



# REPORTING CRITERIA AND BASIS OF PREPARATION

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Reckitt Sustainability Insights 2021



# REPORTING CRITERIA AND BASIS OF PREPARATION

## Reckitt basis of preparation for sustainability performance indicators selected for independent assurance (2021).

### 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 report's users.
- The data is meaningful and consistent with the definitions, scope and boundaries stated in these Reporting Criteria.
- 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 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 life cycle carbon and water use footprints which are outside of our direct/indirect control. Where we have made estimates, assumptions or extrapolations to cover such occasions we make this clear in the report.

Where it has been necessary to apply assumptions and extrapolations during calculation of our global products life cycle carbon and water use footprint (i.e. where appropriate primary or

secondary data sources have not been available), information or data for assumptions has been sourced in a clear order of priority: e.g. seeking reputable publicly available data sources (e.g. IEA emission factors), then market research, before general publicly available data. Where assumptions and extrapolations have been required, these have been applied in a conservative manner. 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-reporting.

As a process of continuing improvement, and in line with on-going developments of data availability on carbon and water footprints of individual materials, companies and processes for example, the quality of the data used in the carbon, water use and water impact footprint 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.

Within the continuing evaluation of global supply chains for human rights and labour standards, the programme has further reviewed both Reckitt and supplier sites, supported by an independent external review of human rights impacts. This assessment is prioritised on the basis of risk by review of external data and insight which leads to the progressive assessment of supply chains. The programme continues to be informed by the results of site assessment and external insights which may inform future priorities. Overall it does comprise the best information currently available, both internally and externally, at the time of reporting.

#### 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 on the basis that any variances in prior years are identified (e.g. errors in prior year data), we restate that data in our reports, are transparent about having done so and the reasons that drove the change.

#### Reporting boundaries

Our 2021 report provides data and information for the period 1 January 2021 to 31 December 2021 across all Reckitt Benckiser Group plc companies globally, as follows:

- Environment: 50<sup>1</sup> manufacturing facilities, 11 stand-alone R&D centres and 7 warehouses over which we had operational control at the start of 2021; and, in terms of our global products' life cycle carbon and water 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' life cycle footprint, in line with the principles of PAS2050, the GHG Protocol and the Water Footprint Assessment Manual. For sustainable net revenue, we report on a 12-month period of net revenue covering Q4-Q3.
- Health & Safety: all Group companies and facilities as at 31 December 2021 in which we had operational control for one or more months during 2021, unless explicitly stated.
- HR: all Group companies and facilities as at 31 December 2021, unless explicitly stated. Our employee and diversity figures are based on data for 37,321 global Group employees (excluding contractors) – data taken at year end 31 December 2021.

#### Total carbon footprint and water impact

For the year 1 January 2021 to 31 December 2021, and differing from previous reporting years (but not 2020) sales volumes have been based on sales actuals for Q4-Q3 due to timelines required for inclusion in the Annual Report. Shifting the 12 month period we report on eliminates the need to use financial forecast data.

#### Total net revenue from more sustainable products

We continue to report on a 12-month period of net revenue. In line with previous years, this metric covers Q4 of prior year through to Q3 of the reporting year. So for 2021, this covers 1 October 2020 through to 30 September 2021. IFCN (Infant Formula and Child Nutrition) net revenue is now included in this metric, as we have rolled out the systems and processes to allow inclusion. For the 2021

1 We report environment data from operations for which we have operational control, in line with the GHG protocol.

## Reporting criteria and basis of preparation continued

reporting cycle, for full transparency, we will publish a %NR number including IFCN (new scope) and a % NR number excluding IFCN (prior scope) to allow comparisons with prior years.

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

- Environment: data is included for the first full calendar year of Reckitt ownership/control (e.g. data from a manufacturing facility purchased in November is included from 1 January of the following year). Where a reduction target has been set in relation to a baseline year, and data from previous years or a baseline year is not available, annual performance data is presented excluding the acquisition in order to ensure year on year comparison with the baseline. In these cases, a separate entry for the reporting year will provide the total performance data including the acquired entity's data.
- Product: unless specified otherwise, data is included for the first full calendar year of Reckitt ownership/control (e.g. data relating to products made by a company acquired in November is included from 1 January of the following year). Where a reduction target has been set in relation to a baseline year, and data from previous years or a baseline year is not available, annual performance data is presented excluding that acquisition in order to ensure year on year comparison with the baseline. In these cases, a separate entry for the reporting year will provide the total performance data including that data.
- 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 ownership (June)).
- HR and Diversity: data as held in the Company's Human Resources database on 31 December of the year being reported is included.
- Social metrics: data is included for the first full calendar year of Reckitt ownership/control (e.g. data from a manufacturing facility purchased in November is included from 1 January of the following year).
- Economic: all Group companies and facilities for our financial (calendar) year 2021 (see Basis of Consolidation on page 210 of our Annual Report and Financial Statements 2021).

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

- Environment: data is included up until the last full month of Reckitt ownership/control, as far as practical (e.g. data from a manufacturing facility closed in November is included up to the end of October). Data for sold sites is included up to the end of the year during which time Reckitt retained financial control, after which sites which are sold to another operating organisation are removed from the baseline and subsequent reporting.
- Product: data is included if Reckitt ownership/control extended across the full reporting year.
- 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 and Diversity: data, as held in our Human Resources database, on 31 December of the year being reported is included.
- Social metrics: data is included up until the last full month of Reckitt ownership/control, as far as practical (e.g. data from a manufacturing facility sold in November is included up to the end of October).
- Economic: all Group companies and facilities for our financial (calendar) year 2021 (see Basis of Consolidation on page 210 of our Annual Report and Financial Statements 2021).

## 2 – REPORTING SPECIFICS AND METHODOLOGY

### 2.1 – Environment (from manufacturing, warehouses R&D and offices where applicable)

#### Parameter: Energy use at manufacturing and warehouse facilities

- Definition: energy consumption from our global manufacturing and warehouse facilities.
- Scope: energy consumed within the calendar year at facilities under management control of the Group; including the energy consumed by Combined Heat and Power (CHP) plants. Where energy is generated on site (i.e. Reckitt owned CHP or on site renewable energy) and surplus energy is exported back to the local or national grid, then only the energy consumed by the manufacturing site is included, i.e. the energy returned to the

grid is excluded. This is because Reckitt's key performance metric is the energy intensity of the manufacturing process.

- Units: gigajoules (GJ) and kilowatt-hours (kWh)
- Method: Energy data is collected using Enablon, the Company's EHS database. To ensure consistency this can be reported in the same units as the invoiced quantity. This is then converted to kWh and GJ using standard factors.
- Source: Data is taken from on-site or third-party meter readings or invoiced quantities e.g. natural gas, electricity, oil, LPG, renewable electricity (on-site, PPAs, renewable tariffs and/or renewable certificates).

#### Parameter: Renewable Electricity

- Definition: % Renewable electricity of total electricity used (manufacturing and warehousing).
- Scope: renewable electricity purchased, generated, and consumed within the calendar year for use at facilities (manufacturing and warehousing) under management control of the Group. Renewable electricity sources including on-site generated renewable electricity (e.g. PV solar), off-sites renewable electricity purchased via renewable Purchase Power Agreement, supplier renewable tariff and/or accredited renewable certificates (e.g. Guaranties of Origins, RECs, IRECs).
- Units: % of total electricity (including electricity supplied from CHP i.e. purchased electricity and on-site generated electricity)
- Method: renewable electricity data is collected using Enablon, the Company's EHS database. To ensure consistency this can be reported in the same units as the invoiced quantity. This is then converted to kWh using standard factors. The final stage is conversion to GJ.
- Renewable certificates or supplier contracts in line with the quality criteria for energy attribute certificates as outlined in the WRI/WBCSD GHG Protocol Scope 2 Guidance are collected to support all purchased renewable electricity claims. Renewable electricity is reported as detailed by the supplier contract and/or certificates. Where a renewable electricity contract is in place for the full reporting year but certificates for the later period of the

## Reporting criteria and basis of preparation continued

year cannot be provided by the supplier until after Reckitt's Environmental Data Assurance period, the quantity of renewable electricity is reported as per the contract.

- Source: Data is taken from renewable electricity on-site and/or off site PPAs, renewable tariffs supported by supply contracts and/or renewable certificates, together with on-site or third-party meter readings or invoiced quantities.

### **Parameter: Greenhouse gas (GHG) emissions from energy use in manufacturing, warehouse facilities, R&D and offices**

- Definition: Greenhouse Gas (GHG) emissions arising from energy consumption at our global manufacturing, R&D, offices, and warehouse 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, R&D, offices and warehouse facilities under the management control of the Group. Scope 2 emissions are reported on both a location and market-based approach in line with the GHG Scope 2 Guidance (WRI & WBCSD, 2015).

The location-based approach is as follows:

- All grid electricity is converted to CO<sub>2</sub>e by applying national/state average electricity grid conversion factors relevant to the countries where we operate (i.e. IEA emission factors 2020).
- Any power or heat purchased directly through a third-party CHP is converted to CO<sub>2</sub>e by applying the appropriate conversion rate supplied by the third-party or where this is not available, the relevant default grid emission factor as per DEFRA conversion factor guidance and IEA emission factors.

The market-based approach is as follows:

- For operations in markets where contractual instruments are available, purchased renewable electricity, which is supported by appropriate evidence from the energy provider (i.e. renewable energy certificates, Guarantees of Origin or similar), and that meets the 'quality criteria' outlined in the GHG Protocol Scope 2 Guidance, is converted to CO<sub>2</sub>e by applying supplier specific emission factors.
- All purchased electricity which is not renewable or supported by appropriate evidence, is converted to CO<sub>2</sub>e by applying 'Residual Mix' emission factors.
- Non-renewable electricity which is purchased in countries where 'Residual Mix' emission factors were not available, is converted to CO<sub>2</sub>e by applying average national/state grid emission factors (i.e. IEA emission factors) for the relevant country.
- Units: tonnes CO<sub>2</sub>e.
- Method: calculated by multiplying the reported energy quantities in kWh by the CO<sub>2</sub>e emissions conversion factors derived from the most recently currently available location or market-based sources outlined above and local factors where available.
- Source: CO<sub>2</sub>e emissions are calculated in line with the WRI/WBCSD Greenhouse Gas Protocol (GHG Protocol) and GHG Protocol Scope 2 Guidance, except as discussed otherwise above. Conversion factors applied are sourced directly from suppliers, the UK Government's DEFRA, International Energy Authority (IEA), Reliable Disclosure Organization (RE-DISS) and Green -e Energy (US Regional Residual Mix Rates). For market based emissions relating to purchased renewable electricity, where a contract is in place for the full reporting year but certificates for the later period of that year cannot be provided by the supplier until after Reckitt's Environmental Data Assurance period, the supplied renewable electricity and relative GHG emissions will be assumed to be as reported in the previous periods of the same year where certificates have been provided.

### **Parameter: Water use (water withdrawals) at manufacturing and warehouse facilities**

- Definition: water use at our global manufacturing and warehouse facilities.
- Scope: water used 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 Enablon. 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 third-party meter readings and invoiced quantities.

### **Parameter: Water discharges at manufacturing and warehouse facilities**

- Definition: water discharged from our global manufacturing and warehouse 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 Enablon. 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.

## Reporting criteria and basis of preparation continued

### **Parameter: Waste at manufacturing and warehouse facilities**

- Definition: total non-hazardous and hazardous waste generated from our global manufacturing and warehouse facilities.
- Scope: waste materials generated from our facilities within the calendar year (excluding construction, demolition wastes and whole wooden pallets returned to suppliers), under management control of the Group and removed from site for either recycling or ultimate disposal by third party waste contractors.
- Units: metric tonnes.
- Method: using Enablon 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 third-party databases and/or from invoiced quantities/direct measurement, derived from waste transfer notes.

### **Parameter: Manufacturing Sites achieving Zero Waste To Landfill**

- Definition: % of manufacturing sites which no longer dispose of their non-hazardous or hazardous waste to landfill.
- Scope: waste materials generated from our manufacturing facilities within the calendar year (excluding construction, demolition wastes and whole wooden pallets returned to suppliers), under management control of the Group and removed from site for either recycling or ultimate disposal by third party waste contractors.
- Units: %.
- Method: using Enablon all wastes disposal routes and volumes (e.g. recycling, waste to energy, incineration and landfill) are reported for all sites. Zero Waste to Landfill is considered where all waste is disposed of via alternative routes, excluding waste which is legally required to go to landfill.
- Source: this data comes from internal or third-party databases and is derived from invoiced quantities/direct measurement, derived from waste transfer notes.

### **Parameter: Waste to landfill from manufacturing and warehouse facilities**

- Definition: % of total non-hazardous and hazardous waste generated from our global manufacturing and warehouse facilities that is sent to landfill. 'Sent to landfill' is defined as waste which is disposed of by landfill.
- Scope: waste materials generated from our facilities within the calendar year (excluding construction, demolition wastes and whole wooden pallets returned to suppliers), under management control of the Group and removed from site for landfill.
- Units: % sent to landfill
- Method: using Enablon 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 third-party databases and is derived from invoiced quantities/direct measurement, derived from waste transfer notes.

### **Parameter: Hazardous waste at manufacturing and warehouse 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 total waste and is also reported separately.
- 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 third-party waste contractors.
- Units: metric tonnes.
- Method: using Enablon all wastes are reported and, where required, the quantities are converted to metric tonnes. Volumes of liquids are converted to metric tonne using an assumed density of 1 (i.e. 1 cubic metre is 1 metric tonne).

- Source: this data comes from internal or third-party databases and is derived from invoiced quantities/direct measurement, derived from waste transfer notes.

### **Parameter: Waste recycled/reused at manufacturing and warehouse facilities**

- Definition: non-hazardous and hazardous waste recycled and reused. This is a component of total waste and is also reported separately.
- Scope: non-hazardous and hazardous waste materials generated from our facilities and removed from site to be either recycled or reused within the calendar year (excluding construction, demolition wastes and whole wooden pallets returned to suppliers), by third-party waste contractors.
- Units: metric tonnes.
- Method: using Enablon all wastes are reported and, where required, the quantities are converted to metric tonnes. Volumes of liquids are converted to metric tonne using an assumed density of 1 (i.e. 1 cubic metre is 1 metric tonne).
- Source: this data comes from internal or third-party databases and is derived from invoiced quantities/direct measurement, derived from waste transfer notes.

### **Parameter: Units of Production (Denominators for GHG emissions, Energy, Water, Waste and Hazardous waste per production unit (Tonne of product produced))**

- Definition: A tonne of product produced: the unit of production measure uses is the gross weight of the total product produced, including packaging (primary, secondary, and tertiary), excluding returnable pallets.
- Scope: Reckitt manufacturing facilities production volumes
- Units: Tonne of product produced
- Method: using Enablon each Reckitt manufacturing facilities reports monthly total gross weight of product produced Source: Total gross weight of product produced is obtained from finance data including JD Edwards or SAP system (linked to the financial reporting system), and shipped weight. The financial data which this is based on is also subject to 3rd party scrutiny and assessment.

## Reporting criteria and basis of preparation continued

### Parameter: Environmental and occupational safety prosecutions and fines (not part of the Reckitt sustainability data assurance process)

- Definition: total number of environmental and occupational safety prosecutions and fines resulting from an EHS incident, permit breach or legal non-compliance.
- Scope: total number of environmental and occupational safety prosecutions and fines recorded in the reporting year.
- Units: number of prosecutions and fines.
- Method: All are reported in line with the Global Reckitt Procedure for Internal Reporting of Environment, Health & Safety and Human Rights incidents and, where appropriate, the material spilled, the volume and any other relevant information.
- Source: this data comes from internal or third-party databases. Data is input by site level EHS co-ordinators.

## 2.2 – Our Portfolio Carbon & Water Footprints

### Method Overview

- The key step in quantifying the scope 3 data for Reckitt's product portfolio consists of conducting approximately 350 detailed (near LCA quality) footprint assessments and scaling them up by actual regional sales data. The product grouping that results in the selection of 350 'Representative Products' is based on Finance data at the level of segments and formats which delivers relative formulation and packaging homogeneity any differences in product sizes within a group are incorporated in the scaling.
- The footprint methodology to calculate Consumer Use impacts is based on approximately 155 consumer use models. The models have been built up from primary research, literature and the knowledge of internal experts to represent the impacts from how our consumers use our products around the world. The impacts are calculated per dose of product used and scaled up to the global portfolio using the number of doses sold.
- Whilst the core methodology remains consistent year on year, we continue to seek ways to improve data processing, data sources and assumptions. On a year on year basis we review and update and aim to increase the number of 'Representative Products' used to calculate raw and packaging material consumption to ensure it remains appropriate for our ever-changing portfolio.

### Parameter: global product life cycle carbon footprint

- Definition: the total carbon footprint is a measure of direct and indirect greenhouse gas (GHG) emissions associated with Reckitt products sold during a 12-month period (1 October 2020 to 30 September 2021). GHGs comprise, in line with the GHG Protocol Corporate Accounting and Reporting Standard (WRI & WBSD, 2004), (carbon dioxide (CO<sub>2</sub>); methane (CH<sub>4</sub>); nitrous oxide (N<sub>2</sub>O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>). The performance is reported based in carbon dioxide equivalent (CO<sub>2</sub>e).
- Scope: GHG Protocol Scope 1, 2 & 3 emissions (i.e. those associated with the entire life cycle of Reckitt products sold including the raw and packaging material supply chain, product manufacturing, distribution, retail operations, consumer use, and subsequent disposal/recycling of the product and its packaging). This includes the life cycle GHG emissions associated with products manufactured at the Company's own manufacturing facilities as well as those manufactured by external third-party facilities producing products for Reckitt under contract. On consumer use, we quantify both direct and indirect emissions in line with the GHG protocol, but the scope of our target only includes direct consumer use emissions.
- Units: life cycle GHG emissions in kg CO<sub>2</sub>e
- Method: we have adopted a methodology that makes reference to the following standards and guidance:
  - Greenhouse Gas Protocol, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, September 2011 ([https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard\\_041613\\_2.pdf](https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf)); and
  - Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard, (<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>) March 2004<sup>1</sup>.
- Source: our GHG emissions are calculated by multiplying publicly available emission factors sourced predominantly from Ecoinvent (<https://www.ecoinvent.org/>), by amounts of materials and packaging included in products sold, energy used and distances travelled. Where available, primary data has been sourced directly

from Reckitt's product libraries, environmental reporting and other business management systems and its suppliers/contractors. 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. Where available and relevant, this data is region-specific to account for differences in regional production. Sales data has been sourced from Reckitt's sales ledger, Fusion.

The impact of the RPs is then scaled up by sales data across our countries and brands for the reporting year. The impacts are calculated per dose of product used and scaled up to the global portfolio using the number of doses sold.

For the purpose of the metric we assume that the period in which our products are used is consistent with the period in which our products are sold. In a limited number of cases, we apply adjustments where we are aware that the time period of our sales and the use of our products are not aligned. This is done to ensure our metric most accurately reflects the footprint of our products used in the reporting period.

Reckitt's product portfolio contains a number of products, which are "additives" (e.g. fabric softeners, dishwasher rinse aids) and used in conjunction with products which are the primary "driver" (detergents, dishwasher tablets) of specific consumer activities. While the raw material, packaging, manufacturing and disposal impact of these additives is included within our footprint, the carbon impact associated with the consumer use activity has not been incorporated (or double counted) on the basis that it has already been accounted for in the use of the "driver" product.

<sup>1</sup> PAS2050 was developed to assess the carbon footprint of individual goods and services; however, Reckitt's Total Carbon and Water Measurement System applies PAS2050 to determine the carbon footprint contribution of all key stages in the product life cycle 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 Reckitt's Measurement System, direct application of every single element of PAS2050 across the whole life cycle of Reckitt'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.

## Reporting criteria and basis of preparation continued

Where specific product information was not available, we have applied proxy data sets based on comparable products, which we believe to be sufficiently similar to enable the calculation of a representative footprint.

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). GHG emissions associated with these sources were estimated for 2011 (business travel) 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. No sources were knowingly excluded without initial quantification and assessment to confirm that they did not make a material contribution to the Total Carbon Footprint either in isolation or in aggregate.

### Parameter: Global product life cycle water footprint

- Definition: the total water use footprint is a measure of direct and indirect water use associated with Reckitt products sold during the 12-month period (1 October 2020 to 30 September 2021). Water use includes freshwater including water abstracted from surface and groundwater, municipal water. The use of non-freshwater (i.e. sea water) has been excluded. The exclusion of rainwater is a method change to incorporate the latest developments on water footprinting into our method to coincide with a corporate reset of our sustainability ambitions.
- Scope: water use upstream and downstream of our manufacturing sites across the entire life cycle of Reckitt products sold including the raw and packaging material supply chain, product manufacturing, distribution, retail operations, consumer use, and subsequent disposal/recycling of the product and its packaging). This includes the life cycle water use associated with products manufactured at the Company's own manufacturing facilities as well as those manufactured by external third-party facilities producing products for Reckitt under contract.

On consumer use, we mirror the direct/indirect approach we have taken for carbon, by including direct controllable and uncontrollable consumer use (e.g. products that require dilution and products used for showering respectively), but exclude water used by consumers in appliances that are not sold by Reckitt as well as indirect water use associated with e.g. auxiliary materials such as cloths used in surface cleaning.

- Units: life cycle water use (litres) for products sold in the calendar year.

Method: we have adopted a methodology that makes reference to the following standards and guidance and is similar to what the standard describes as "water footprint inventory": ISO 14046 (2014) Environmental management Water footprint — Principles, requirements and guidelines. The total water footprint calculates the 'water use', which is the amount of water withdrawn, rather than the approach more often taken for water footprinting which considers 'water consumption', i.e. only the amount of water that does not return to the catchment from which it was withdrawn. This approach is driven by the desire to drive behaviour change across all life cycle stages particularly within product Research & Development, new product innovation and consumer use of products. Water pollution and water quality impacts have also not been included in the measurement system and water pollution is monitored through other corporate programmes.

We continue to seek ways to improve data processing, data sources and assumptions. On a year on year basis we review and increase the number of 'Representative Products' used to calculate raw and packaging material consumption to ensure it remains appropriate for our ever-changing portfolio.

- Source: our water use is calculated by multiplying publicly available water factors by volumes of materials and packaging included in products sold, as well as accounting for product water use in manufacturing and consumer use of our products.
- Data: where available, primary data has been sourced directly from Reckitt's product libraries, environmental reporting and other business management systems and its suppliers/contractors. 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. Where available and relevant, this data is region-specific to account for differences in regional production. Sales data has been sourced from Reckitt's ICE management information system.

Reckitt's product portfolio contains a number of products which are "additives" (e.g. fabric softeners, dishwasher rinse aids) and used in conjunction with products which are the primary "driver" (detergents, dishwasher tablets) of specific consumer activities. While the raw material, packaging, manufacturing and disposal impact of these additives is included within our footprint, the water footprint associated with the consumer use activity has never been incorporated (or double counted) on the basis that it has already been accounted for in the use of the "driver" product. From 2021 onwards, and to drive consistency with our global product carbon footprint, we are mirroring a distinction between direct water use in the consumer use phase, and indirect consumer use. Indirect for the purposes of reporting consists of water used in appliances not sold by Reckitt, e.g. dishwashers and washing machines (on the basis that these will be included in other companies' scope 3 reporting), as well as water used in the production of auxiliaries such as cleaning cloths or paper towels. Direct consumer use includes e.g. water used to dilute concentrates and water used for washing of hand and body.

Where specific product information was not available, we have applied proxy data sets based on comparable products which we believe to be sufficiently similar to enable the calculation of a representative footprint.

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. These have been excluded from regular reporting on the basis of non-materiality. No sources were knowingly excluded without initial quantification and assessment to confirm that they did not make a material contribution to the total water use footprint either in isolation or in aggregate.

## Reporting criteria and basis of preparation continued

### Parameter: Net revenue from more sustainable products

- Definition: Reckitt Benckiser Group plc net revenue attributable to 'more sustainable' products during a 12-month period. Reckitt defines 'more sustainable' as a product that scores 'better' on at least one of the five parameters in the table below at time of launch, when compared to a previous product version or brand average where no previous version exists. For a 'more sustainable' rating overall, the aggregate across the 5 parameters needs to be +10 points or more. This means trade-offs are allowed.
- Scope: Reckitt Benckiser Group plc net revenue attributable to sales from 'more sustainable' products during a 12-month period (1 October 2020-30 September 2021). 'More sustainable' products are measured by Reckitt's Sustainable Innovation Calculator (SIC), a streamlined Life Cycle Assessment (LCA) tool that models the environmental impacts of products.
- Units: £ million
- Method: The Reckitt sustainability team compile and validate a master list of 'more sustainable' products using the Reckitt SIC. The methodology applied is consistent with that set out for the carbon, and water footprints. Carbon and water factors are applied to the raw material and packaging data of the selected products. These publicly available emission factors are sourced from Ecoinvent or the IEA and were updated during 2018 to reflect additional data-sets and more accurate data that had become available (e.g. Ecoinvent 3.4). The Plastics Indicator was added in June 2019 and only applies to projects launched after 1 June 2019. From January 2021, when considering the Ingredients parameter, we assess hazard, biodegradable, renewable and chemical footprint properties of the raw materials. To score a 'better' on Ingredients, the product must achieve a 10-point improvement vs the benchmark similar to the other metrics. Net revenue generated by the Reckitt Group for the 'more sustainable products' is obtained from the Reckitt finance team for all relevant countries in which the relevant products are sold and consolidated.
- Source: Net revenue generated by the Reckitt Group for the 'more sustainable products' is obtained from the Reckitt financial management system Fusion.

DIAL SCORE	CARBON (g CO <sub>2</sub> e/dose)	WATER (Effective water L/dose)	PLASTICS (Reduction/%PCR/ Recyclability)	PACKAGING (Reduction/%PCR/ Recyclability)	INGREDIENTS (Based on four Green Chemistry KPIs)	OVERALL SCORE (An aggregate score of all five dials)
	≥ 10 points (≥ 10 reduction)			≥ 10 points		<b>MORE SUSTAINABLE</b> ≥ 10 points
	≥ -1.5 points to < 10 points (between 1.5% increase and 10% reduction)			> -10 points to < 10 points		<b>AS SUSTAINABLE</b> > -10 points to < 10 points
	≤ -1.5 points (≥ 1.5% increase)			≤ -10 points		<b>LESS SUSTAINABLE</b> ≤ -10 points

### 2.3 – HR Performance

#### Parameter: Nationalities (not part of the Reckitt sustainability data assurance process)

- Definition: The number of nationalities at Board level; in the next-three bands of management of the Group (the Executive Committee, the Group Leadership Team and the Senior Management Team) and amongst all employees globally for whom data is available, on the last day of the Company's financial year (31 December).
- Scope: All full or part time permanent employees (i.e. excludes contract employees).
- Units: Number of different nationalities (i.e. employees' 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, myRB.

#### Parameter: Gender split

- Definition: The percentage of female employees at: Board level; in the next three bands of management of the Group (the Executive Committee, the Group Leadership Team and the Senior Management Team); and amongst all employees globally for whom data is available, on the last day of the Company's financial year (31 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 of that population for which data is reported (i.e. the board; the next three bands of management of the Company; and for all employees).
- Source: The Group's global HR database system, myRB.



## Reporting criteria and basis of preparation continued

### 2.4 – Health & safety at work

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

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

- Definition: a work-related accident/incident during the reporting period which resulted in an employee (including contract labour/temporary employees/contractors while on-site) 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 employee's normal place of work unless this is transport organised by Reckitt.
- Scope: covers Reckitt 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: number of accidents.
- Method: absolute number reported.
- Source: global, facility-level monthly health & safety reporting; and, global, facility-level annual health & safety data reporting process.

#### Parameter: Lost Work Day Accident Frequency 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 health & safety data reporting process.

#### Parameter: Occupational health/illness Frequency 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 health & safety data reporting process.

#### Parameter: Severe Accidents

- Definition: a work-related accident/incident during the reporting period which resulted in permanent disability of an employee (including contract labour/temporary employees) on-site or while on company business (including business travel), or of a contractor/visitor while on-site. For example, amputations or any permanent loss of sensory or motor dexterity (such as the loss of a fingertip).
- Scope: same scope as LWD Accident (above).
- Units: absolute number.
- Method: absolute number reported.
- Source: global, facility-level monthly health & safety reporting; and global, facility-level annual health & safety data reporting process.

#### Parameter: Fatality

- Definition: a work-related accident/incident during the reporting period which resulted in the death of an employee (including contract labour/temporary employees) on-site or while on company business (including business travel), or of a contractor/visitor while on-site.
- Scope: same scope as LWD Accident (above). Units: absolute number.
- Method: absolute number reported.
- Source: global, facility-level monthly health & safety reporting; and, global, facility-level annual health & safety data reporting process.

### 2021 RECKITT BASIS OF PREPARATION RELATING TO THE FOLLOWING SOCIAL SUSTAINABILITY PERFORMANCE INDICATOR SELECTED FOR INDEPENDENT ASSURANCE

**Target to 2030: Engage 2 billion people** with purpose-led partnerships, programmes and campaigns to promote awareness for a cleaner, healthier world.

#### 1. Introduction

ERM CVS has been appointed to provide limited assurance for the selected performance indicator relating to the above social sustainability target. This Basis of Preparation document sets out how the selected performance indicator, described in Section 2 below, has been prepared and reported, including the reporting periods.

This document has been prepared to align with our wider business goals and processes. As there are no mandatory guidelines or requirements applicable to the information in scope, we have captured all data through our internal data collection processes. These have been established in accordance with common industry practice, including where appropriate, estimates and assumptions.

#### 2. Scope of criteria

This document summarises the definition, organisational reporting boundary and data preparation for the performance indicator listed below.

We have made all endeavours to prepare a complete, accurate and consistent dataset, which reflects true performance and is meaningful to the user of the information. This is a relatively new area of reporting for Reckitt, and our data collection processes are emerging. Where any assumptions or estimations have been required, or specific exclusions are made, we have outlined these within this document. As with all our data processes, we aim for transparency and strive for continuous improvement.

##### 2.1. Selected social sustainability performance indicator

Various activities contribute to Reckitt's 2030 target to engage 2 billion people with purpose led partnerships, programmes and campaigns to promote awareness for a cleaner, healthier world.

All these programmes will contribute to a common performance indicator: the total number of people who are reached, directly or indirectly, through educational messaging.

Each contributing programme for the year is outlined in section 4, providing the following information:

- Brand
- Programme
- Countries or regions of scope

#### 2.2. Definitions

##### Educational messaging

Educational messaging is defined as messages that aim to create a cleaner, healthier world, delivered through a brand- or Reckitt-sponsored partnership, programme or campaign.

A full list of the partnerships, programmes or campaigns is outlined in section 4.

##### Reach

*Total reach* is the total number of people encouraged to improve their behaviour due to educational messages. It is calculated as the total number of 'direct reach' and 'indirect reach' per educational partnership, programme, or campaign.

*Direct reach* is the total number of people who engage with a partnership, programme, or campaign where there is the potential for interaction between the person and the activity they are engaging with.

This could include a presentation or lecture where there is scope for questions, a digital curriculum supported by tutors, or the distribution of educational materials via a professional (e.g. health care professional).

*Indirect reach* is the total number of people who engage with a partnership, programme, or campaign through the receipt of educational messaging, without the opportunity to engage further.

This could include:

- Watching educational video content, where the video uses an educational format. Please note: short product adverts, even containing information, do not qualify.
- Accessing educational content on a brand website – e.g. health & hygiene tips (for example, Your Family, Illness & Prevention, Healthy homes and Personal Hygiene sections on Dettol website), malaria prevention tips for Mortein or consuming educational content on the Durex website; only unique visits counted and only if the visit was at least 60 seconds long.
- Online Engagement with an educational campaign or an eCRM campaign: pledging support to the cause, or voting/participating in a campaign (e.g. pledges on websites for Global Handwashing Day)
- Sufficient engagement with educational content placed on social platforms (e.g. content placed on Facebook, Tik Tok, Weibo, VKontakte).

#### 3. Performance data preparation

Our objective is to gather and report reliable and robust data. We are committed to providing transparency on the quality of the data where we consider there are matters which are material to users of the information.

##### 3.1. Evidence requirements

Each partnership, programme or campaign that reports data against 'Total Reach' will submit supporting data showing clear evidence for reported reach. The information we report is subject to internal review processes.

Evidence could include:

- Agency reports detailing unique users, readers, video views or engagement through social media
- Digital campaign data showing engagement through votes, pledges, sign ups etc.
- Social media data showing meaningful engagement. (Please note, 'likes' are not included, and users must take a further action, such as commenting on or sharing a post, or viewing an educational video.)
- eCRM data showing the opening of educational emails.

## Reporting criteria and basis of preparation continued

### 3.2. Controlling for duplication

Where a partnership, programme, or campaign is active over a period, with multiple rounds of educational messaging delivered in the same area, only unique individuals will be counted. Where information on unique individuals is not available, we use the total reach figure for only the largest event per region, and assume all other reach is duplicative.

Where a partnership, programme, or campaign contributes to both direct and indirect reach, if there is a risk of people being included in both categories, the direct reach is excluded from the total figure to avoid duplication.

Where different educational programmes are run in the same regions, exposure to more than one educational programme could happen. Where this occurs, we use the total reach figure for only the largest event per region, and assume all other reach is duplicative.

### 3.3. Continuous improvement of data

Our data reporting systems for brand social sustainability targets and performance are evolving and we continue to work to align data recording and reporting methods across the Reckitt organisation. This includes working with third parties where we rely on their data to provide input and support our performance.

### 4. Included programmes for 2021

Brand	Programme	Countries/regions of scope
Air Wick	Wildflower habitats	New Zealand, Portugal
Dettol	Hygiene education in schools	Bangladesh, China, Greece, Hong Kong, India, Indonesia, Kenya, Nigeria, Poland, Saudi Arabia, South Africa
	Hygiene education and awareness for communities	China, Saudi Arabia, UAE, UK
	New Mums Programme: providing hygiene education to new mothers	Bangladesh, China, India, South Africa
Durex	Youth sexual health education	China, Costa Rica, India, Israel, Italy, Kenya, Poland, Russia, South Africa, Turkey
Enfamil	Embrace Life	Mexico, Philippines, Thailand
	Nutrition education	Poland
Finish	Water saving education	Australia, Czech Republic, Germany, Italy, Portugal, South Africa, UAE
Harpic	Sanitation and health education	Bangladesh, India, Kenya, Mexico
Intima	Women's health	France
Lysol	Disinfect to protect	Czech Republic, Russia
	Hygiene education in schools	Portugal, US
	New Mums programme	US
	Support for vulnerable communities	Colombia, Czech Republic, Peru, US
	Fluency	US
Nurofen	COVID vaccine education	Poland
	First aid education	Israel
Nutramigen	Nutrition education	Poland
Sagrotan	New Mums programme	Germany
Sico	Health education and awareness for communities	Mexico
Vanish	Help clothes live longer	Colombia, Chile, Czech Republic, New Zealand, Peru, Slovakia
Reckitt	Climate Resilience Index and Rewilding	India
	Maternal and child health	China, India, Mexico, US, Vietnam
	Family support	Czech Republic, Slovakia
	Water and sanitation access	Colombia, India, Indonesia, Kenya, Pakistan