currently available at the group level.
PR3	Product and service information required by procedures, and percentage of significant products and services covered.	Reported	28, Sustainability Report	Product information procedures are outlined in the Sustainability Report on <b>page 28</b> , which includes RB's approach to including safe use, chemical ingredients and environmental information on packaging across RB's product range.

## GRI Content Index and Application Level

Requirement of G3 Guidelines		Status	Page (Sustainability Report 2012)	Comment
PR4	Incidents of non-compliance with regulations and voluntary codes concerning product information and labelling (Additional Indicator)	Not reported	n/a	This information is managed at the local level and as a result, is not currently available at the group level.
PR5	Practices related to customer satisfaction, including results (Additional Indicator)	Reported	28, Sustainability Report	Information on our consumer satisfaction approach, including our results are set out in our Sustainability Report on <b>page 28</b> .
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	Reported		Reckitt Benckiser is part of the AISE 2010 Charter and includes the AISE sustainable cleaning logo on relevant products. As part of this membership, RB carries out regular compliance checks and is audited by an external party every 3 years.
PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications (Additional Indicator)	Not reported	NA	This information is managed at the local level and as a result, is not currently available at the group level.
PR8	Total number of substantiated complaints regarding breaches of customer privacy (Additional Indicator)	Not reported	NA	This information is managed at the local level and as a result, is not currently available at the group level.
PR9	Significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Reported	31, Sustainability Report 17, Annual Report	Significant fines are included in the Annual Report on page 17. In addition, details of environmental, health & safety fines are included in the Sustainability report on <b>page 31</b> .

### About this Report

This report is for the year ending 31 December 2012 and conforms to the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI); we have self-declared as meeting the top GRI application level of A.



### Further information

This report is part of our integrated approach to reporting our total performance, for further information please go to our website [rb.com](http://rb.com)

If you have any comments or queries on this report or our sustainability performance please contact:

#### Sustainability

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### Sustainability performance data in this report assured by Ernst & Young LLP

Environment (2012 data)	Page
• Greenhouse gas emissions from manufacturing energy use (tonnes CO <sub>2</sub> equivalents per '000 CUs; actual)	3, 7, 22, 29, 30
• Total waste at manufacturing and R&D facilities (tonne per '000 CUs; actual)	22, 29, 30
• Hazardous waste at manufacturing and R&D facilities (tonnes per '000 CUs; actual)	29, 30
• Water discharges from manufacturing and R&D facilities (m <sup>3</sup> per '000 CUs; actual)	29, 30
• Energy use at manufacturing and R&D facilities (GJs per '000 CUs; actual)	3, 7, 22, 29, 30
• Water use at manufacturing and R&D facilities (m <sup>3</sup> per '000 CUs; actual)	3, 7, 22, 29, 30
• Top 5 raw materials used (million metric tonnes)	33
<b>HR (2012 data)</b>	
• Nationalities: of the Company's Board, Executive Committee, 'Top40' and 'Top400' senior management and 66% of the average number of total global employees	25
• Gender split: of the Company's Board, Executive Committee, 'Top40' and 'Top400' senior management and 66% of the average number of total global employees	25
<b>Cash Value Added (2012 data)</b>	26
<b>Health and safety at work (2012 data)</b>	
• Lost Working Day Accident Rate (LWD AR) at manufacturing, R&D and warehouse facilities (per 100,000 hours)	3, 7, 21, 32
• Number of fatal and severe accidents	32