



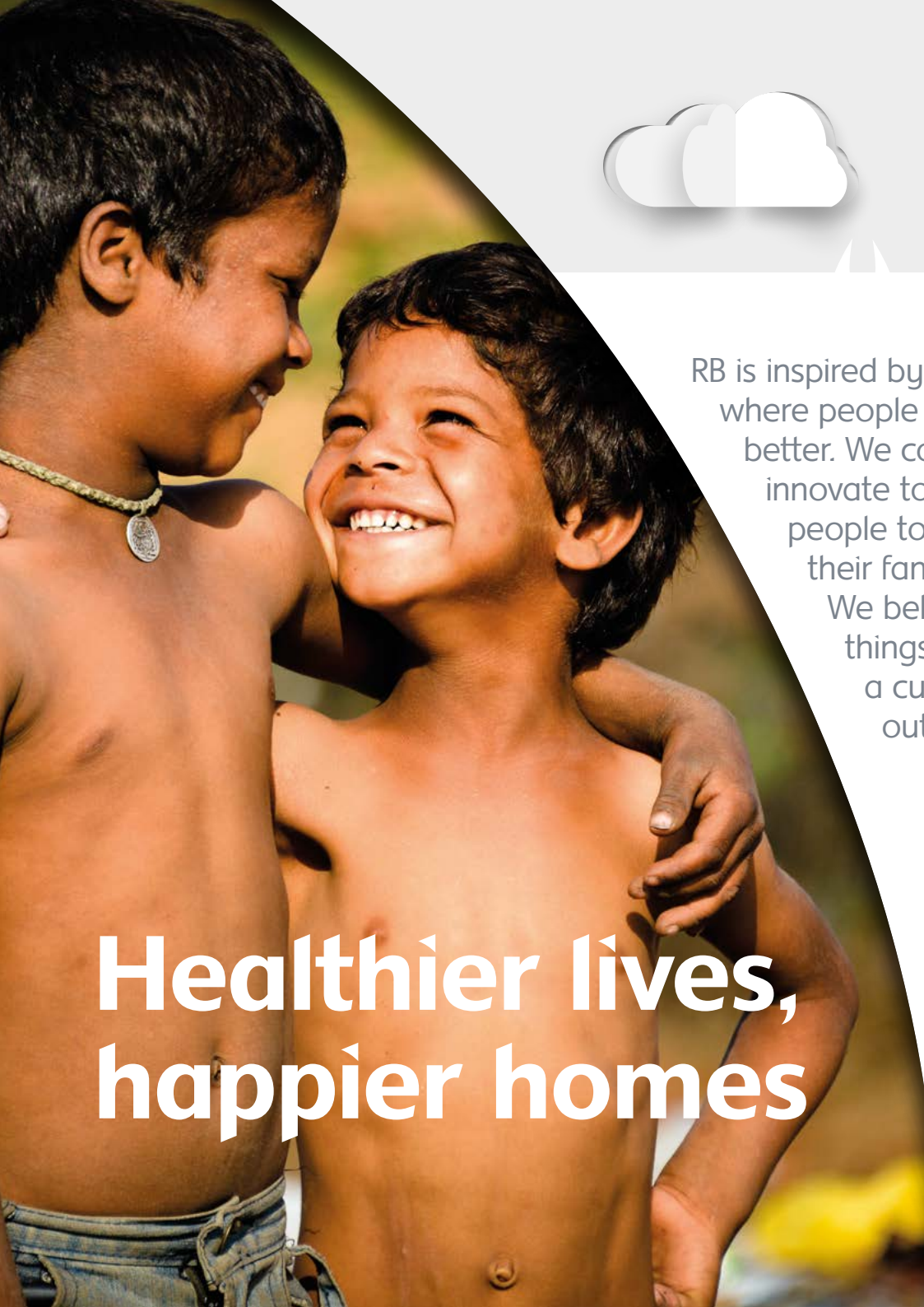
HEALTH ▸ HYGIENE ▸ HOME

Delivering our purpose

Innovative solutions for
healthier lives and happier homes



Reckitt Benckiser Group plc (RB)
Sustainability Report 2017



RB is inspired by a vision of a world where people are healthier and live better. We continually invest and innovate to find new ways for people to look after themselves, their families and their homes.

We believe passionately in doing things the right way and have a culture that pushes us to outperform, every day.



Health



Hygiene



Home

Healthier lives, happier homes

About this report

Our betterRB strategy is built on acting sustainably and responsibly.

What's inside

This is RB's 17th annual publication on sustainability and provides an account of how the business approaches and manages sustainability, how we are performing and our plans going forward.

Sustainability is a key component of RB's corporate strategy – **betterRB** – which articulates the ways the business is working to deliver healthier lives and happier homes. **betterRB** comprises three strategic pillars: **betterbusiness**, **betersociety** and **betterenvironment** (see page 3 for further details).

Performance on sustainability is shared across a suite of corporate communications including the Annual Report, two sustainability reports, online summary reports and other materials, all available on rb.com.

This 2017 Sustainability Report provides information that is considered to be impactful and engaging; it is complemented by a Detailed 2017 Sustainability Report which gives further information relating to RB's sustainability approach and performance aligned to our **betterRB** strategy.

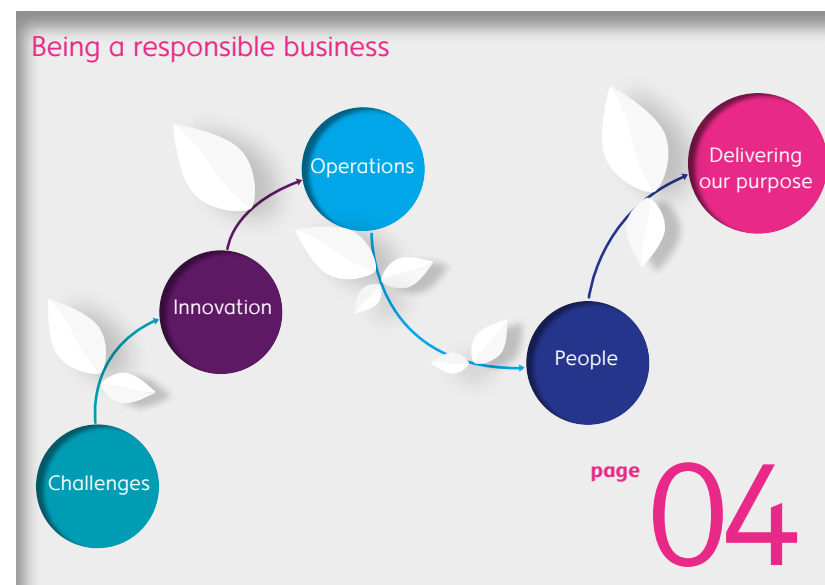
Unless otherwise indicated, performance data from Mead Johnson Nutrition (MJN) is not included in this report but will be fully included from 2018 onwards. All our 2020 sustainability goals are based on the 2012 baseline year unless otherwise indicated.

This report, along with the Detailed Sustainability Report, has been written in line with the Global Reporting Initiative (GRI) standards that help to provide a consistent framework for sustainability performance reporting.

Selected data within both reports has been independently assured by PriceWaterhouseCoopers LLP (PwC) – assurance metrics and information are summarised on page 26.

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Chief Executive's introduction

Delivering our purpose

Our purpose is to make a difference by giving people innovative solutions for healthier lives and happier homes. It is the cornerstone of everything we do and gives meaning to our work. We are defined by the benefit our brands have on people's lives, and as a purpose-led business we recognise the responsibility we have to make a lasting and meaningful impact on society. In 2017 we have made real progress with further embedding sustainability into our core business practices and strategies.



Rakesh Kapoor
Chief Executive Officer

Transforming RB

RB's acquisition of Mead Johnson Nutrition (MJN) in 2017 was the most significant transformation we have ever been through. The successful integration of MJN better positions us to deliver our purpose through the creation of an Infant and Child Nutrition (ICN) division. This addition to our business has given us the opportunity to join the global fight against child malnutrition and we have added the Sustainable Development Goal (SDG) of Zero Hunger to our key priorities.

To support the combination of two great companies we introduced *Responsibility* as a core value, enhancing our existing values of *Ownership, Entrepreneurship, Partnership and Achievement*. Responsibility means doing the right thing, even when it is hard. Our values set out the ways we are to act. They are what bind us together wherever we operate in the world and help to shape our corporate culture. During the year, initiatives took place across the business to refocus our attention on our five core values and demonstrate the ways in which they are being lived.

Diversity at RB has also been high on the agenda. Only by attracting, retaining and developing a diverse and inclusive workforce can we fulfil our potential for outperformance. The number of

female senior managers at RB increased in 2017, and we have raised the bar even higher by setting a strategic goal to double the number of talented women in senior roles.

In the 14th year of our partnership with Save the Children we increased our support for the charity, bringing the total invested over the course of our work together to over £33 million. The positive impact that we have been able to generate through our social programmes has led us to develop and launch a new strategy that focuses on three of the world's greatest unmet needs: sexual health and wellbeing; malnutrition and stunting; and health and hygiene. We are setting ambitious goals around each of these areas and an overall total impact measurement to monitor our success. As part of the development of our new strategy, we will be undertaking a broader review of our strategic partnerships during 2018. Our work to date has already led to over half a million people having better access to cleaner water and two million people developing a better knowledge of hygiene, and our new strategic approach will continue to develop our programmes and improve the lives of many more people.

Our greatest positive impact comes from our brands that exist to make lives healthier and homes happier

Reorganising for growth

Following RB's acquisition of Mead Johnson Nutrition and sale of the Food Business, we have restructured into two business units.

Learn more in our Annual Report or at rb.com

and cleaner. Education programmes and health and hygiene campaigns supplement our products, making a positive impact on people across the world. This can be teaching the importance of safe sex, building toilets for communities or eliminating preventable diseases like malaria and dengue. In 2017 alone we reached over 200 million people through our messaging and campaigns, bringing the total to over 568 million since 2013. This means we have achieved our 2020 goal to reach 400 million people ahead of schedule and will now evaluate new challenging targets to work towards.

2017 also saw significant enhancements to our Human Rights and Responsible Business programme. We established a dedicated Human Rights team to review not only our internal focus, but also to work with our suppliers and partners to enhance human rights across the value chain. With increased supply chain due diligence, over 100 audits were conducted. We also supported supplier capability building workshops in the United Arab Emirates and India to make our expectations as a business clear. Internally, we launched mandatory Human Rights training for all management which was completed by over 11,873 colleagues.

In 2012 we set ambitious 2020 goals to reduce our environmental footprint and have made great progress in reducing energy consumption, carbon emissions and waste production at our operations. The early achievement of these goals led us to push ourselves harder, replacing them with even more challenging targets. To deliver against our revised targets, this year we signed our first power purchase agreement (PPA) to buy exclusively renewable electricity from a solar plant in India for our Mysore facility.

A challenging environment

To ensure we continue to grow and develop as a business, we must reflect on and learn from the challenges that we have faced. The environmental accomplishments of our operations have been somewhat overshadowed by the disappointing progress made in reducing the carbon and water impacts of our products, which account for the

majority of our environmental footprint. Although providing products beneficial to health and hygiene does increase our carbon footprint and water impact, we do not believe in shying away from our commitments. We remain determined to find innovative ways of improving the environmental profile of our products. Encouragingly, we have continued to increase the amount of our Net Revenue that comes from products that are 'more sustainable' to 19% this year, and remain on track to achieve our one-third goal by 2020.

We were disappointed to narrowly miss inclusion in the Dow Jones Sustainability Index (DJSI), having been a constituent for the past three years. We are working to address the areas identified for improvement as well as increasing transparency, for example by enhancing our disclosures on tax. We look forward to demonstrating our progress in the next DJSI assessment.

The year ahead

This year, we committed to joining RE100 – a programme that unites global businesses in using 100% renewable electricity. We are reassessing our energy and carbon emission goals, informed by Science Based Targets and recommendations made by the Task Force on Climate-related Financial Disclosures, to ensure we are playing our part in keeping global warming below the critical two degree Celsius level.

We are driven by the belief that business success and a healthier, cleaner world go hand-in-hand – a formidable win-win situation. A healthier, happier world remains at the heart of our business model and strategy. Through the power of our purpose-led brands and the passion of our people, we will keep making the world better.

Rakesh Kapoor

Chief Executive Officer

“A healthier, happier world remains at the heart of our business model and strategy. Through the power of our purpose-led brands and the passion of our people, we will keep making the world better.”

Our betterRB strategy

Sustainability is at the heart of our **betterRB** corporate strategy which consists of three strategic pillars – **betterbusiness**, **betersociety** and **betterenvironment**.

The tables below summarise our 2017 performance across our three strategic pillars. Further details of our activities and achievements under each pillar are signposted throughout this report. Our Detailed Sustainability Report 2017, available on rb.com, provides additional data and information.



betterbusiness

The **betterbusiness** element of our strategy has four pillars: organisation and culture; Powerbrands; Powermarkets; and Virtuous earnings model. These combine to focus us on faster-growing markets and categories and enable us to outperform.

Goals	Status in 2017
40% Net Revenue generated in our DvM area by 2020	33% of total NR (2016: 31%)
80% Net Revenue generated by our Health and Hygiene categories by 2020	79% of total NR (2016: 75%)
Double the number of females in senior management positions from a 2016 baseline	24% of senior management are women (2016: 20%)
Continued reduction of injury rate (vs 2012)	13% increase in LWDAR since 2012 ¹ (2016: -33.8%)

¹ Updated reporting scope in 2017 includes accidents from organised travel and commercial (like-for-like is 36% reduction since 2012). Total recordable accident rate has decreased 33% since 2013.

betersociety

betersociety is about how we meet our responsibilities in relation to our communities and our products.

Goals	Status in 2017
100% of management employees completing human rights training by 2018	76% trained (2016: N/A ²)
Improved health & hygiene knowledge	2m educated (2016: 1.565m)
400m people reached by 2020	568m reached so far (2016: 365m)
100% ingredient transparency by 2020	63% NR from products with published ingredients lists ³ (2016: 66%)
1/3 Net Revenue from more sustainable products by 2020	19% NR from more sustainable products (2016: 13.2%)

² In 2017 we rolled out a requirement to complete human rights training to all functions globally. In 2016 the focus for training was site management and procurement.

³ Decrease a result of NR fluctuations in markets with published ingredients lists and our ingredients website in Australia being taken down while we complete a review of our approach to disclosure in this market.

betterenvironment

The **betterenvironment** element of our strategy sets out how we minimise our emissions, water use and waste, ensure we source responsibly and innovate to produce more sustainable products.

Goals	Status in 2017
1/3 reduction in carbon footprint of products by 2020 vs 2012	2% reduction (2016: 0%)
Reduce CO ₂ e in manufacturing by 40% by 2020 vs 2012	31% reduction (2016: 25%)
1/3 reduction in water impact of products by 2020 by 1/3 vs 2012	8% reduction (2016: 6%)
Reduce water use by 35% by 2020 vs 2012	37% reduction (2016: 31.8%)
100% of factories with zero waste to landfill by 2020	100% factories with zero waste to landfill (2016: 98%)
1/3 Net Revenue from more sustainable products by 2020	19% NR from more sustainable products (2016: 19%)

Key

● Achieved/on track to meet goal ● Key area of focus for 2018 ● Off track
NOTE: All goals are for 2020 and compared to a 2012 baseline unless otherwise stated.

Being a responsible business

Our business is about making lives healthier and homes happier and cleaner. We approach this through five key stages, as outlined below. This report describes our activities and performance for each stage.

betterRB

betterbusiness

betersociety

betterenvironment

Look out for our performance in each of these pillars throughout the report

See our Annual Report 2017

1

Addressing global issues

Our global brands and worldwide operations help us to make important contributions to some of the world's most pressing challenges

SDGs

We have identified the goals that we have the greatest ability to help achieve and share our contribution in this report

See more on page 7



Safety

- Safe and effective alternatives
- Transparent labelling
- Ethical testing of products

2

Responsibly developing innovative solutions

We design our products to be better for the environment, safe and more effective in making lives healthier

Sustainable Innovation

Helping to assess the viability of thousands of ideas to ensure products are increasingly more sustainable

Environmental impact

Managing the impact of products through their lifecycle including CO₂, water and waste

3

Operating in a sustainable way

We aim to minimise the impacts our operations have on the environment through sustainable production and responsible sourcing

Social impact

Using our corporate and brand resources to make a positive impact throughout the world

Hygiene Home

Happier homes and a cleaner world through brands like Dettol, Harpic and Mortein

Health

Healthier lives through brands like Durex, Enfamil and Gaviscon

5

Delivering our purpose

Our products improve the lives of millions of people across the world. They make lives healthier and homes happier and cleaner

Healthier lives, happier homes

4

Empowering and developing our people

People are what make RB outperform. Respecting them, keeping them safe and developing their skills and careers are essential for us to continue to deliver sustainable outperformance

Health, safety and wellbeing

We take pride in a culture where we put safety first, creating and maintaining safe working environments globally

Diversity and inclusion

A global team that values gender and cultural diversity as ingredients for better business

Human rights

Ensuring that the human rights of everyone in our value chain are respected

Responsible sourcing

Helping suppliers to develop more sustainable practices

Governance

I believe in the power of RB to make a positive contribution to the world. It is one of the reasons why I am so proud to have recently joined RB to lead Global Corporate Affairs and Sustainability.



Delivering our purpose – by providing innovative solutions for healthier lives and happier homes – enables us to support the delivery of the UN Sustainable Development Goals (SDGs) by working to eradicate the burden of preventable disease, improving infant and child nutrition (particularly during the first 1000 days) and helping the world live more sustainably within its planetary boundaries. Critical to this is how we integrate sustainability into our day-to-day business operations and across our value chains.

Our fundamental principles are compliance with local and international laws, ensuring our corporate standards are upheld and continuous improvement to make sure our commitments are fulfilled. We are also on a journey to better measure and evaluate our impacts.

Many of our brands already make a meaningful and material contribution to millions of people's lives. Whether it is Vanish working to reduce the burden of landfill of clothing in the UK; Dettol running handwashing and hygiene education campaigns in India; Harpic supporting the building of toilets and improved sanitation in Nigeria; or Durex working to promote sexual health and reduce the spread of sexually transmitted diseases in Russia, the communities we serve are the cornerstone of who we are as RB.

We have the power to create long-term value for stakeholders but we know we cannot do this alone. We want to listen to and collaborate more with those who share our vision to make the world better.

Miguel Veiga-Pestana
SVP Global Corporate Affairs
& Sustainability

RB's governance structure

RB's Board of Directors is responsible for the overall stewardship of the Group, which includes oversight of sustainability and corporate responsibility. The Board plays a key role in setting our values and standards and undertakes a formal review of sustainability matters at least once a year. The Board also regularly considers the significance of sustainability matters and their potential risk to the business as well as opportunities for enhancing value.

The Board is accountable for ensuring that our products and people are safe, the environment is protected and human rights are respected. They have ultimate accountability for the achievement of the 2020 betterRB strategy. The CEO has accountability for sustainability within RB.

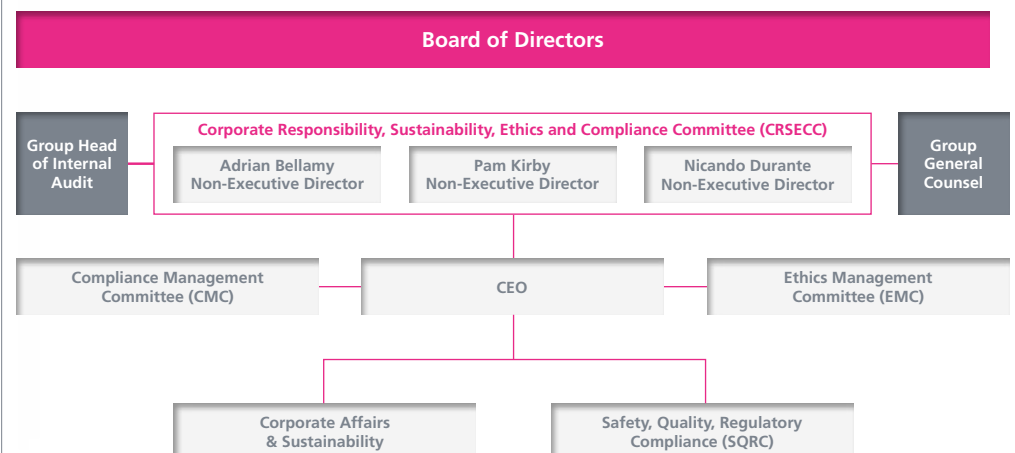
The Corporate Responsibility, Sustainability, Ethics and Compliance Committee (CRSECC) is a sub-committee of the Board and responsible for overseeing the implementation and progress of RB's sustainability strategy and reviewing performance against the 2020 targets. The Committee meets quarterly and is attended by the CEO and other executives.

The two management committees, the Compliance Management Committee (CMC) and the Ethics Management Committee (EMC), are operational in focus and are led by the CEO. They are responsible for overseeing the implementation of compliance and ethics activities across the Company, in conjunction with functional department heads.

In 2017, operational leadership for sustainability and related compliance moved from the Safety Quality and Compliance (SQC) function to the Corporate Affairs function to become more integrated with broader business teams focusing on delivering RB's purpose. Ingredients, Health & Safety, Environment, and Human Rights Compliance Managers ensure that policies, activities and processes are rolled out throughout the organisation.

The SQC function retains operational responsibility for health & safety, product safety and quality. In 2017 its scope was broadened to include responsibility for product regulatory compliance – previously part of our R&D function – and was consequently renamed to SQRC.

Both the SQRC and Corporate Affairs functions report directly to the CEO.





1



Addressing global issues

Our global brands and worldwide operations help us to make important contributions to some of the world's most pressing challenges



Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) outline the global priorities for ending poverty, protecting the environment and ensuring prosperity for all.

Our purpose is to deliver healthier lives and happier homes and in this context, we fully support delivery of all the SDG goals and supporting targets by 2030.

We believe we can make the biggest impact on the following four goals. We have also highlighted our contribution to other relevant goals - look out for the SDG icons throughout the report.



Gender equality

RB Pakistan was commended for Project Hope, which gives rural women the opportunity to break out of stereotypical roles and become entrepreneurs promoting health and hygiene behaviours within their own communities while earning a livelihood to support their families. Project Hope began with 600 households in 2016 and has this year grown to reach over 100,000 households.



Clean water and sanitation



Following the success of Banega Swachh in India, RB has expanded sanitation programmes into other countries:

Pakistan - launched school wash clubs and adult education programmes
Bangladesh - reached 3.9 million people, including a campaign for National Toilet Day
Sri Lanka - launched 'Clean Hands Clean Nation', promising to provide 100% sanitation to all Sri Lankans by 2025
Nigeria - directly impacted 3.3 million people in 2017 with hygiene and sanitation education programmes



Zero hunger

Following the acquisition of MJN, we will be adding Zero Hunger (SDG 2) to our key areas of focus from 2018. This aligns to MJN's mission to nourish the world's children for the best start in life. In support of this, we have published our first pledge on infant and child nutrition (available at rb.com).



Good health and wellbeing

Durex is now supporting people in embracing their own sexual rights while living a life free of STIs, discrimination and unwanted pregnancies. Increasing consumer access to condoms is essential for enabling people to lead healthy sex lives in communities with extra risk factors, such as amongst young people who are just starting to explore their own sexuality.

in communities with greater discrimination against women, and in developing countries where rates of HIV remain high.



Focusing on issues that matter

We routinely assess the sustainability issues that are most relevant to our business and its stakeholders to ensure that we are prioritising and communicating on areas that are relevant and material.

Our materiality assessment process

External drivers, trends and opinions are combined with the views and knowledge of internal contributors to determine relevant areas of focus for our external reporting. This process adopts both quantitative and qualitative inputs on sustainability issues and opportunities, generating a list of categories deemed to be material. Sources that inform our views and issues include:

- Reporting trends and external standards
- Audience research and stakeholder feedback
- Industry benchmarking and peer review
- International media review
- Input from internal experts or consultants
- Legislative reviews and updates
- Employee engagement
- Corporate risk register
- Business priorities and corporate values

RB carries out full materiality assessments every two years (in 2016 and 2018) with revisions taking place as needed in the interim, such as this year.

In 2016, RB conducted a comprehensive materiality assessment to identify social, environmental and economic issues significant to RB and its stakeholders. The findings helped to prioritise relevant sustainability issues for external communication and internal strategy development.

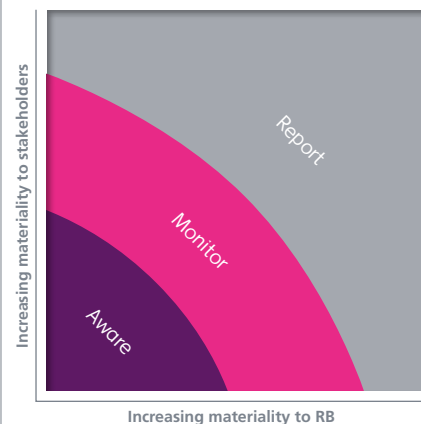
In 2017, a desk-based materiality review was carried out to determine if there had been any changes to the materiality of issues affecting the business.

The review concluded that two issues previously included within broader priority topics merited being added as priorities in their own right. These are data security and privacy; and bribery and corruption.

Our 2018 materiality assessment will incorporate relevant sustainability issues for Mead Johnson Nutrition (MJN), following their integration into RB in 2017.

 [See Detailed Sustainability Report online](#)

Reporting our material issues



We aim to report only on issues that are relevant and important to both stakeholders and RB

Engaging our stakeholders

Our stakeholders provide a useful insight into sustainability issues that concern them, either presently or looking to likely future trends. This learning is essential in ensuring we do not make assumptions about what is expected of us by our most important stakeholders such as employees, suppliers, customers, investors and non-governmental organisations (NGOs). We communicate regularly with a variety of different stakeholders both as part of our standard day-to-day business activities and as part of our dedicated materiality assessment process. Following the acquisition of MJN, we will review and expand the range of stakeholders we engage with.

Our sustainability priorities

The following table presents issues assessed as being material to RB and its stakeholders. More information can be found in the Sustainability Report (SR), the Annual Report (AR) and in the Detailed Sustainability Report (DSR), available on RB.com

Key issues	SR	DSR	AR
 Workplace			
Human rights	21	11, 17	
Employee health, safety and wellbeing	20	15	
Diversity and gender equality	19	12–14	
Talent attraction and retention	19	12	
 Healthier lives			
Disease prevention	22–25	20–21	
Health education and access	22–25	20	
 Our products			
Product safety and quality	11	21–23	
Product ingredients	11	21–23	
Packaging materials	10	23	
Animal welfare	–	22	
Innovation & research	9–10	21	
 Environment			
Climate change	10, 13–14	25–28	
Energy consumption and emissions	14	25–26	
Waste disposal	15	28	
Water consumption	15	27	
 Responsible sourcing			
Responsible sourcing	16	29–31	
Deforestation	16	29–30	
Biodiversity	–	29	
 Governance			
Legal compliance	–	–	52–98
Business ethics	–	–	52–98
Bribery and corruption	–	–	10
Corporate governance	5	–	52–98
Stakeholder engagement	8	–	67
Financial and business risks	–	–	42–51
Data security and privacy	–	–	48
Corporate tax	–	–	AR*
Executive remuneration	12	78–94	78–94

* Tax disclosures throughout AR. See RB's Tax Strategy at rb.com.

2

Responsibly developing innovative solutions

We design our products to be better for the environment, safe, and more effective in making lives healthier

Small changes, big impact

We have redesigned the packaging on Durex condoms, removing the leaflet and rolling out Forest Stewardship Council (FSC) certification to ensure our ingredients are sourced in a way that supports the environment and communities in which they are made (or grown).

See more at
www.rb.com



Sustainable products

It is essential that our products are designed and produced in a way that maximises the benefit to those who use them while reducing impacts on the environment.

Global challenges



Tackling climate change

Global warming will affect everyone on the planet, including through floods, droughts, rising sea levels and effects on food production. The need for concerted action is clear.

Water

In many parts of the world, millions face increasing levels of water scarcity. In addition, lack of access to clean water and sanitation continues to have significant impacts on human health and the environment.

Addressing packaging waste

Many of our products require packaging that if not properly used or recycled can end up being disposed of in landfills or the environment, including in oceans and other sensitive ecosystems.

Consuming responsibly

Resources are limited and pollution affects all of us. We want to do more with less while delivering products that improve consumers' quality of life.

Designing more sustainable products

We are committed to developing products that make a difference – using fewer or more sustainable materials in their manufacture and requiring less energy and water during use. Since its launch in 2013, RB's Sustainable Innovation App has become a key part of our product development process,

comparing the impacts of new products against other existing benchmarks. We have over 600 active users globally, and several thousand completed assessments. This helps the business to make informed decisions about new products as well as changes to existing products.

We aim to generate at least one-third of our Net Revenue from more sustainable products by 2020 and are currently on track with 19% meeting the criteria for being more sustainable than the predecessor.

Following RB's acquisition of Mead Johnson Nutrition, a suite of new ingredients, products and packaging formats are now being integrated into our portfolio. During 2018, our ongoing environmental activities will be expanded (to include MJN) and a full review of our performance metrics and ambitions will take place.

We continue to look for ways to help consumers reduce impacts while using our products, for example through offering formats that require less water in use. In 2018 we will be reviewing and refreshing our lifecycle product goals to reflect the business following restructuring.

Case study Hackathon



A live 28-hour 'hackathon' in June, brought together RB's R&D and marketing experts with creative and entrepreneurial minds from other leading organisations around the world. They formed three teams. Their mission: to pioneer blockbuster innovations that could protect children's health from the devastating effects

of air pollution exposure in China, where levels are among the highest in the world.

The teams presented their ideas to a judging panel – made up of esteemed healthcare experts – and a packed audience at the Cannes Lions festival. The product solutions proposed were: Dream Cocoon, a dome made of specially engineered charcoal bamboo fabric, which filters air while babies sleep peacefully in a cot; GrowAir, a protective, customisable face shield designed using soft, transparent plastic to clean the air children breathe in as they play outside; and the winning solution, StrollAir, a small, portable and convenient connected air filtering device that repels polluted air and provides babies in prams with a clean air 'bubble'. This product idea is now being investigated by RB's global R&D team.

Making progress betersociety

Aim	Status in 2017
1/3 Net Revenue from more sustainable products by 2020 ¹	19% NR from more sustainable products

betterenvironment

Aim	Status in 2017
1/3 reduction in carbon footprint of products by 2020 ¹	2% reduction
1/3 reduction in water impact of products by 2020 ¹	8% reduction

¹ Reduction per dose of product vs 2012 baseline year

Reducing environmental impacts

The vast majority of our products' lifecycle carbon emissions occur during consumer use (77%) and from raw and packaging material (16%), with only 2% being the result of our operations.

Similarly, our water impact is greatest at the point of use (88%), and from raw and packaging materials (12%), with <1% coming from our operations.

In 2017 our carbon footprint reduced by 2% and our water impact by 8% compared to 2012. Achievement of our lifecycle carbon and water goals continues to be a challenge given the inherent tension between our drive to increase access to hygiene and the resulting impacts on water use and carbon emissions – primarily from heating water.

Product stewardship

Developing, manufacturing and distributing products that are safe, effective and clearly labelled is the cornerstone of our product stewardship approach.

Management of ingredients

A number of internal policies support the development of safe products, and a dedicated team of over 100 scientists are responsible for the assessment of ingredient and product safety, ensuring all new products and reformulations are risk-assessed prior to launch.

The Company operates a Restricted Substances List (RSL) that is central to ensuring product developers are aware of restrictions on the use of certain ingredients. The RSL sets limits and prohibits the use of certain ingredients, in particular product types, and includes substances that RB has voluntarily decided to discontinue using on the basis of safety, sustainability, regulatory or consumer concerns. We also maintain a watch list of ingredients whose properties are being reviewed for future continued use in RB products. Our Detailed Sustainability Report 2017 includes more information on the RSL.

“Our goal is to ensure we develop safer and more sustainable products.”

Jennifer Duran

Global Director, Product Sustainability

Global issues



Management of ingredients

Regulatory compliance gives consumers a level of confidence but regulations can differ significantly across the globe. Internal policies ensure that stakeholders benefit from the highest standards of ingredient safety and quality.

Priority ingredients

The identification of new, safer and effective alternative ingredients is critical to ensuring products continue to meet or exceed regulations and enables their safety profile to be enhanced.

Ingredient transparency

Customers need to have clear and accurate information relating to the products they intend to use, provided in a convenient and accessible way. There is an increasing demand for greater ingredient transparency.

Plastics

There are growing concerns relating to the build-up of plastic, particularly in oceans and lakes, and the potential for them to adversely impact ecosystems and human health.

Priority ingredients

We have a number of internal and external programmes working with industry groups and suppliers to design safe and effective preservative alternatives. In partnership with the Green Chemistry and Commerce Council, we are actively looking for novel solutions that demonstrate effectiveness against bacteria and fungi.

We have updated our RSL restriction for isothiazolinones – a widely used preservative across our personal care and home care businesses. We continue to work with industry associations to help agree and ensure safe levels of isothiazolinones

Case study



Jontex, Olla and Lovetex
RB acquired three new sexual wellbeing brands in Brazil: Jontex, Olla and Lovetex. A decision was taken to replace ingredients relating to fragrance and lubrication that were not compliant with our global RSL of safer alternatives despite having no regulatory obligation to do so.

in our products, and where skin sensitisation is of potential concern, reformulations with safe and effective alternatives have been developed.

Ingredient transparency

RB exceeds regulatory requirements by providing full disclosure online of ingredients used in Health, Hygiene and Home products – excluding fragrances – in the US and Canada (visit www.rbnainfo.com for further details). In addition, RB welcomed the introduction of the California Ingredient Disclosure Bill, providing customers with effective product labelling information to make more informed purchasing decisions.

As part of our approach to fragrances we list online all known (EU 26) allergens in products that are present at >100 ppm. Moving forward, we will include on-label fragrance allergen statements for relevant products, which is of increasing importance to consumers with allergies and sensitivities to fragrances. Online, we are moving towards a comprehensive disclosure of 99.99% of fragrance ingredients and disclosure of fragrance ingredients below 100 ppm that are on one of the recognised hazard lists. We remain committed to full online disclosure of all products and are developing plans to ensure this happens.

Plastics

In recognition of the negative impact plastics and microplastics have on the environment, RB is phasing out use of directly added plastic microbeads across the personal and homecare portfolio. Polyethylene microbeads ceased to be used in Clearasil products in 2016, and after 2018 polyurethane microbeads will no longer be used in Vitroclen oven cleaning products. In both instances, silica based alternatives have been chosen, maintaining equal product performance. Microplastics have been added to our RSL to notify product developers of our desire to use safe and more effective alternatives.

Further details on our approach to plastics and packaging can be found in the Detailed Sustainability Report 2017. In 2018, we will be refreshing our approach to managing these important topics and mobilising a plastic task force to define programmes, targets and goals to reduce, reuse and recycle plastic across our portfolio.

Making progress betersociety

Aim

**100% ingredient
transparency**

Status in 2017

63%

**Net Revenue from
products with ingredient
lists published**

3

Operating in a sustainable way

We aim to minimise the impacts our operations have on the environment through sustainable production and responsible sourcing



“We are progressing well with our environmental programmes and I’m pleased we’ve achieved our water reduction goal three years early.”

Amedeo Fasano
Chief Supply Officer

Mysore's Solar Farm

Mysore, Karnataka, India, is the first RB factory to sign a Power Purchase Agreement under which they are to receive 100% renewable electricity supplied directly from a newly built solar farm. RB has committed to buying 3.5 million kilowatt-hours of renewable electricity over the next ten years, ensuring the necessary funding for the project is secured.

This supply agreement will reduce the plant's carbon emissions by 80% in addition to decreasing costs over the ten-year period.



Manufacturing responsibly

The world is facing unprecedented environmental threats, affecting our air, oceans, land and ecosystems that require urgent and collective action. At RB we are committed to addressing these global challenges, playing our part so that together we can make a real difference.

Global issues



Greenhouse gases (GHGs)

GHGs, such as carbon dioxide, contribute to climate change and it is therefore critical that we play a role in ensuring GHGs are significantly reduced to keep planetary warming below 2°C.

Water

In many parts of the world, millions face increasing levels of water scarcity and/or poor water quality. Our role is to seek ways to reduce the impact of our water footprint in our operations.

Waste

Only a small proportion of the world's waste is effectively reused, recycled or recovered, with the rest being sent to landfill, incinerated or ending up as litter. Our priority is to reduce the waste generated at our facilities and send zero waste landfill.

GHG emissions

Addressing climate change

Since launching our targets to reduce carbon emissions and improve energy efficiency in 2012, we have made significant progress, reducing energy consumption while purchasing renewable electricity. However, recent changes in our business, such as the acquisition of Mead Johnson Nutrition, has led to changes in our overall environmental footprint. As a result, we have decided to introduce new goals that reflect the new business.

It is our ambition to set carbon reduction targets that support climate science and help to keep global warming below the crucial 2°C level. We took our first step towards this in 2017 by reviewing our carbon emissions and developing a new reporting baseline. In recognition of Science Based Target setting and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), we have also reviewed our business strategy and

climate risks in line with various scenarios to establish future reduction opportunities and performance goals. We are currently preparing new long-term climate change goals that will ensure we deliver our commitments by 2030.

In support of Science Based Targets, we will continue to improve energy efficiency across our operations while further reducing absolute carbon emissions by expanding our use of renewable electricity across our sites. Additionally, given that RB's operations represent only a small part of our overall carbon footprint, we also plan to apply Science Based Targets to our wider value chain.

Case study

Bangpakong Energy Efficiency Drive

At our site in Bangpakong, Thailand, the Environment and Utilities team identified a number of potential energy saving opportunities.

By focusing on energy intensive processes including upgrading cooling towers; installing temperature, air and lighting controls; and integrating system improvements, the team were able to reduce the site's energy use by 15%.



GHG emissions continued

Improving energy efficiency

Becoming more energy efficient is an important way in which we can significantly lower carbon emissions, helping to decrease energy costs as well as our environmental footprint. Since 2012 we have reduced our energy consumption by a total of 19.9%, and in 2017 by 4.4% versus 2016, ensuring we remain on track to meet our 2020 goal.

Following the acquisition of Mead Johnson Nutrition in January 2017, a new Group-wide energy efficiency target is being established. To ensure we accomplish our carbon and energy reduction targets, energy efficiency measures shall remain a key priority for all operations with each business

identifying and implementing reduction plans while continuing to monitor and report their performance.

In 2017 we continued our energy efficiency programme, implementing further energy saving projects at our manufacturing sites. Examples included: heat recovery at our Nowy Dwor site in Poland; installing variable speed drives at our Porto Alto site in Portugal; cooling, air and lighting optimisation at our Bangpakong site in Thailand; and investment in thermal solar energy to heat water at our Mira site in Italy.

Renewables

In addition to energy efficiency initiatives, we are also increasing our use of renewable energy. We are committed to sourcing 100% renewable electricity by 2030 and have recently signed up to RE100. This goal will be achieved both by purchasing renewable electricity and installing on-site renewable sources at our own operations. In

2017 we signed our first Purchase Power Agreement (PPA) at our plant in Mysore, India, whose electricity will be supplied solely by the solar field nearby.

We measure and monitor energy consumption at a site level, using dedicated software to collect, assess and benchmark site performance, which identifies improvement opportunities across the business. Direct and indirect (Scope 1 and Scope 2) emissions are tracked following the Greenhouse Gas (GHG) Protocol and we have adopted dual market-based and location-based reporting in line with Scope 2 Guidance. See the Detailed Sustainability Report 2017 for further information.

RE 100

Energy efficient lighting, RB Mexico

RB's plant in Chihuahua, Mexico was able to reduce its warehouse's energy consumption by 50% after installing sunlight 'domes and tubes' and highly efficient replacement lighting.

The 'Solatubes' collect, multiply and project natural sunlight into the warehouse, removing the need for electrically powered lights.



Case study

Sustainable design, RB Hull, UK

By addressing sustainability issues during the early stages of design, buildings can be constructed and ultimately operate in efficient ways that minimise environmental impacts.

Project Wren (named after British architect Sir Christopher Wren) is due to be completed in July 2018 with the opening of RB's new £100 million Centre for Scientific Excellence.

The new centre is being designed in line with LEED (Leadership in Energy and Environmental Design) and is on track to achieve Gold status. Some of the main components engineered into the building include:

- Rainwater harvesting
- LED lighting throughout
- Photovoltaic cells on both roofs
- High efficiency boilers
- Thermal heat recovery systems
- Energy efficient windows



Making progress better environment

Aim	Status in 2017
40% reduction in GHG from manufacturing by 2020 ¹	30.9% reduction
35% reduction in energy consumption by 2020 ¹	19.9% reduction

¹ per unit of production vs 2012 baseline.

Manufacturing responsibly continued

Water

Using water more efficiently

We continually seek ways to reduce the water used at our manufacturing sites and other premises. By investing in better metering systems that allow us to more accurately monitor our water usage, we have been able to identify efficiencies and process improvements for reducing and recycling water across our sites. In 2017 we decreased our water use (withdrawals) by 6.8% compared to 2016 and by 36.5% since 2012. This means we have reached our target ahead of schedule.

This year all factories undertook an assessment of water discharge at their facilities to help identify future reduction opportunities. In addition, three factories in water-scarce locations have increased water reuse and recycling to achieve zero water discharge.

Case study

Reuse of treated water in processes



RB's plant in Hosur, India, set itself the goal of becoming a Zero Discharge Plant. Doing so decreases levels of waste water and increases recycling.

Following engineering and infrastructure modifications, treated waste water is now recycled and mixed with raw water within the manufacturing process. This has led to water savings averaging over 600,000 litres each month.

To provide accuracy and a better understanding of water usage, new software has been deployed across the organisation. This enables us to track performance at a more granular level and make comparisons across the Group, helping to identify opportunities for better efficiencies and facilitating the sharing of learnings and best practices.

Following RB's acquisition of Mead Johnson Nutrition, we have extended our water programme to these new sites and are defining a new commitment to further reduce water use.

Waste water discharge

We are committed to discharging waste water in a responsible way that ensures the environment is not degraded and that water is treated in the most efficient way possible. All production sites must implement the Group's waste water standard and ensure compliance with applicable local regulatory requirements. Our on-site waste water treatment plants undergo thorough and regular maintenance and are regularly modernised to improve their effectiveness.

This year, significant upgrades were made to facilities in Indonesia, India and Bahrain, with improvements and modifications being made at other sites.

Addressing water scarcity

We have assessed water scarcity across our operations and as part of our water efficiency programme have increased our efforts to use water in the most efficient way possible, particularly at sites located in water-scarce areas.

To help address concerns of water scarcity, facilities in these locations have invested in projects to increase water replenishment. For example, in India we are using geological analysis together with installing rain water harvesting and direct feeds into the water table to recharge local groundwater.

Making progress better environment

Aim	Status in 2017
35% reduction in water use in manufacturing by 2020 ¹	36.5% reduction

Waste

Responsible waste management approach

We are committed to reducing the levels of waste our facilities generate, improving the ways waste is treated and ensuring we send zero waste to landfill. This is done by purchasing products that are made of more sustainable materials, by reducing the waste we produce at our facilities and by choosing to recycle materials wherever possible.

This year, all of our factories have achieved Zero Waste to Landfill status – that is, alternative sustainable disposal methods were found for all waste including reuse and recycling. Each

plant has waste targets that are supported by a range of measures and projects to ensure their delivery. Furthermore, the waste management programmes and performance of suppliers and third-party contractors are assessed and monitored where necessary.

In our distribution operations, we have also worked with suppliers to develop reusable and returnable packaging, further reducing waste and transit packaging in our supply chain.

Case study

Investing in waste reduction

RB's Shangma plant in China identified an opportunity to reduce their waste volumes by installing more efficient plant machinery.

A new sludge pressing machine meant that approximately 60% of the water content could be pressed from their waste water treatment plant's sludge residues – a 10% improvement over the previous equipment.

This has led to a reduction of over 100 tonnes of sludge being disposed of each year and a 6% reduction in the site's total waste.

Making progress better environment

Aim	Status in 2017
Zero waste to landfill by 2020 at all factories	100% factories with zero waste to landfill
30% reduction in waste by 2020 ¹	21.4% reduction

¹ per unit of production vs 2012 baseline

Responsible sourcing

The production and supply of raw materials can lead to a number of social and environmental challenges. Through entrepreneurship and creativity, communities can become more sustainable.

Our Policy and Standard for Responsible Natural Raw Materials Sourcing outlines our minimum expectations for the natural raw materials used in our products. This includes our goal of achieving No Deforestation, Peat development and Exploitation of people (NDPE) in our supply chain. We carry out sustainability risk assessments of natural raw and packaging materials to identify priority materials for further action which include palm oil, latex and dairy, following the acquisition of MJN.

A comprehensive approach to palm oil value chains

Through our partnership with The Forest Trust (TFT) we have focused on developing a comprehensive understanding of our value chain by mapping and risk-assessing our palm oil supply chain. The review has encompassed issues at a local level and led to the development of programmes that support primary producers, dealers that purchase from them, and other organisations that process, ship and further refine, up to the point palm oil derivatives reach our manufacturing sites.

We are committed to working with our suppliers to drive industry change. However, where insufficient progress has been made in tackling identified issues, supply contracts will be terminated as part of our supplier delist process.

More power to smallholders

Smallholder farmers supply around 40% of palm oil globally and are the first link in our supply chains.

Helping to build smallholder resilience through improved farming techniques will help tackle the endemic social and environmental issues associated with palm production. This work, through TFT's

Case study

Working with palm suppliers

As part of a broader study, a survey of all our palm oil suppliers was initiated with Impactt Consulting, providing a better insight into the systems in place across our upstream supply chains to manage human rights risks. The research will support further engagement with suppliers, refineries and mills around human rights.



Global issues

Deforestation

Fostering sustainable production of materials, such as palm oil, to halt deforestation and preserve fragile ecosystems.

Labour practices

Collaborating with suppliers to develop fair and safe working conditions where human rights are respected across the value chain.

Environmental impacts of materials

Production of raw materials can have adverse environmental impacts through the supply chain. By partnering with suppliers, we can help create change at scale.



Rurality programme, has also enabled us to improve smallholder access to markets by building connections between them, dealers that buy their fresh fruit bunches and mills in RB's supply chain. In 2017, these connections have facilitated field visits to small farms where training on improved farm management techniques has been given.

Landscapes from the ground up

We know that palm oil production and its associated environmental damage and poor labour practices do not occur in a vacuum. Wider, macro-level socioeconomic factors, including government policy, internal and external migration, and inequitable distribution of land-use rights, also contribute significantly.

RB is keen to support initiatives that work to make sense of and address on-the-ground realities and develop innovative programmes with the potential to monitor the longer-term impacts. We have supported TFT's landscape level work to bring multiple stakeholders together to deliver meaningful, measurable and positive environmental and social benefits to the regions of Aceh Tamiang, Aceh Singkil and East Riau in Indonesia. This programme aims to ensure robust, environmentally and socially sensitive land-use plans for key geographies that are directly relevant to RB's supply chains. Our use of satellite and radar technology

is helping to provide independent monitoring of land-use change through 'Starling' – a partnership between TFT, SarVision and Airbus Industries.

We have made substantial progress with mapping, assessing and taking action in our palm supply chain and will continue to in 2018, including assessing the additional steps necessary to accelerate progress towards industry NDPE commitments. We will also continue to drive our responsible latex, paper and board sourcing programmes, as well as incorporating dairy into our work.

Making progress better environment

Aim	Status in 2017
100% traceability to mill for suppliers outside India (excluding surfactants)	88% traceability

100% traceability to port in India	90% traceability
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4

Empowering and developing our people

Our people are what make RB great.

Key ingredients essential for outperformance include keeping people safe, promoting diversity and inclusion, ensuring everyone is treated with respect and acts responsibly, and providing opportunities for our people to develop their skills and careers

“A diverse workplace goes to the heart of our passion to outperform.”

Gurveen Singh
Chief Human Resources Officer



Our people

At RB our outperformance starts with our people. We empower and develop colleagues in line with our values of ownership and entrepreneurship to deliver our purpose and drive our results.

Global issues



Our culture and values

Promoting a way of working and behaving that enables us to live our purpose.

Inclusive leadership

Leveraging the diversity of our talent to foster greater innovation and drive outperformance.

Reward and incentivisation

Combining a clear focus on pay for performance with RB's values and business model.

Employee wellbeing

Supporting and encouraging our people to lead healthier and happier lives.

Our culture and values

The unique culture at RB favours decision making at all levels. We are guided by our purpose and driven by a passion for outperformance.

In 2017 we introduced five principles that will guide and shape the way we operate throughout the transformation and beyond. We are obsessed with the *frontline*, *ownership & entrepreneurship* and *radical simplification*. We are *ready to disrupt* – digitally and with innovation – and the business unit (BU) structure enables a category focus and the development of expertise for different consumer segments.

The integration of Mead Johnson Nutrition presented an opportunity to review and reinvigorate our core values – ensuring that a shared culture sits at the heart of the business. We have five core values that combine to create a unique culture and identity that guide our behaviour, inform our recruitment and reward processes, support our purpose and drive us to continually aim for outperformance in whatever we do.

Responsibility underpins our culture and sits at the heart of our values. It means doing the right thing, even when it is hard, always putting the safety of our people and consumers first, and leading and acting with integrity.

In 2017, awareness and engagement events took place to embed the shared culture and values throughout the organisation.



Case study Spreading the word, Pakistan



RB Pakistan's team ran numerous engagement and education activities to help further embed the values across the organisation. An initial town hall meeting was supported by workshops, quizzes, crosswords and an interactive commitment board, where employees shared the ways they are living the values. The initiative resulted in value ambassador roles being established to keep the momentum going.

Case study RB values film festival, Romania

In Romania, teams of eight to ten people worked together to produce videos showcasing the ways in which RB's values are being lived. For further entertainment, additional interactive challenges took place, such as GPS treasure hunts. The main theme of the day was imagination!



Our people continued

Diverse and inclusive leadership

We are committed to helping deliver the UN Sustainable Development Goal (SDG 5) that addresses gender equality, and we take huge pride in our globally diverse workforce.

Improving gender balance and developing female leadership, engagement and retention are key focus areas for all functions and management levels across RB. In 2017 project DARE continued to promote the Development, Attraction, Retention and Engagement of talented women. DARE events, sponsored by Executive Committee members, attracted both male and female participants, lending further support to the gender diversity drive within RB. Lean In Circles give women an opportunity to 'lean in' and support each other, helping to build their networks. We now have 73 global Lean In Circles made up of over 660 members in addition to hundreds of local Lean In Circles within markets.

Unconscious bias and inclusive leadership are a core topic in RB's leadership development programmes, provided to over 1,500 managers in 2017. There is a continued focus to improve gender balance at all leadership levels, with diverse candidate slates being a prerequisite in our external recruitment and internal leadership succession planning processes.

During the year, we continued with our mentoring programmes for highly talented female leaders, with over 60% of our most senior female leaders participating across the business and many more junior females also taking part. In addition, the 'Stay in Touch Programme' helps to maintain contact between RB and mothers or mothers-to-be. Over 200 mums-to-be and new mums attended maternity webinars organised globally that provide support and guidance to women starting or returning from maternity leave.

This year the number of female leaders at Top 400 level increased to 24% from 20% in 2016, and in 2018 we will continue to focus on further embedding DARE and driving initiatives to improve gender balance.

Diversity for RB does not stop at gender. A diverse cultural balance is one of the characteristics of the RB workforce. Two-thirds of our sales and marketing leaders are working outside their home countries, and the vast majority of our senior leadership have international experience. Of the Top 40 managers in the company, 77% are non-UK nationals.

Employee wellbeing

In 2017 we launched the **liveyourbest** movement – a global programme that encapsulates the elements of our vision and distils it into practical guidance, local activities and encouragement for employees to put the vision into practice for themselves in their everyday lives.

With 4 pillars – emotional, physical, community and financial – **liveyourbest** provides a wide range of possibilities for a better life. The decentralised nature

of the programme means that across the world, countries and colleagues are able to focus on the activities that are most applicable to their individual circumstances or market setting.

In May 2017 the inaugural **liveyourbest** week facilitated focused engagement on each of the four pillars, with our employees around the world participating. A broad range of activities continue across RB's global operations, spread across the four activity pillars.

Making progress betterbusiness

Aim

Status in 2017

Double the number of females in senior management positions from a 2016 baseline

24%

of senior management are women

Case study

Lean In Circles

RB launched a Lean In Circle series under the umbrella of project DARE with young female boxers aged 12 to 20 in Karachi, Pakistan.

The ambitious and passionate participants connected with female RB employees who provided coaching and mentoring, helping develop confidence, self-awareness, communication skills and vision building. The programme in turn helps develop the coaching skills of the RB team.



Reward and incentivisation

RB's remuneration philosophy combines a clear focus on pay for performance with RB's values and business model to define how remuneration decisions are made. Core to the RB approach is the value of ownership, with individual achievements rewarded. In addition to salaries and benefits that fairly reward people for their contributions, skills and experience, RB also offers the opportunity to share in the company's success, for example by participating in share saving plans.

In living our values we encourage ownership amongst all employees, providing everyone an opportunity to share in RB's success. All employees globally can participate in the company share plan – a savings plan in which colleagues can save over three years any amount up to £250 per month. Deductions from payroll are used to purchase shares at a discount of 20% from the share price at the start of any given period, meaning that after three years the purchase price is that initially established. This means that gains can be made both from the discount as well as from any share price growth. Following the integration, MJN colleagues were immediately eligible to participate in the scheme.

Case study liveyourbest

Walk across Canada – Steps Challenge

RB employees in Canada took to their feet in a bid to become healthier, tracking the number of steps taken by individuals in a bid to see whether the wider team could walk a combined distance equal to the width of Canada. Over a three-week period, 8,450 km were covered with people walking to meetings and lunch, as well as 30 minutes of other physical activity every day.

Case study liveyourbest

Weigh-To-Go DvM weight loss challenge

Across Developing Markets (DvM), RB employees competed to lose weight over a six-month period through healthy weight loss. By driving momentum and focusing on the physical pillar of liveyourbest, participants adopted positive lifestyle interventions including more healthy eating and exercise. The effects were impressive and long-lasting with the winner losing 23% of his body weight in an impressive transformation.

Health & safety

It is the duty of employers to keep their people safe and healthy at work by minimising their exposure to risks and providing training, education and encouragement where it is needed.

Global issues



Safe at work

Providing a place of work in which people feel safe and secure and where their longer-term health is not adversely affected.

Driver safety

Ensuring that our people avoid motor-related incidents by providing road safety education and roadworthy vehicles.

A health & safety culture

Making health & safety a part of how people think and operate when at work, both individually and collectively.

Keeping people safe at work

We strive to create a safe work environment in which employee safety is put first wherever people work, from our research facilities through to manufacturing sites, warehouses and commercial offices. Every location operates a health & safety management system that adheres to the Company's occupational health & safety policy, global standards, code of business conduct and other specific guidance. The importance of these standards is recognised by our senior management team and forms an integral part of our culture and RB's responsibility value.

Since 2001 we have reduced our injury rate across operations by 91% and total recordable accident rate by 33% since 2013. Despite this progress, we remain determined to drive further improvements. Regrettably, in 2017 two RB employees had severe accidents relating to machine guarding, prompting a full investigation and subsequently resulting in enhancements to machine guarding standards and practices across the entire organisation.

Organised travel accidents involving multiple employees in both Mexico and Thailand have highlighted our responsibility to ensure the safety of our people travelling to and from work. We have revised the classification of our Lost Work Day Accident Rate (LWDAR) from 2017 to include accidents associated with organised travel and commercial offices. LWDAR for 2017 excluding organised travel and commercial accidents is 36% lower than 2012.

Case study

Driver training in India



A defensive driving and road safety training and awareness campaign was run for RB employees across India. The course resulted in 'golden rules' being established, supported by practical training, knowledge sharing among employees, tests before and after training, leadership messaging, and pledges being made by employees. In total, 2,589 employees dedicated over 7,000 hours during the year and further training sessions are planned for 2018.

Road safety

Road traffic accidents continue to be a cause of injury to RB employees, particularly within commercial operations. In response to this, RB has developed a Road Safety Standard that defines safer ways for colleagues to travel for business purposes or when commuting to work. Awareness initiatives during the year aimed to improve drivers' behaviour through education programmes and suggested preventative actions. A dedicated Road Safety Yammer page also helped to connect the RB community with over 3,500 colleagues sharing experiences, tips and initiatives such as the global Road Safety Week in November.

Building a health & safety culture

By fostering a culture of health and safety at work, we believe we can continue to reduce the number of incidents that occur. At RB, we call this a

Case study

Hands Safety, LATAM region



Across LATAM, RB sites engaged in activities ranging from creating site banners, hands safety training, glove use and line interventions to talk about the importance of workers protecting their hands.

safety-first culture. This means creating a workplace environment in which people consider their day-to-day behaviour and activities from a health & safety perspective, and feel empowered to discuss any concerns or improvement opportunities with colleagues and line managers.

Safety culture assessments performed across RB sites during 2017 have helped to build an understanding of how colleagues perceive and engage health & safety when at work. In addition, culture surveys were used to further understand existing views on workplace safety culture. Results from these engagement programmes help to identify ways in which we can enhance safety practices and build a more health & safety-focused culture, both at a local level and more generally across the organisation.

Making progress betterbusiness

Aim	Status in 2017
Continued reduction of Lost Work Day Accident Rate vs 2012	13% increase in LWDAR since 2012
All manufacturing sites with OHSAS 18001 certification achieved ¹	96% achieved

¹ Excluding recently acquired MJN sites.

Human rights

Everyone is entitled to live with dignity, freedom, equality, justice and in peace. We must do our utmost to ensure these fundamental principles are fully respected.

Global issues



Fair labour practices

Our goal is to ensure that places of work are safe, diverse, fair and respectful, and where forced, bonded and slave labour are eradicated.

Poverty and global inequality

We aim to provide decent employment opportunities and conditions for those within our supply chain to help deliver inclusive and sustainable economic growth.

Enhancing our focus to deliver change

In a world where there is significant social, political and economic uncertainty and change, businesses play an increasingly crucial role in ensuring that the human rights of workers, communities, employees and consumers are respected.

In 2017 we issued our first Modern Slavery Act statement and significantly enhanced the robustness and capabilities of our Human Rights compliance programme having established a dedicated team with regionally based resources.

We entered into a partnership with Intertek, who provide four regional Human Rights leads responsible for engaging with suppliers and internal teams in their respective regions. Within our highest risk regions – South Asia, the Middle East and Africa – we have directly employed human rights experts who proactively engage with suppliers and local procurement teams at a level previously not possible, resulting in a more collaborative approach to delivering sustained improvements in labour, health & safety, environment and business integrity standards within a challenging supply chain.

Effectively ensuring compliance

We have made understanding the baseline compliance of our third-party manufacturers (Copackers) a key priority in 2017, with a particular focus on South and North Asia, Africa, the

Case study Dubai



RB co-sponsored an AIM-Progress supplier workshop in Dubai focused on the challenges associated with recruiting and managing migrant labour. Speakers from FSI Worldwide and Vérité provided our suppliers with an overview of the complexity of the challenges faced within the region, the systemic issues associated with implementing anti-forced labour standards and examples of best management practices supported by local supplier testimonials.

Middle East and Turkey, resulting in 94 Copackers being audited, and all those deemed as high-risk having now been assessed. Moving forward, we will engage with Copackers to ensure effective remediation of issues to deliver meaningful and sustained improvements of the working conditions within these facilities, positively impacting workers. Learn more about our performance and approach in the Detailed Sustainability Report 2017 at rb.com.

Proactive engagement and partnership

On-the-ground compliance activities have led to targeted internal and external capability building initiatives, such as supplier workshops in India and Dubai. Suppliers are engaged on relevant topics that improve their understanding of issues, how to best manage them, and deliver positive change within their facilities and supply chain. Across the business, interactive human rights training was launched for all management employees on RB's human rights and responsible business requirements and reporting processes. The training has been taken by 11,873 employees, which represents 76% of all management level employees globally.

To effectively tackle human rights challenges, collaboration with industry, governments and other societal actors is essential. We are members with a leadership position within AIM-Progress – a forum of leading fast moving consumer goods (FMCG) manufacturers and common suppliers that enable and promote responsible sourcing practices and

sustainable supply chains. RB sits on the leadership team and co-chairs the Capability Building work-stream.

Future plans

Going forward, we plan to take a more holistic view of human rights by focusing on stakeholders within our value chain: from suppliers and partners to employees and end-consumers of products. In 2018, we are planning a range of initiatives to further develop our programme. These include identifying an independent global partner to provide expertise and guidance on our approach to enhancing human rights, further developing supplier grievance mechanisms, auditing high-risk raw and packaging material suppliers and conducting an impact assessment to measure the effectiveness of our programme. We are also looking at how we can expand the scope of our internal human rights programme beyond our manufacturing sites.

Making progress betersociety

Aim	Status in 2017
100% of management employees completing human rights training by 2018	76% trained



5



Delivering our purpose



Our products improve the lives of millions of people across the world. They make lives healthier and homes happier and cleaner



Case study One Young World

One Young World brings together the brightest young leaders from around the world to debate, formulate and share innovative solutions for pressing global challenges.

This year's annual summit brought together young talent from global and national companies, NGOs, universities and other forward-thinking organisations. They were joined by industry leaders, including RB executives, who presented this year on 'brands with purpose'. RB's theme was 'Change is a Choice', based on the insight that social change will not happen on its own. It takes like-minded people and organisations to consciously make the right choices in society.



See more at www.oneyoungworld.com

Social investment

As a large international organisation with brands and operations in all corners of the world, we recognise the opportunity we have to make a difference in the lives of millions of people.

Social investment that has an impact

RB's purpose means it is highly active in the field of social investment. We assess this investment with the same rigour we apply to investing in our commercial operations and use a global measurement standard to conduct our evaluation.

Whether it is stopping children dying from preventable diseases such as diarrhoea, building toilets to discourage open defecation or educating communities on hygiene habits or sexual health, our social investment is always designed to deliver the highest return on its purpose. In 2017, this investment benefited more than 8.9 million people around the world.

We not only evaluate how many people our community activities reach but also the impact of this work. That is, the number of people who experience positive changes in their circumstances because of our efforts. In 2017 we were able to assess the following impacts:

- More than two million people could report better knowledge about issues like diarrhoea and general hygiene
- 540,000 people had a better quality of life through access to cleaner water
- 505,000 people were making active, positive changes in their health or hygiene behaviour

Social impact investment

RB's 2017 contribution

505,000
people positively changed their health and hygiene behaviours

540,000
people have access to cleaner water

2,000,000
people have better health and hygiene knowledge

Global issues



Good health and wellbeing

Ensuring healthy lives and promoting wellbeing for all, at all ages.

Clean water and sanitation

Access to safe water and sanitation and sound management of freshwater ecosystems are a key means of ensuring human health, environmental sustainability and economic prosperity.

Partnerships

Working in partnership with stakeholders is key to solving the complex social and environmental challenges faced by the world today and to delivering long lasting scalable solutions.

Case study

Hoga Saaf Pakistan



Consistent with RB's vision of a world where people are healthier and live better, RB Pakistan launched the Hoga Saaf Pakistan (or Clean Pakistan) initiative in 2017.

The programme aims to create a healthier, cleaner Pakistan and addresses the loss of life caused there by diarrhoea. Every year 53,000 children in Pakistan die because of diarrhoea.

Together with our local partners in Pakistan, RB is improving the unclear and unhygienic

conditions that cause diarrhoea. Our programme focuses on improving health education, basic hygiene practices and hygiene/sanitation infrastructure in Pakistan.

The Hoga Saaf Pakistan initiative has already resulted in:

- ✓ A health and hygiene education programme being rolled out to over 600,000 rural households in 350+ villages
- ✓ A hand hygiene education programme designed to reach over 2.4 million children per annum
- ✓ A women's empowerment programme targeting 12,000 households. The initiative involves these women selling cost-effective health and hygiene products locally
- ✓ The creation of a hygiene curriculum, which is in the process of being introduced in Pakistan's biggest private schools network
- ✓ Hygiene education (in sign language) being taught to over 2,000 deaf children nationally
- ✓ 2,100 students from the top schools in Pakistan generating big ideas for eradicating diarrhoea, the results of which are being piloted in two villages

Purpose-led brands

RB strives to make a positive impact in the lives of millions of people through our global brands with purpose.

Brands with purpose

Our brands' education programmes and health and hygiene awareness campaigns directly reach millions of individuals around the world. Examples include helping mums prepare for a new arrival or building toilets for communities to reduce instances of open defecation. We also work alongside governments and NGOs to eliminate preventable diseases like malaria and dengue.

We believe that health and hygiene are inextricably linked, and that economic growth can only happen alongside the promotion of health and wellness.

Through our consumer touchpoints – in homes, in stores or through brand engagement and education programmes – we ensure that our leading brands have a positive impact on the world. As an international organisation, we recognise our responsibility to leverage our scale and expertise to deliver health and hygiene awareness around the world.

Case study Mortein Nigeria – World Malaria Day 2017



One million geo-targeted rain alerts forewarned people to prepare themselves for a higher likelihood of mosquito activity across the country. The #OneActAgainstMalaria campaign reached 6.4 million people, supported by other activities such as a Malaria Symposium that took place in partnership with the Nigeria Federal Ministry of Health. In addition, free malaria testing was available to consumers.

Global issues



Healthier lives, happier homes

Through our brands, we are working to eliminate preventable diseases such as HIV, diarrhea and malaria, which impact millions across the world. Our goal is to make people healthier and live better.

Making lives healthier

RB's commitment to healthcare extends beyond simply selling products. We use our global footprint to extend our education and messaging as widely as possible, stimulating action around health and hygiene understanding to drive behaviour change. Since 2013, RB has strived to reach 400 million people through our purpose-led programmes and educational campaigns. This target was achieved in 2017 and we are now aiming even higher with our ambition to impact the greatest possible number of people with health and hygiene messaging.

Making progress betersociety

Aim

400m people reached with health and hygiene messaging by 2020

Status in 2017

568m reached

Case study Durex – championing sexual rights



Durex has long been a leading brand in driving awareness around sexual health. It is our mission to support people to embrace their own sexual rights while living a life free of STIs, discrimination and unwanted pregnancy.

Increasing consumer access to condoms enables people to lead healthy lives, particularly in communities with extra sexual health risk factors. This could be young people who are just starting to explore their own sexuality, communities with greater discrimination against women, or in developing countries where rates of HIV remain high. In 2017, Durex continued to champion sexual rights through global brand and education campaigns, reaching over 176 million people.

Purpose-led brands continued

Protection against disease

Ensuring that homes, schools and community areas are free from germs that can cause disease is core to our purpose. Brands like Dettol and Lysol have been at the forefront of consumer hygiene. Our passion for protecting health is what drives our innovation and pushes us to continue the fight against preventable yet deadly illnesses such as diarrhoea.

RB brand programmes also work towards ensuring that households have access to safe and hygienic toilets and waste disposal.

Towards a cleaner world: Harpic

Communities across South Asia and Africa are now benefiting from the installation of Harpic-supported toilets. Along with a well-established toilet demonstration programme that is currently active across the region, Harpic is on a mission to help end open defecation. We believe that installing individual household toilets and Community-Led Total Sanitation (CLTS) programmes are the best way to create change. Supporting toilet building projects helps to prevent disease and improve sanitation facilities.

Case study

Spotlight on Harpic: Sri Lanka and India

The Harpic Mobile Toilet Programme is now in its third year in Sri Lanka. As part of the Harpic Mission Wellbeing Initiative, which promises to provide 100% sanitation to all Sri Lankans by 2025, the brand is committed to supporting the UN's Sustainable Development goals.

In India, Harpic is part of the wider Banega Swachh programme. RB operates in tandem with local government and experts to ensure that the necessary infrastructure is in place to support and encourage sanitation behaviour change. The objective is to improve the hygiene and sanitation standards of 100 million people in India by 2020. We recognise that the challenge of open defecation cannot be solved by building toilets alone, and that changing behaviours is equally, or perhaps more important. We've launched a programme alongside our partners to create Sanitation Change Leaders to help change people's attitudes. This is already active in

200 villages across Bihar and Uttar Pradesh. RB's expertise in hygiene-related products combined with on-the-ground partnerships is already improving sanitation in these communities.



Investing in our future: Dettol

Dettol runs educational programmes around the world that teach school children about healthy hygiene habits. They are designed to engage and interact with children, meaning they have fun while learning the steps to healthy handwashing. By providing teachers with the resources to support children, good hygiene habits are reinforced and behaviour change starts early. Dettol will keep encouraging kids to keep their hands healthy, so they take the message home to their families and friends too.

Dettol School's programme

Since 2013, over 100 million children have been reached by Dettol's handwashing and hygiene campaign.



Assurance

Reporting standards

This report has been prepared in line with the Global Reporting Initiative's (GRI) Standards. This report, along with our Detailed Sustainability Report 2017, meets the 'core' requirements of the standard. A GRI Content Index is provided in the Detailed Sustainability Report 2017, found online at rb.com. In preparing this report, we referenced the criteria and principles of accountability set out in the AA1000 Assurance Standard (2008) and the AA1000 AccountAbility Principles Standard, produced by AccountAbility. We also took into account the evolution of best practice in corporate sustainability reporting. The principles and methodologies we have used in reporting sustainability performance data for 2017 are available in our Reporting Criteria and Basis of Preparation, available at rb.com.

External assurance

We engaged PricewaterhouseCoopers LLP (PwC) to undertake a limited assurance engagement, reporting to Reckitt Benckiser Group plc only, using International Standard on Assurance Engagements (ISAE) 3000 (Revised): 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and ISAE 3410: 'Assurance Engagements on Greenhouse Gas Statements' over certain KPIs set out in our Detailed Sustainability Report marked with the symbol '+'. These KPIs have been set out in the table opposite. Their full assurance opinion is found on pages 33–34 of our Detailed Sustainability Report 2017.

Unless otherwise indicated, performance data from Mead Johnson Nutrition is not included in this report but will be fully integrated from 2018 onwards. All 2020 sustainability goals are based on the 2012 baseline year unless otherwise stated.

Table of indicators subject to PwC's limited assurance scope

	Units	2012	2013	2014	2015	2016	2017 [†]
Healthier Communities (Social Metrics)							
People reached to improve their health and hygiene	millions (cumulative)	–	24	141	237	365	568
Better Design (Product Metrics)							
Total Net Revenue from more sustainable products ³	£ million	–	230 [†]	325 [†]	558	1,193	1,824
Total carbon footprint	grams per dose	65.9*	–	–	–	64.6*	64.6
Total water impact	e-litres per dose	8.9*	–	–	–	7.8*	8.2
Manufacturing Responsibly (Environment Metrics)							
Total GHG Scope 1 and 2 emissions from manufacturing, R&D, offices and warehouses ⁴	tonnes CO ₂ e	–	–	–	294,087	269,045	227,766
GHG emissions from energy use in manufacturing and warehouses ⁴	tonnes CO ₂ e per 1,000 CU	0.0402	0.0392	0.0374	0.0347	0.0313	0.0278
Total waste at manufacturing and warehouses	tonnes per 1,000 CU	0.0117	0.0114	0.0105	0.0100	0.0094	0.0092
Hazardous waste at manufacturing and warehouses	tonnes per 1,000 CU	0.0016	0.0016	0.0014	0.0012	0.0013	0.0013
Water discharges from manufacturing and warehouses	m ³ per 1,000 CU	0.496	0.344	0.289	0.281	0.289	0.238
Energy use at manufacturing and warehouses	GJ per 1,000 CU	0.4704	0.4488	0.4130	0.3959	0.3939*	0.3767
Water use at manufacturing and warehouses	m ³ per 1,000 CU	0.964	0.788	0.718	0.675	0.657	0.612
Our People (Health & Safety Metrics)⁵							
Lost Working Day Accident Rate ²	per 100,000 hrs	0.107	0.107	0.093	0.080	0.071	0.121⁶
Employee fatalities	number	1	0	0	1	2	0
Severe accidents	number	1	1	2	3	1	2
Diversity⁵							
Women employed – Board	% at 31 December	20	10	17	29	27	27
Women employed – senior management	% at 31 December	16	17	19	19	20	24
Women employed – global employees	% at 31 December	41	42	42	42	42	44

[†] 2017 data included in PwC's limited assurance scope referred to on this page.

* Values re-stated due to methodological improvements made in 2017; refer to our Detailed Sustainability Report 2016 for original values.

¹ 2013 and 2014 total Net Revenue from more sustainable products Q1–Q3.

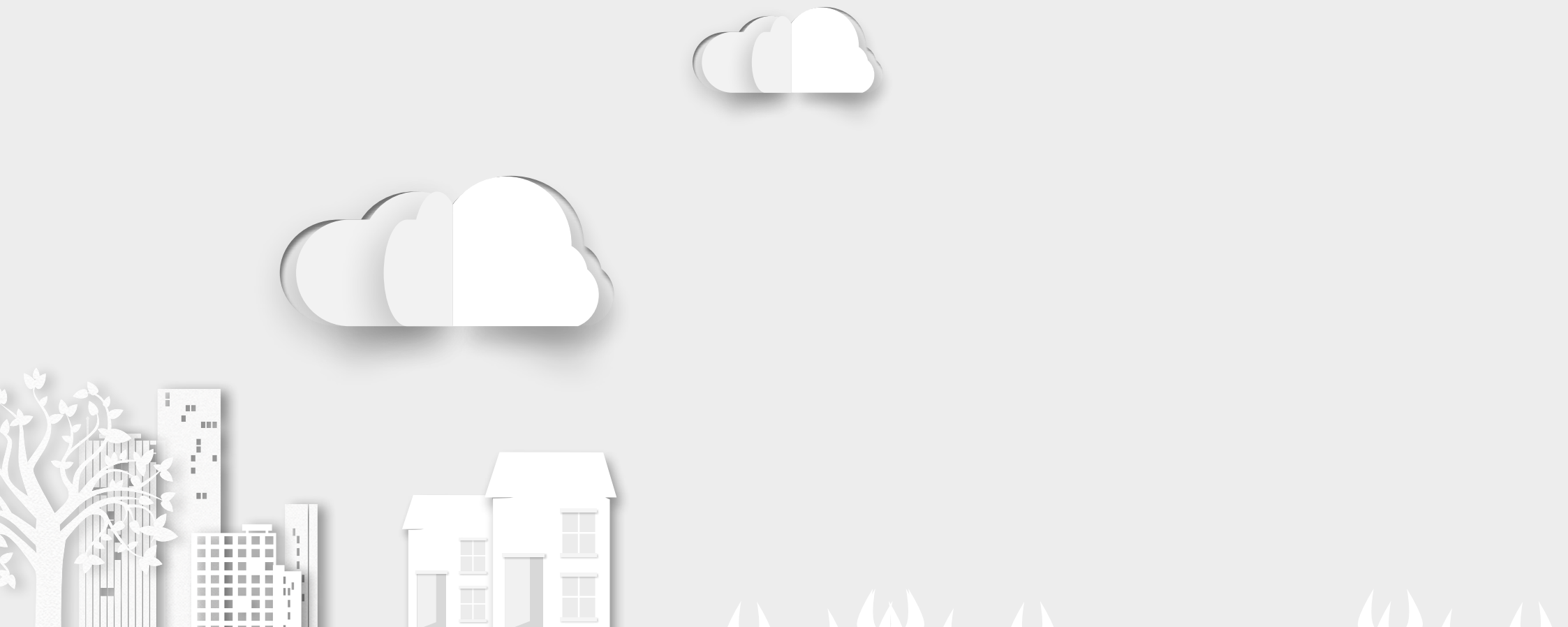
² LWDAR from manufacturing, warehouses and R&D through 2016. 2017 also includes commercial offices and organised travel.

³ DvM data from Q4 2016–Q3 2017; ENA data covers FY 2017. Prior year data sets have been prepared on a Q4–Q3 basis.

⁴ Moved to Scope 2 market-based reporting for 2016 and 2017 GHG emissions as outlined in our Reporting Criteria and in line with the GHG Protocol Scope 2 Guidance (2015).

⁵ Excludes results and performance from MJN acquisition with the exception of health & safety metrics and diversity metrics, as detailed in our Reporting Criteria.

⁶ LWDAR for 2017 includes accidents for commercial offices and organised travel. LWDAR for 2017 excluding commercial offices and organised travel is 0.068 (for year-over-year comparison purposes).



HEALTH ▾ HYGIENE ▾ HOME

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