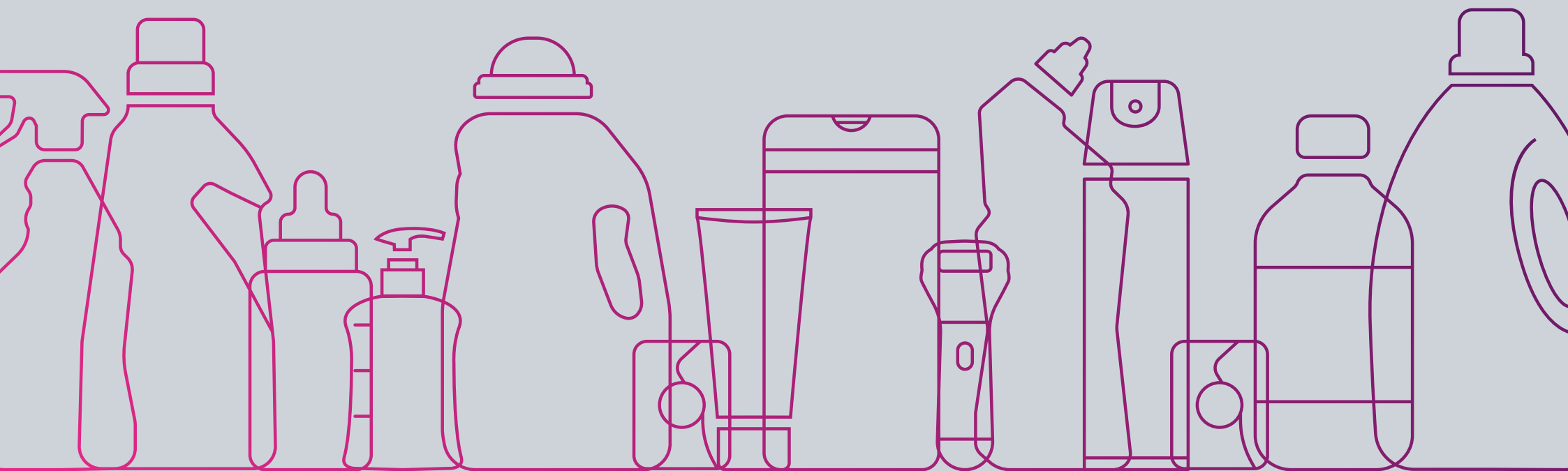




HEALTH ▸ HYGIENE ▸ HOME

RB Sustainability Insights 2018





Contents

Changing Our Approach to Reporting

We believe better transparency and stakeholder engagement delivers better reporting, and we are evolving rb.com/responsibility accordingly.

Our new RB Insights can be individually or collectively downloaded, offering detailed information tailored to each stakeholders’ needs. More information on this is found within the ‘Sustainability and Assurance’ Insight sheet. This is part of RB’s continuous improvement journey and we would welcome your feedback toward further improvements.

Sustainability governance and strategy	01-03	Responsible sourcing	41-46
Materiality and stakeholder engagement	04-06	Climate change	47-53
Business conduct	07-09	Understanding climate change risks	54-55
Our people	10-13	Water resources	56-61
Diversity and inclusion	14-17	Plastics and packaging	62-65
Employee health & safety	18-20	Waste from our operations	66-67
Human rights and responsible supply chains	21-28	Sustainability reporting and assurance	68
Partnering for social impact	29-32		
Product stewardship	33-36		
Sustainable innovation	37-40		

Sustainability governance and strategy

Delivering purpose through our business and brands is central to our mission to provide innovative solutions for healthier lives and happier homes. We work to ensure that sustainability is fully integrated into our business; from raw material sourcing, manufacturing operations, marketing programmes and community partnerships, to the use of our brands.

1. Delivering Our Purpose

Our responsibility to make a lasting and meaningful impact on society.

2. Our strategy

Our strategy to integrating sustainability across our value chain.

3. Governance structure

Our structure for ensuring proper stewardship and oversight of our sustainability work.

1. Delivering Our Purpose

Delivering purpose through our business and brands is central to our mission to provide innovative solutions for healthier lives and happier homes. We work to ensure that sustainability is fully integrated into our business; from raw material sourcing, manufacturing operations, marketing programmes and community partnerships, to the use of our brands.

For the people who value and enjoy our brands, the communities where they live and where we work, our social impact is central to RB's long-term success. We know that by doing well, we do good. In doing so, we also contribute to the delivery of the UN Sustainable Development Goals.

Our vision of Healthier Lives and Happier Homes means our brands and programmes create this inclusive growth and social impact. India's Banega Swachh hygiene and sanitation programme, our partnership with (RED) on HIV/AIDS, or our US programme with healthcare professionals that brings health advice and support to more people are great examples of this.

These are enabled by our business structures and processes; our focus on reaching more people; our commitment to product safety and quality; our innovative new products; our in-depth medical research; our drive to preserve natural resources and source responsibly; as well as strict compliance to the highest operating standards.

However, we know that there is so much still to do if we want to have an impact at scale. We know that we need to collaborate more – with civil society, governments, our suppliers, our customers and other key stakeholders. It is only by acting in concert that we can have an impact as big as we want or as big as the world needs.

Our aim is to reach billions of people through our brands and programmes. Our goal is to have sustainable, long-term partnerships that create greater scale, share knowledge and deliver more impact. Building partnerships is critical, alongside the skills and resources we bring to bear. We also know we don't yet have all the answers, and others can help. We are working hard to understand what more we can and should do, and with whom we can work both on the ground and through advocacy to bring more people into the mix.

We are developing our approach so that the whole of RB works effectively within this framework; leveraging our value chains, our brands, our partnerships, and our overall business so that the better we do, the more positive social impact we can create.

Miguel Veiga-Pestana

SVP Global Corporate Affairs & Sustainability



Sustainability governance and strategy continued

2. Our strategy

Purpose is at the heart of our business and our mission to provide innovative solutions for healthier lives and happier homes. Our business units have specific visions which emphasise our purpose – for our Health business, it's all about 'health in your hands' while our Hygiene & Home business aims to 'create a cleaner world'.

Critical to how RB delivers our purpose is how we integrate sustainability into our day-to-day business operations and across our value chains. This drives our efforts to evaluate, measure and address our impacts, ensure compliance with local and international laws, uphold our corporate standards and aim for continuous improvement to make sure our commitments are fulfilled.

We support the delivery of the UN Sustainable Development Goals (SDGs), and see this as a vital blueprint to address the challenges the world faces up to 2030 and beyond. Our businesses have identified the SDGs where they can have the greatest impact. By working to eradicate the burden of preventable disease, enhancing hygiene, improving infant and child nutrition (particularly during the first 1,000 days) and helping the world live more sustainably, RB can have a positive and lasting impact.

Our materiality studies help us identify the areas where we can and need to have the most impact. Working with our various stakeholders, internal and external, we identify the most material issues and craft our strategy and operations to prioritise these and measure the impact we create. This means that we create the most impact on critical issues such as the global health agenda where our work complements the WHO's priorities; climate change where we contribute to delivery of the Paris Agreement; or our many other brand, operational and community programmes that help deliver the SDGs.

The people we serve are the cornerstone of who we are as RB, with many of our brands already making a meaningful 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 partnering with water.org to tackle the global sanitation crisis; or Durex joining forces with (RED) to fight AIDS in South Africa.

RB has the power to make a positive contribution to the world, but we know we cannot do this alone. By listening and collaborating with those who share our vision to make the world better, we can deliver long-term value to all our stakeholders, at a greater scale and with greater impact.

Strategic pillars

Sustainability is at the heart of our corporate strategy, which consists of three strategic pillars – better business, better society and better environment. More information on these pillars and our 2019 priorities can be found in RB's 2018 Annual Report. Our sustainability targets and the progress made on them can be found in the relevant subject area's RB Insight.

better business

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

better business includes our approach to diversity and inclusion and our work to achieve the highest standards of governance.

better society

better society is about how we meet our responsibilities in relation to our communities and our products. We are known for outperforming in business and we also aim to outperform expectations in social impact.

better environment

The better environment element of our strategy sets out how we minimise our emissions, water use and waste, while ensuring we source responsibly and innovate to produce more sustainable products.



[Click here to read our 2018 Annual Report.](#)

Sustainability governance and strategy continued

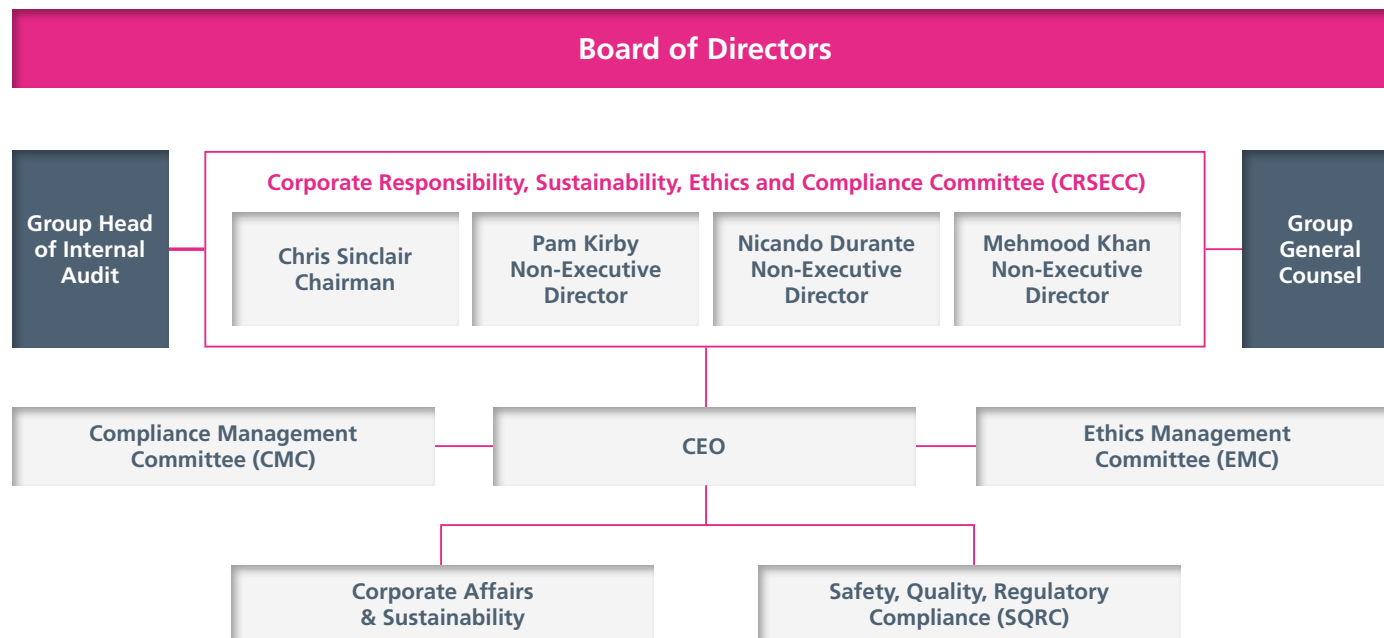
3. Governance structure

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 strategy. The CEO has accountability for sustainability within RB.

The Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee is a sub-committee of the Board and is 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 or Finance Director and other senior executives.

There were changes to the CRSEC Committee during the year. Our former Chairman of the Board, Adrian Bellamy, stepped down as a member of the Committee and Board in May 2018. Our new Chairman, Chris Sinclair, joined the CRSEC Committee on 1 May 2018 and our new Non-Executive Director, Mehmood Khan, joined the Committee on 1 July 2018.



There are two management committees where sustainability matters are also covered, the Compliance Management Committee (CMC) and the Ethics Management Committee (EMC) – these are operational in focus and 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.

Leadership for sustainability and related compliance sits with the Corporate Affairs & Sustainability function, with operational leadership and delivery through Brands, Supply Chain and Safety, Quality, Regulatory Compliance (SQRC). The SQRC function retains responsibility for health & safety, product safety and quality, as well as responsibility for product regulatory compliance.

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

[Click here to read more about the CRSEC Committee in our Annual Report.](#)

Materiality and stakeholder engagement

We routinely assess the sustainability issues that are most relevant to our business and our stakeholders, ensuring that we are prioritising our commitments and resources on areas that are material to us. We will share progress through our routine reporting and wider communications, which also helps us continue to engage with our various stakeholders and maintain a sense of developing priorities.

Our material issues

We consider a number of broad areas in assessing the most material issues for RB and our stakeholders. The table shows a summary of the material issues for RB and its stakeholders, the relevant SDGs and links to further information on our website and detailed RB Insights. Additional information can also be found in our Annual Report.



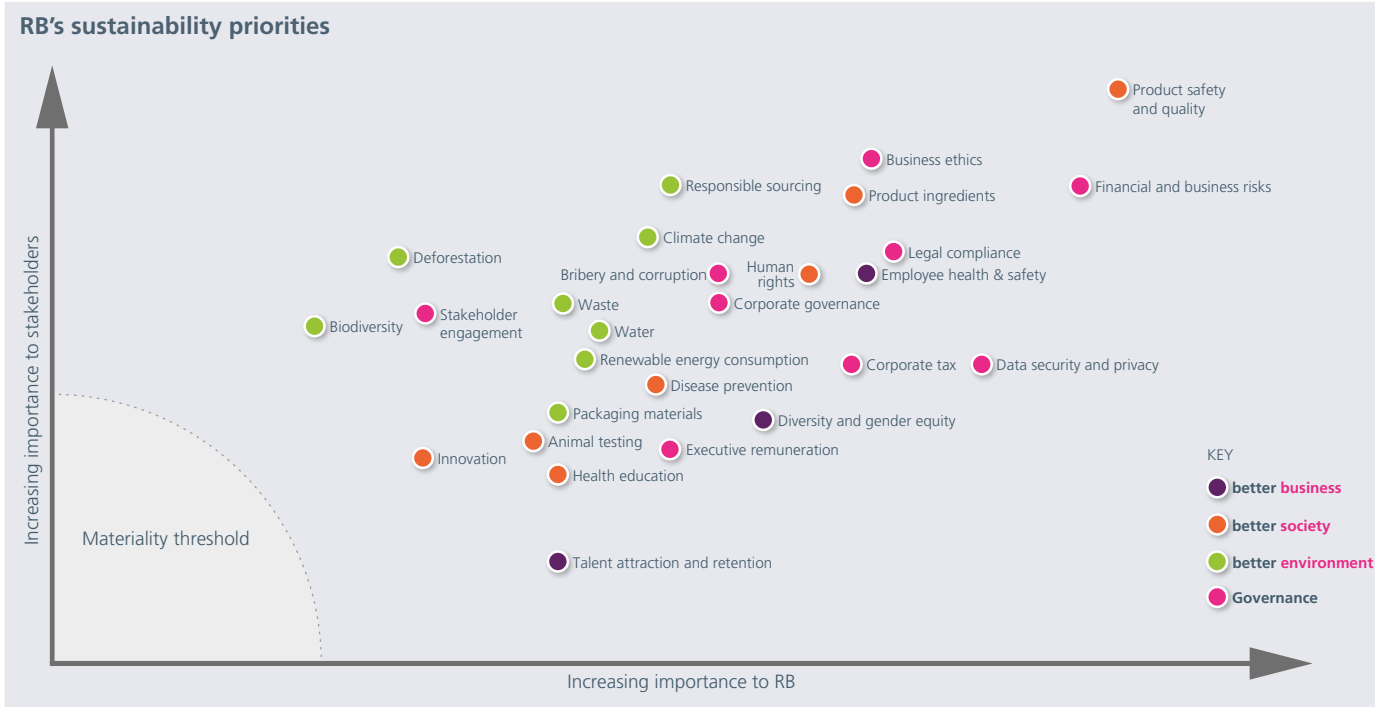
Click here to read more about these topics in our Annual Report.

Key issues	Website	SDG
Workplace		
Human rights		
Employee health & safety		
Diversity and gender equality		
Talent attraction and retention		
Healthier lives		
Disease prevention		
Health education		
Our products		
Product safety and quality		
Product ingredients		
Packaging materials		
Animal testing		
Innovation		
Environment		
Climate change		
Energy use and renewable energy		

Key issues	Website	SDG
Environment continued		
Waste disposal		
Water consumption		
Responsible sourcing		
Responsible sourcing		
Deforestation		
Biodiversity		
Governance		
Legal compliance		
Business ethics		
Corporate governance		
Stakeholder engagement		
Financial and business risks		
Data security and privacy		
Corporate tax		
Executive remuneration		

Materiality and stakeholder engagement continued

Reporting our material issues



Our approach

At RB, we are committed to identifying and addressing sustainability issues and opportunities that are important to all our stakeholders. We build these issues into our day-to-day activity and business strategy, to deliver RB's objectives and build resilience and opportunities for the future. Transparent communication of our sustainability priorities and performance is important to us and we share this information widely across a range of media.

Our review from 2016 prioritises the material issues for our work. However, we recognise that we operate in an ever-changing

environment and that it is important to review our sustainability profile to ensure it remains relevant to both the business and our stakeholders.

Updating our materiality review

We are completing a new comprehensive assessment of the most material issues across our business in 2019. For RB, our assessment provides the groundwork for the next phase in our sustainability journey. The outcome will inform the development of our new strategies and activities in 2019, looking to the future beyond our current 2020 targets.

We believe that an independent third-party facilitated materiality assessment is an essential starting point for any organisation seeking to align sustainability with its business strategy. With approximately 250 stakeholders, and with Corporate Citizenship, a specialist in this field, we are gathering views and insights on social, environmental and economic issues relevant to our business through a global programme of interviews, surveys and interactive multi-user webinars.

In doing so, our goals are to identify potential new opportunities and risks, show strategic priorities and reveal trends and stakeholder expectations that inform business decisions and innovations. We began this work in 2018 and will complete and report on this during 2019.

Scope

When reviewing sustainability areas that are likely to be most relevant to RB, we consider the impacts our products and operations have across the value chain. Our materiality assessment considers a range of issues that can affect or be affected directly by our global operations and by both the upstream and downstream elements of our value chain, including suppliers, customers and other partners, consumers and the communities where we work.

The range of topics we consider are primarily those that have a significant positive or negative short, medium or long-term impact on RB's stakeholders, our communities and the planet; those issues that we are most able to influence; and those that may affect our ability to fulfil our purpose. The assessment establishes a list of sustainability priorities that are the most material to both RB and our stakeholders. Although the Company avoids reporting on subjects that are not deemed as being material – helping to ensure reporting conciseness – this does not mean we are not aware of other less significant matters, or that they are not monitored and reviewed internally. This is particularly true of issues that have a propensity to increase in the future.

Materiality and stakeholder engagement continued

Our materiality assessment process

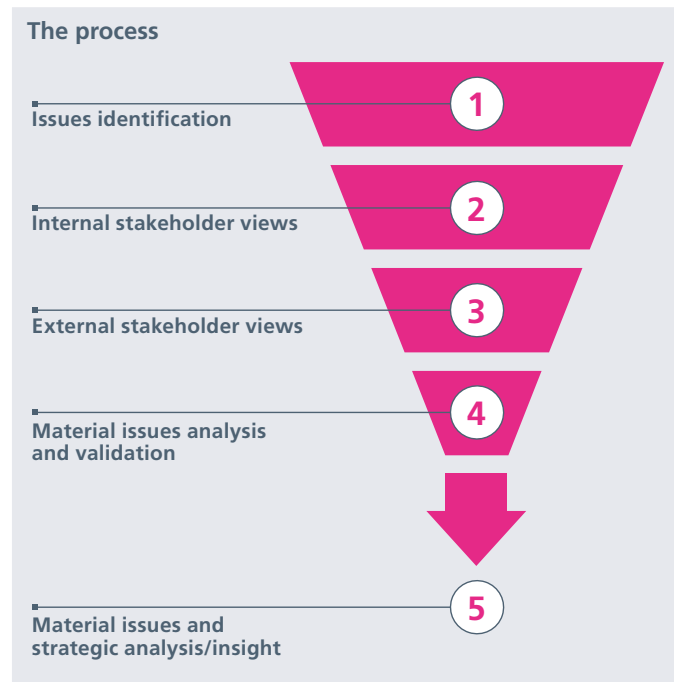
We define our material issues in line with the United Nations Sustainable Development Goals and the indicators that are most relevant to our operations. We engage with a range of stakeholders, including consumer groups and communities, peers, suppliers, experts, policymakers and investors to consider the most material issues for our business, both regarding current activities and also into the future. Utilising internal and external research, surveys, interviews and interactive webinars, our materiality assessment helps to gather a 360-degree perspective on the environmental, social and governance issues facing our Company and our stakeholders.

The process adopts both quantitative and qualitative inputs on sustainability issues and opportunities following a four-staged approach:

- Issues identification – identifying key ethical, governance, environmental and social issues, drawing on internal and external resources and research.
- Internal stakeholder engagement – gathering views and insights across RB's Corporate and Business Unit divisions, functions and geographies, reflecting on the complexity and diversity of our organisation
- External stakeholder feedback – engaging with a board range of external opinion formers from consumers and suppliers to leading experts, NGOs and investors to better understand expectations, key drivers and future trends.
- Analysis and validation – detailed analysis of the internal and external context that RB is operating in, supported by the development of a dynamic quantitative materiality tool, providing additional understanding of the complexities and interrelationships impacting our material issues and strategic directing.

RB carries out a materiality assessment in line with Accountability's five-part materiality test and the GRI G4 sustainability guidelines implementation manual, with revisions taking place as needed in the interim. Additional sources that inform our views and issues also include:

- Reporting trends and external standards
- Business priorities and corporate values
- Corporate risk framework
- Industry benchmarking and peer review
- International media review
- ESG agencies and indices
- Legislative reviews and updates



Engaging our stakeholders

Our stakeholders provide important insights into sustainability issues and trends that concern them, currently or into the future. This learning helps us avoid making 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. Further details of our stakeholders and engagement activities can be found in our Annual Report.

 [Click here to read more about our stakeholders and engagement activities in our Annual Report.](#)

Business conduct

RB is committed to responsible corporate behaviour; this includes high standards of business conduct in our relationships with employees, contractors, customers, consumers, shareholders, suppliers, governments, healthcare professionals, healthcare entities, competitors and the local communities in which we have a presence.

RB's corporate responsibility framework sets the standards for which we operate as a business, and the values we want to uphold, right across our global value chain.

1. Our Code of Business Conduct and related policies

Our corporate responsibility framework and overview of policies and codes.

2. Business conduct: governance

How RB's CRSEC Committee supports the Board on ethics and compliance.

3. Speak Up

RB's global Speak Up policy and process – enabling employees and others to raise concerns.

1. Corporate responsibility framework: our Code of Business Conduct and related policies

RB is governed by a corporate responsibility framework, comprising our Code of Business Conduct, issue-specific policies, control arrangements and reporting. Our database of policies and reports cover our position on a comprehensive range of issues and are available to view on rb.com. They include:

- Consumer safety policy
- Anti-bribery and corruption policy
- Speak Up policy
- Global responsible advocacy policy
- Occupational health & safety policy
- Human rights
- Data protection policy
- Competition Law Compliance Manual
- Restricted substances list
- Animal testing policy
- Environmental policy
- Responsible sourcing of natural raw materials policy and standard (including zero deforestation)



[Click here to see our list of corporate policies.](#)

Further information on many of our activities in the areas above, including human rights, can be found in the Responsibility section of rb.com.



[Click here to visit the Responsibility section of the website.](#)

Code of Business Conduct

Living our values means that we conduct business honestly and with integrity. We must act fairly and treat others with respect. We must look for opportunities to improve our products, develop the talent of our people and drive for results. And we must take responsibility for our work, for the effect we have on communities and environments in which we operate and for delivering sustainable results to our stakeholders.

RB's Code of Business Conduct (CoBC), available at rb.com, serves as a guide and standard to translate our values into everyday behaviour and to keep us working toward a common goal – to behave ethically and in accordance with our values, our policies and procedures, and applicable laws. No matter where around the globe RB companies operate, they will uphold the same high standards of business. The Code covers key issues including corruption and bribery, discrimination, confidentiality, conflicts of interest, anti-trust, money-laundering, environment, health and safety and the Speak Up service.

It is the responsibility of RB's Board, so far as is reasonably practicable, that the principles and ethical values embodied in the Code are communicated to all colleagues of the Company. Senior managers across the Company are required to report and sign-off compliance with the CoBC every year. The Board Audit Committee monitors the findings of this certification process, which is executed by the Ethics and Compliance team.

The CoBC policies and training programme are available in all core languages used across our business, ensuring that employees worldwide receive clear communication and education in this important area. All employees are required to complete annual CoBC training, which includes human rights issues besides several other aspects.

Business conduct continued

Employees and contractors at all levels are required to certify, annually, that they understand the Code and that they (and those they supervise who do not have a Company email address) are in full compliance with this Code for the operations for which they have responsibility. On an annual basis by Internal Audit, the Board monitors the findings of this certification. Those who do not have a Company email address will have the Code communicated to them. Those that supervise these colleague groups will be required to sign that these groups are in full compliance with the Code.

Following the implementation of a revised RB CoBC, a new online training module was developed in 2017 and rolled out in January 2018 and has been completed by over 30,000 people (including contractors). This equates to approximately 45,000 hours being devoted to Compliance Passport-related training to date, which focuses on CoBC, data protection, anti-bribery, competition law and conflicts of interest. We regularly follow up with our employees to ensure they have taken the required training, but staff turnover and the continuous hiring of new staff may result in rates that are less than 100% in a calendar year and this is considered to be acceptable.

Compliance with the CoBC is taken extremely seriously and RB encourages any suspected breaches to be reported via the Speak Up service. The Board of RB will not criticise management for any loss of business resulting from adherence to the CoBC. The Company undertakes that no employee or contractor will suffer any retaliation as a consequence of bringing to the attention of the Board or senior management a known or suspected breach of this Code, nor will any employee or contractor suffer any adverse employment or contract decision for abiding by this Code.



Click here to read our Code of Business Conduct.



Click here to access our Speak Up service.

Anti-bribery and corruption

RB has a zero-tolerance approach towards bribery. Our anti-bribery and corruption policy explains our responsibility in complying with anti-bribery and anti-corruption laws and ensuring third parties that we engage to act on our behalf do the same. The policy covers a broad sphere of activities including, but not limited to, bribes in any form, political donations and charitable contributions.

It is Company policy that all RB companies and their employees and contractors comply with the anti-bribery/anti-corruption laws of the UK and all countries in which they conduct Company business. Directors, managers and others with supervisory responsibility have a duty to ensure that employees and contractors under their supervision are aware of and comply with this policy. Violation of this policy may subject the individual to disciplinary action, including dismissal and cessation of contract.

RB employees receive formal training on anti-bribery and corruption including the UK Bribery Act, and all employees with email access are required to pass a mandatory online test as part of the process. This e-learning is intended to help employees, contractors and other third parties understand where issues may arise and support them in making the right decisions.

In addition, as part of the annual audit planning process, RB locations requiring further attention are assessed against a number of risk factors that include bribery and corruption risks. High-risk overseas operations are visited directly by the Internal Audit function.

RB received no fines, penalties or settlements in relation to corruption during the 2018 financial year or in the four preceding years. Prior to the acquisition, Mead Johnson Nutrition (MJN) was investigated by the Securities Exchange Commission (SEC) in the US due to issues linked to its operations in China. The case was

settled in 2015 and stronger controls and processes were implemented as a result. Following the acquisition, RB strengthened these controls under the supervision of the Ethics and Compliance team.

Additionally, RB incorporated MJN's policies and procedures regarding interactions with Healthcare Professionals (HCPs) and Healthcare Entities (HCEs) to ensure compliance with anti-bribery legislations, local regulations and international guidelines (e.g. the WHO Code).

Note that appropriate disclosure of any political donations or expenditure and charitable contributions are made in RB's Annual Report.



Click here to read our anti-bribery and corruption policy.



Click here to read our Annual Report.

Anti-competitive behaviour

It is Company policy that all RB companies and their employees and contractors comply with the competition, anti-trust and anti-monopoly laws of all countries in which they conduct Company business.

RB is involved in a few investigations by government authorities and the litigation associated with them. Therefore, where appropriate, the Group has made provisions for such investigations. Where it is too early to determine the likely outcome of these matters, or to make a reliable estimate, the Directors have made no provision for such potential liabilities.

Business conduct continued

2. Business conduct: governance

RB's Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee supports the Board in its duties relating to corporate responsibility, including ethical conduct and regulatory compliance.

In 2018, in addition to its standing agenda of matters to be considered and reviewed, the CRSEC Committee activities included oversight of the revised RB Code of Conduct and associated mandatory employee training. Moving forward to 2019, key activities will include supporting further actions to further instil the 'Responsibility' value into all aspects of RB's business, including the enhancement of Ethics and Compliance training, processes and controls.

At an operational level, an expanded Ethics and Compliance function was established within RB to incorporate the integration of MJN, reflecting our strong culture of integrity and supporting the business to live its core value of Responsibility. In addition to a Group Ethics and Compliance team, RB now has dedicated Compliance professionals, in both business units and in several different jurisdictions, to assist the Company to achieve its goal of conducting its business in an ethical way which complies with applicable laws, regulations and internal policies.



Click here to find out more about CRSEC Committee and its activities in our Annual Report.



Click here to find out more about our sustainability governance and strategy.

3. Speak Up

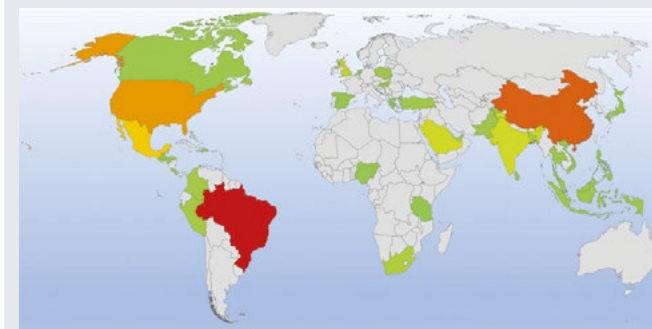
RB has a robust Speak Up policy and process. This includes our Speak Up service (formerly known as our whistleblower helpline), which provides a confidential service available on RB's internal website Rubi and through a freephone number in each country, operated by an external organisation that employees and contractors can use to report any suspected breaches of the CoBC, as well as any violation of any local law or regulation or any unethical behaviour. Typical issues identified include grievances with managers and allegations of unprofessional behaviour or bullying. The Speak Up policy has a non-retaliation element under sections A (Confidentiality) and B (Employee Rights), placing an obligation on RB to ensure that any employee will not suffer reprisals or victimisation as a result of their disclosure.

All reported issues are investigated under the leadership of the Ethics and Compliance team following the global standard process. Depending on the type of issue identified, new policies may be issued, training may be provided, and formal warnings may be issued. In some cases, if allegations against an employee have been proven valid by legal and HR, their contract may be terminated. This process is reported to and overseen by the Ethics and Management Committee and also the Board Audit Committee.

During 2018, the Ethics and Compliance team integrated MJN's Speak Up processes and systems into RB to ensure that all cases are timely investigated and the outcome reflected in proportionate and fair decisions.

RB received a total of 296 Speak Up cases during 2018 across the business. Of those cases, 202 were from Health, 86 from Hygiene Home and eight related to RB Group. The heat map below shows the countries where RB received most of its cases. All cases were or are in the process of being investigated.

Speak Up case locations



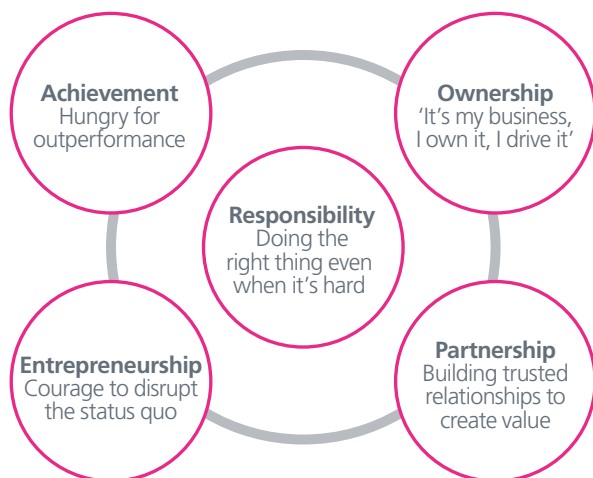
Click here to read our Speak Up policy.

Our people

At RB, our vision is a world where people are healthier and live better. Our purpose is to provide innovative solutions for healthier lives and happier homes. And this starts with our people: we want our people to thrive and be able to be at their best at work and at home.

Our values

We want to make a difference every day. Our five core values help us to realise our vision and purpose and are key to our distinct culture.



1. Freedom to make a difference

Freedom. It's a word you'll hear a lot at RB. From day one you are given the freedom to test your entrepreneurial spirit. At RB, everyone is given the freedom to propose and explore innovations, and to use our global brands as platforms for their ideas. Freedom to make your mark and succeed. Freedom to advance, quickly.

2. Our unique culture

We employ outstanding people, who work in a unique culture that harnesses their passion and allows them to make a real difference. We have a strongly held belief in what we do, living five core values that unite us and drive our purpose of healthier lives and happier homes. They create an inclusive environment where we can all act with integrity, responsibility and consistency. They let us know what is expected of us, while giving us the autonomy to express ourselves and be at our best.

3. Leading for growth

At RB we don't measure ourselves against other people. We just push ourselves to be better than the day before. It is this determination and focus on self-improvement that helps us all grow and to deliver innovations that really disrupt the market. We are continuously investing in our people and our technology to ensure that we continue to improve, as individuals and as RB, day by day, year on year. Our passion to succeed helps us to outperform.

4. Winning partnerships

Internally and externally, we partner to ensure that we get to the best solutions for our people, for our consumers and for society as a whole.

1. Freedom to make a difference

Engaging our people in our vision and giving them the freedom to lead initiatives is just one way that we live our purpose. Every RB colleague has the ability to make suggestions on how we can innovate and improve. Many of our product innovations come from team members.

We are also proud supporters of One Young World (OYW) which brings together young people across the world to discuss and work on global social, human and environmental issues. As a result of our partnership with OYW over the last few years, our ambassadors who attended have developed and launched a number of innovations, such as Project Oscar tackling neonatal jaundice in Vietnam and Unfiltered, which is an app providing sexual education to refugees.

These innovations have been brought to life by passionate purpose-led OYW ambassadors. Our OYW Purpose Council has been set up to ensure that we continue to focus internally and externally on leveraging our global brands to tackle global issues.



Our people continued

As a responsible, global organisation, we give our people freedom within a framework. We set clear expectations of ourselves and others and empower and trust our people to deliver.

We have a number of key policies which set common global standards across RB:

- **Code of Business Conduct.** RB's Code of Business Conduct governs standards of conduct and applies to all RB employees globally, our Board and RB's contractors.



Click here to read our Code of Business Conduct.

- **Health & safety.** We are committed to providing a safe and healthy working environment for all our employees.



Click here to read about our approach to health & safety.

- **Diversity and inclusion.** We believe in equal opportunities, equal pay for equal work and the value that a diverse and engaged workforce can bring.



Click here to read more about our approach to diversity and inclusion.

2. Our unique culture

Our values are our moral compass that guide our behaviours and actions.

Providing an environment and culture in which employees can and want to give their best is a priority. We focus holistically on employee wellbeing, encouraging our people to live healthier lives through our employee wellbeing programme liveyouRBest.

We regularly seek feedback from employees on a variety of matters and in a variety of ways. Key information sharing channels include Town Hall meetings and RB's Company-wide intranet which connects employees with each other and provides the latest news and happenings in the RB universe. Communication and two-way dialogue is achieved through various forums, listening sessions with leaders and focus groups.

Our 'Culture Pulse' survey provides valuable feedback on where we need to focus. In summer 2018, nearly 27,000 employees participated, which was a response rate of approximately 75% for those receiving the survey. The results showed that 86% are immensely proud of being part of RB – a sector-leading result.

Our core values of Responsibility and Ownership are key attributes of our unique culture. Our people rated both highly, identifying acting with integrity, putting the safety of employees and consumers first as key priorities and reported feeling empowered to do the right thing and run the business. The high levels of freedom in decision making and taking initiative exceed those seen elsewhere in the sector.

These results have a real impact. The results – both positive and negative – are discussed in focus groups across the organisation, including with leadership teams. In this way, they inform priorities and targeted actions across RB. Our culture continuously improves.



Click here for key statistics on our employee engagement surveys in Appendix 1.

Our people continued

3. Leading for growth

As a business we are focused on driving outperformance. This is dependent on having great people who have the skills, capability and knowledge to outperform in their roles. We build functional and leadership capability at all levels, ensuring that managers can effectively inspire and enable their teams. This includes increasing self-awareness, leading with purpose as well as coaching, feedback and basic management skills.

We have an experience-based approach to development, moving our people into new roles and geographies. Many members of our management teams are working outside of their home country. We support this with appropriate development and training including leadership skills and coaching. As part of the annual performance development review (PDR), all employees have the opportunity to discuss their performance, development and career aspirations with their manager.

We provide site level, regional, area and global capability enhancement programmes on functional competencies and leadership skills. This is further enhanced by e-learning and blended learning programmes that are available for all employees and are phone and tablet friendly. For example, around the world in 2018, we provided courses in leadership, unconscious bias, diversity, project and organisational change management, managing the P&L, sales, digital and e-commerce, crisis management, and many more. Other training programmes included health and safety, environment, quality, adverse events and compliance training events. We review and enhance our curriculum every year based on the capability we need to develop.

In 2018, we launched learn.rb.com, which means it's easier and quicker for our people to access learning than it's ever been before. This modern learning experience platform provides bite-size learning and helps to build key capabilities across RB.



Click here for key statistics on our employee training and development in Appendix 1.

Further information on Director induction and training can be found in RB's Annual Report.



Click here to read our 2018 Annual Report.

4. Winning partnerships

Partnership at RB is all about building trusted relationships to create value. We know that no one has all the solutions, so we partner with others internally and externally to find them.

Our commitment to respecting the right to freedom of association is embodied in our global Code of Business Conduct, and Policy on Human Rights and Responsible Business available on rb.com. RB fully complies with all applicable global and local laws regulating collective bargaining and recognises the right to freedom of association. This means that, consistent with the law and with Company policy, employees shall have the right to assemble, communicate and join associations of their choice, or not. As of 31 December 2018, approximately 30% of full-time RB employees are covered by collective bargaining agreements.



Click here to read our Code of Business Conduct.



Click here to read our Policy on Human Rights and Responsible Business.





Our people continued

Appendix 1

Employee engagement

Please see section 2 'Our unique culture' for further information about RB's Culture Pulse employee survey and outcomes.

Employee engagement	Unit	FY2015	FY2018
Employee engagement	% of actively engaged employees	61	66
Data coverage	% of total employees	77	75

Note: the Culture Pulse employee survey is not undertaken annually.

Training and development

Please see section 3 'Leading for growth' for further information about RB's approach to training and development.

- We have a continued focus on building leadership capability at all levels through consistent delivery of our core training programmes.
- RB employees have undertaken over 64,000 hours of training in 2018, of whom 52% were male and 48% were female.
- 68% of this training was undertaken by those becoming a line manager for the first time. Millennials accounted for 56% of this training.
- There was a broadly even split across functions in training, i.e. 48% was in back office functions (Finance, HR, IT) and 52% in frontline functions (Sales, Marketing).
- Similarly, the split of training between 'developing' markets and 'developed' markets was broadly even, at 52% and 48% respectively.

Diversity and inclusion

A diverse business is at the heart of our passion to innovate and outperform. The best ideas come from a rich variety of perspectives and backgrounds – it's how we innovate and is integral to our culture and values.

Making progress

Aim

40%

By 2022, increase the number of females in senior management positions from a 2016 baseline of 20% to 40%

Status in 2018

25%

of our senior management positions are held by women (see Appendix 1 for full dataset)

1. Improving gender balance

We focus on attracting, developing and retaining talented women.

2. Fostering a diverse and inclusive culture

Our approach to diversity goes beyond gender to build a truly diverse global workforce and an inclusive work environment.

1. Improving gender balance

We are committed to helping deliver the UN Sustainable Development Goal (SDG 5) that addresses gender equality both internally at RB and externally through the lives we touch. We want women and men to have equal opportunities in the workplace because we believe it is in society's interest. Improving gender balance is a key focus area for all functions and management levels across RB.

In 2015, we introduced our DARE initiative to 'Develop, Attract, Retain and Engage' talented women.

Through focus groups and a quantitative survey, we developed a sound understanding of the reasons women drop off the talent bench when they reach a certain level of management. Work-life balance and international mobility while managing dual careers are some of the key issues that have been identified.

We have implemented several solutions that are helping us improve the retention rates of our female talent. This includes a tailored leadership development programme, global maternity leave policy, spouse and dual career support for international moves, and a mentoring programme for our senior female leaders. However, we recognise that there is still work to be done in 2019 and beyond.

In 2019, DARE will continue to focus on improving gender balance and developing and growing a sustainable and vibrant female leadership cadre.

Board diversity: At the end of 2018, the RB Board comprised three women and eight men. Although we have made significant progress in this area, we will continue to work to improve our Board's gender diversity and, in line with the UK's Hampton-Alexander Review targets, are aiming to reach 33% female representation on our Board by the end of 2020.



[Click here for further information on gender balance and equal pay in RB's UK gender pay gap reports.](#)

CASE STUDY

#HeDaresSheDares

DARE events, sponsored by Executive Committee members, attract both male and female participants, lending further support to the gender diversity drive within RB. In November 2018, RB ran the **#HeDaresSheDares** campaign to inspire all colleagues to share their stories on how they've broken gender stereotypes or helped support women to make progress.

The objective was to engage both genders in a dialogue to build a more inclusive workplace, recognising that to make real progress on gender parity and create a truly inclusive culture, companies need the support of both men and women at every level of their organisation.

Inspired by the UN #HeforShe campaign, RB has embraced the movement to create a conversation around inclusion and gender parity. **#HeDaresSheDares** involved participants posting a video on LinkedIn and 'tagging' colleagues to do the same, allowing the positive message to spread worldwide in the same viral way that the Ice Bucket Challenge did in 2014.

#HeDaresSheDares dominated LinkedIn for the week, with over 326 RB stories being shared. Over 1,500 employees were tagged and our CEO's post had over 49,000 views.



[Click here for key diversity statistics in Appendix 1.](#)

Diversity and inclusion continued



CASE STUDY

RB Australia recognised for gender equality initiatives

RB Australia has been recognised, amongst 120 industry leaders, as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency (WGEA) for 2017 and 2018.

The WGEA Employer of Choice for Gender Equality citation is a leading practice recognition programme that aims to encourage, recognise and promote active commitment to achieving gender equality in Australian workplaces. The WGEA programme was set up in 2014 to promote active commitment to achieving gender equality in Australian workplaces.

The assessment criteria analyses policies, systems and processes in areas such as:

- Leadership
- Learning and development
- Planned approach to removal of gender remuneration gaps and gender bias in decision making
- Flexible working and other initiatives to support family responsibilities
- Employee consultation
- Preventing sex-based harassment and discrimination
- Targets for improving gender equality outcomes

This recognition comes as a result of our ongoing commitment to the DARE programme, with a very strong and increased local focus on gender equality and creating a diverse and inclusive environment for our employees. The implementation of innovative initiatives for flexibility, access to paid parental leave for both mothers and fathers, supporting women in leadership, supporting men's caring responsibilities and addressing gender pay gaps being the common themes.



+120

of women involved in the Accelerate programme

CASE STUDY

Accelerating female leadership development

The Accelerate programme was designed to enable women at manager levels to reflect on their current leadership style, build self-awareness and confidence and proactively develop their own careers.

Over 120 women have been through the Accelerate programme to date and the feedback has been extremely positive.

In 2019, we are extending the Accelerate programme to include female middle managers and senior leaders and will also be piloting a mixed gender group.

Diversity and inclusion continued

2. Fostering a diverse and inclusive culture

We have a broad approach to diversity. It's not only about gender diversity but also diversity of culture, diversity of thinking and how we make sure that we are a truly inclusive organisation.

We are committed to equality of opportunity in all areas of employment and business regardless of personal characteristics including, but not limited to, gender, race, nationality, age, disability, sexual orientation or religion. We are committed to providing a workplace environment where everyone has an equal opportunity to contribute to perform at the highest levels and realise their potential. This applies to all aspects of our employment policies and practices.

The Company operates within a corporate diversity and inclusion policy framework which is reviewed by the Executive Committee. The Board continues to promote diversity in its broadest sense and ensure that the Company's most senior executives, the Group Leadership Team in particular, are open to fresh thinking and includes people from different global backgrounds who bring new ideas to the table.

RB is proud to follow the recommendations of the Parker Review, published in October 2017, with at least one person from an ethnic minority on the Board. Our Executive Committee, comprising the most senior management level in the business, represents six different nationalities from across the globe, embodying our corporate diversity and inclusion policy.

The Company's wider global senior leadership community is made up of over 51 nationalities, representing a broad background of collective skills, cultures and experience. Globally, RB employees come from 124 different nationalities (as of 31 December 2018).

All RB employees understand their personal responsibility for ensuring that diversity policies and programmes are actively pursued, implemented and maintained.

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

- Diversity is much broader than gender. It incorporates diversity of race, thought, experience, skills, understanding, perspective and age and also requires implementation at all management levels.
- Successful companies sell their goods and services to customers regardless of gender, race, ethnic group or religion and a diverse workforce should reflect its customers. A diverse management is more in touch with its customers' demands and staff concerns and provides different perspectives in devising successful business strategies.
- Inclusion is a matter of organisational culture largely set by example from the top. Company management that actively encourages diversity is better able to support inclusion across the organisation.

In 2019, we will continue our focus on inclusivity and diversity, reflecting our belief that an inclusive business is a successful one. We will continue to ask ourselves: are we including the broadest mix of gender, generations and geographies so that all ideas and styles are represented? And how can we build on our existing programmes and the progress made to date?



CASE STUDY

Bust Your Bias

We want to create a more inclusive culture where everyone feels valued and included. Unconscious bias and inclusive leadership are a core topic in RB's leadership development programmes, provided to over 1,500 managers in 2017 and 1,171 in 2018. We must ensure that our employees understand difference and recognise the impact that prejudice or biases at work can cause.

Research on neuroscience and unconscious bias proves that this has a direct link on performance. [#BustyouRBias](#) launched in October 2018 with the aim of initiating and facilitating conversation around these biases and working towards a more inclusive culture. For example, how do we become more aware of subtle biases that can negatively impact the way we see others and the decisions we make?

Diversity and inclusion continued

Appendix 1

Hires and employee turnover in 2018

	Total	Gender		Location			Age		
		Female	Male	Health	Hygiene Home	CHQ ²	<30 yrs	30–50 yrs	>50 yrs
at 31 December 2018 ¹									
New hires (total number)	9,271	4,367	4,904	5,911	3,122	238	3,825	5,160	286
New hires (rate)	25%	47%	53%	24%	27%	30%	41%	56%	3%
Total employee turnover (total number)	7,486	3,480	4,006	4,756	2,612	118	2,728	4004	754
Total employee turnover (rate)	20%	46%	54%	19%	11%	0%	36%	53%	10%

1 Based on data for 36,788 global Group employees, which is 86.56% of the average number of people employed by the Group during 2018

2 CHQ = Central Headquarters

Employment ratios by location and age

% at 31 December 2018	Location		
	Health	Hygiene Home	CHQ ²
Board	–	–	100%
Executive Committee	37%	13%	50%
Group Leadership Team	42%	48%	10%
Senior Management Team	58%	34%	7%
Global employees	67%	31%	2%

1 Based on data for 36,788 global Group employees, which is 86.56% of the average number of people employed by the Group during 2018

2 CHQ = Central Headquarters

Diversity

		2018
Nationalities in management – Board	Number at 31 December	4
Nationalities in management – Executive Committee	Number at 31 December	4
Nationalities in management – Group Leadership Team	Number at 31 December	13
Nationalities in management – Senior Management Team	Number at 31 December	54
Nationalities of global employees	Number at 31 December	124
Women employed – Board	% at 31 December	27
Women employed – Executive Committee	% at 31 December	14
Women employed – Group Leadership Team	% at 31 December	11
Women employed – Senior Management Team	% at 31 December	25
Women employed – global employees	% at 31 December	44

The Senior Management Team includes the Group Leadership Team. The Group Leadership Team includes the Executive Committee.

2018 global employed data for women and nationalities is based on data for 36,788 global Group employees, which is 86.56% of the average number of people employed by the Group during 2018.

Employee 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.

Making progress

Aim	Aim	Aim
Continued reduction of Lost Work Day Accident Rate (LWDAR)	Focus on reduction of Total Recordable Frequency Rate (TRFR)	All manufacturing sites to be covered by Group certification to OHS as 18001
Status in 2018	Status in 2018	Status in 2018
21%	31%	100%
decrease in LWDAR since 2012	decrease in TRFR since 2017	sites covered by Group certification to OHSAS 18001*

*Excluding recently acquired sites in 2017

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.

1. Safety at work

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

2.A health & safety culture

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

3.Global health & safety standards

Continue to strengthen capacity and expertise for areas of greatest risk.

1. Safety at work

Since 2001, we have reduced our injury rate across operations by 94%. In 2018 we achieved 30% reduction in our Lost Work Day Accident Rate (LWDAR) versus 2017.

Since 2013, RB has been tracking Total Recordable Frequency Rate (TRFR – lost work days, restricted work cases and beyond first aid incidents), to ensure all safety incidents are investigated and necessary improvements are made.

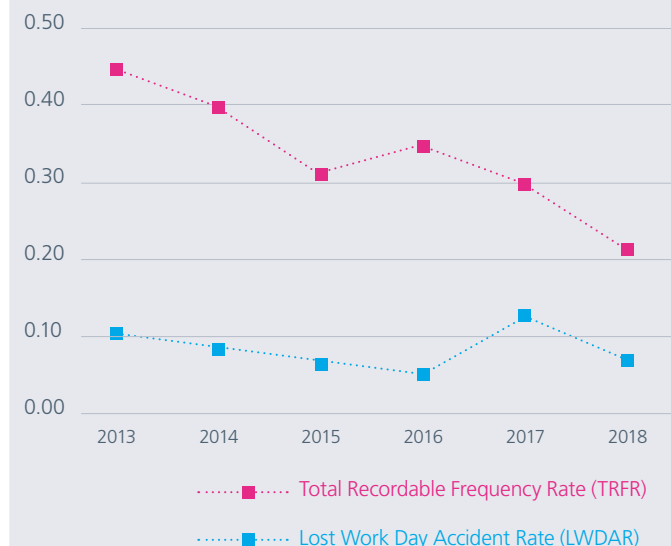
In 2018, there was a 54% reduction in TRFR compared to the 2013 baseline and 31% reduction versus 2017.

During the year, RB continued to focus on actively engaging workers' participation in behaviour safety observations. In December 2018, over 91% of all those working at an RB manufacturing site had documented at least one proactive safety action they had taken. Programmes such as these have contributed to the continual reduction in the number of accidents recorded at RB sites.

Despite steady progress, we are deeply saddened to report two deaths in 2018 at manufacturing sites: a contractor who lost their life while undertaking a roof repair in India and an employee who had medical complications following a machine guarding incident in Mexico.

These issues all prompted a full investigation and subsequent enhancements to global standards and practices across the entire organisation.

RB accident performance



Employee health & safety continued

2. A health & safety culture

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

We continued to perform safety culture assessments across RB 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.

3. Global health & safety standards

We have continued to strengthen capacity and expertise of our health & safety teams to cater for our targeted ambition to continuously improve our internal knowledge, decision making and appropriate external benchmarking. Our standards help everyone at RB understand what they need to do to ensure the safety of our people.

Since 2017, new global health & safety standards have been developed to provide clarity on expectations and controls on areas of greatest risk across all manufacturing, warehouses, R&D facilities and commercial offices.

CASE STUDY

Safety standards workshop – South Asia

A health & safety workshop was organised in Gurugram with the aim to share and learn the best practices being deployed at all RB manufacturing sites in the South Asia region, understanding the current and upcoming environment, health & safety (EHS) challenges. Each day, various sessions were organised to facilitate implementation of global H&S standards with the involvement of industry experts.

Bringing health & safety to life

RB is committed to ensuring the health, safety and welfare of each person in the workplace regardless of their location and role. Therefore, the Global Health & Safety team have taken an interactive approach to site safety by launching their 'Go Home Healthy' workshops.

These workshops aim to expand the knowledge of colleagues by guiding participants through an RB-inspired scenario – designed to encourage discussion and bring the learning to life.

The activity includes a visual representation of our typical supply operations and is designed to promote discussion around our safety challenges, safety in RB and the contribution that everybody can make to safety within their own roles.

Awards

Safety Innovation Award

We are proud to share that RB Mysore has been awarded the Safety Innovation Award 2018 by The Institution of Engineers (India) for the exemplary work being accomplished in the field of safety.

The Safety Innovation Award is a highly prestigious accolade which recognises the outstanding contributions to health & safety by leading government, non-government and business organisations.

This achievement was awarded to the site due to various initiatives being driven at RB Mysore, including:

- The safety improvement of Dettol Antiseptic Liquid processes, in sequences of raw material addition.
- Various initiatives on site focused around improving compliance levels with our H&S minimum standards, process safety standard and our highly protected standards.
- A range of events and initiatives to promote improvements to our safety culture on site.

National occupational Safety and Health Award

RB's Bangpree factory in Thailand has been awarded a national occupational Safety and Health Award for the second year running. The plant in Thailand has not had a 'lost time' accident for the past three years, thanks to their 'safety first' mentality and training and the work upgrading the health & safety systems and processes to create a site of trust for our employees.

The award commends RB for outstanding performance in compliance and high standards in the administration and management of occupational safety, health and environment. As well as meeting all requirements – such as no severe or lost time accidents, a robust H&S system fully compliant to local regulations and evidence of continuous improvement – we also demonstrated a positive safety culture during the annual inspection, which included interviews with employees and the leadership team.

Different activities and campaigns have helped, including a game where teams compete against each other to identify and rectify poor safety behaviours; road safety and helmet campaigns and inspections, in-house motorcycle driving training and online reporting of safety behaviours.

Employee health & safety continued

Appendix 1

External assessment

To ensure the effectiveness of our health & safety management systems, we are independently verified by external assessors. The RB Group's health & safety management system is certified to the globally recognised OHSAS 18001 standard and covers all RB manufacturing sites, excluding acquired sites in 2017, which we endeavour to be certified in 2019.

No government prosecutions for employee health & safety violations were brought against RB sites in 2018.

Reporting and performance management

All sites report accidents and illnesses into a centralised tool as they occur, and all serious cases are fully investigated. First-aid cases and near misses are also reported. The learning from all incidents is shared, where appropriate, across the organisation, along with recognised best practices. Health & safety performance is consolidated at regional and Group level on a monthly basis and is reviewed by senior management.

We also set clearly defined standards for our suppliers and other third parties within the supply chain and have a programme to monitor compliance through our human rights and responsible business programme.

Health & safety performance

The following table details RB's health & safety performance since 2012. We make some assumptions when calculating working hours (used for our LWDAR data) which are outlined in **RB's Reporting Criteria and Basis of Preparation**.

Health & safety	Units	2012*	2013*	2014*	2015*	2016*	2017*	2018	% Change vs. 2012
Lost Work Day Accident Rate (LWDAR)**	per 100,000 hours	0.107	0.107	0.093	0.080	0.071	0.121	0.084	-21%
Employee fatalities	number	1	0	0	1	2	0	1	–
Contractor fatalities	number	0	0	0	0	0	0	1	–
Severe accidents***	number	1	1	2	3	1	2	4	–

* Assured by PwC in 2016 and 2017.

† Assured by EY in 2012–2015.

Assured by ERM CVS in 2018, see **RB's Reporting and Assurance Insight**.

** At manufacturing, warehouse and R&D commercial sites, resulting in at least one day of lost time, per 100,000 hours worked. LWDAR 2017-2018 also includes organised travel.

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

Click here to see RB's Reporting Criteria and Basis of Preparation.

Click here to see RB's Reporting and Assurance Insight.

Click here for more information on Human Rights and Responsible Supply Chains.

Human rights and responsible supply chains

At RB, we believe that everyone has a right to live a healthy life with dignity, freedom, equality, justice and peace.

These are complex issues; however, we are well-placed to create positive impact at scale, through our value chain and products.

Making progress

Status in 2018

170

audits completed in 2018

43%

increase in audit pass rating

88%

of management employees having completed human rights training

1. Our commitment to human rights and responsible supply chains

Respect for human rights is an absolute requirement and RB is committed to ensuring this across its operations and supply chain.

2. Our operations and supply chain

We are a truly global business, having over 40,000 employees in offices, factories, logistics and R&D centres in over 60 countries. Consumers in over 190 countries purchase around 25 million products a day. To support our business, we have a global and diverse supply chain which brings both opportunities and challenges.

3. Risks

An understanding of our operational footprint and supply chain is essential to enable us to understand risks and prioritise our activities in areas where we can have the greatest impact.

4. Monitoring and assessment

We engage across our business and supply chain to identify any weaknesses and drive sustained improvement in standards and capacity.

5. Partnership and collaboration

Many of the social and human rights challenges can only be systemically tackled through partnerships and collaboration with our suppliers, peers and other stakeholders.

6. Moving forward

We constantly review and enhance our approach to ensure we are effectively tackling issues and having a positive impact on people's lives.

1. Our commitment to human rights and responsible supply chains

RB believes that human rights are an absolute and universal requirement and is committed to upholding those rights, as expressed in the International Bill of Human Rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. We are also committed to following the Organisation for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises.

We recognise the important role that businesses play in society and the responsibility we have in helping to ensure human rights are respected. Our commitment to respecting human rights is publicly disclosed through our Code of Conduct and our Policy on Human Rights and Responsible Business.

These policies apply to all employees, contractors and suppliers of goods and services to RB. We also encourage our suppliers to communicate our requirements within their supply chain.

Our Policy on Human Rights and Responsible Business outlines the minimum labour, health & safety, environment and business integrity standards we expect our facilities and those of suppliers to meet, in the production of goods and provision of services to RB. Our requirements are closely aligned with the Ethical Trading Initiative (ETI) base code and the conventions of the ILO and consists of ten principles.

Human rights and responsible supply chains continued

Human rights principles

<p>No child labour. Limitation of work by young workers.</p>	<p>No forced labour or human trafficking.</p>
<p>Provision of a safe and healthy working environment.</p>	<p>Freedom of association and right to collective bargaining.</p>
<p>No discrimination, equal opportunities and rights.</p>	<p>No harmful or inhumane treatment.</p>
<p>Fair working hours, remuneration and employment conditions.</p>	<p>Protection of the environment.</p>
<p>Conducting business with integrity.</p>	<p>Implementation of management systems to effectively ensure compliance with these principles.</p>

We take any adverse human rights impacts extremely seriously. Where RB identifies that it has caused or contributed to any such impacts, it will co-operate in or provide for appropriate and legitimate processes to remedy these. We acknowledge the growing importance and complexity of the issue of human rights and are committed to continuously improving our approach, following the UN Guiding Principles on Business and Human Rights as guidance.

In addition to our clear policy commitment we also publicly report on our activities within this space through our Modern Slavery Act and California Transparency in Supply Chains Act statements, and other external disclosures such as FTSE4Good, Dow Jones Sustainability Index (DJSI), Workplace Disclosure Initiative (WDI), etc.

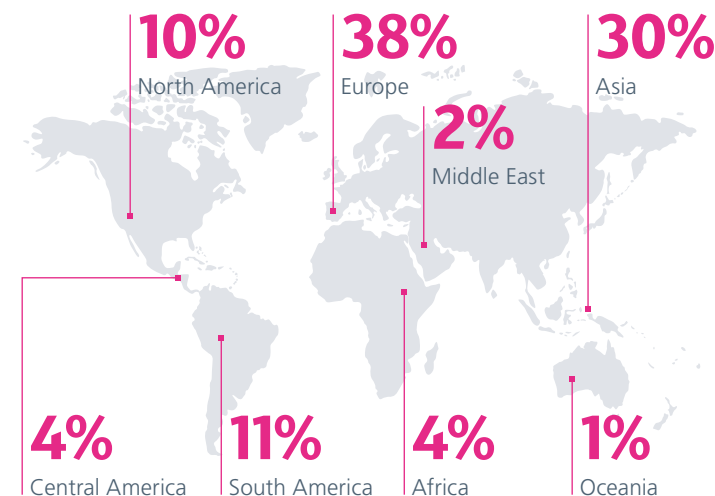
[Click here to read our Policy on Human Rights and Responsible Business, Code of Business Conduct, latest Modern Slavery Statement and The California Transparency in Supply Chains Act statement.](#)

2. Our operations and supply chain

Over the last five years RB has transformed its portfolio. At the start of 2018 we reorganised our business by forming two focused, agile and fully accountable business units – Health and Hygiene Home. Each business unit has a dedicated Supply organisation who are responsible for procurement, manufacturing and distribution of our products.

Our combined organisation includes 55 RB production facilities and approximately 275 third-party manufacturer sites (Copackers). Our 55 manufacturing facilities source raw and packaging material from 3,118 supplier sites at a local, regional and global level depending on the type of material.

The geographical spread of our manufacturing sites and direct suppliers are as follows:



We also have a host of indirect suppliers providing us with services such as logistics, warehousing, contract labour, office services and supplies, promotional goods, etc. Some of our suppliers are large, multinational companies with substantial business and ethical conduct programmes of their own.

Smaller, local companies – for example within emerging economies – may not have such formal conduct programmes in place, but can still be excellent suppliers. Our suppliers are chosen based on quality, cost, location and compliance to our policies and standards, including our Policy on Human Rights and Responsible Business.

All significant investment agreements (greater than £50 million) undergo a due diligence analysis of human rights. This is conducted mainly by our manufacturing due diligence and factory visits. On the rare occasions that access to a facility is not possible, due diligence is carried out by accessing publicly available information.

Human rights and responsible supply chains continued

3. Risks

We have reviewed our operational footprint and our supplier base to determine which areas are at greatest risk from a labour/human rights, health & safety, environmental and business integrity perspective. This process was conducted using internal and external expertise with consideration given to a range of factors including country of operation, commodity supplied, sector profile, etc.

Through this process we have identified the main areas of risk concern:

- Fair wages
- Forced/bonded labour
- Health & safety
- Working hours
- Discrimination and equal opportunities
- Freedom of association
- Contract/migrant labour – issues such as excessive recruitment fees, passport retention, poor living conditions, excessive working hours, poor wages, discrimination and poor labour standards.

In addition to these risk areas the following regions are of particular focus:

- Malaysia and Middle East, due to the large number of migrant workers
- Africa and Asia, due to weaker levels of understanding and enforcement.

Through this process, the following supplier groups were identified as high risk and in need of further due diligence: third-party manufacturers, embellishers, distribution centres and selected raw and packaging material suppliers predominantly located in countries within Latin America, Middle East, Africa, North and South Asia. We also regularly keep up to date with publicly available research and articles from a range of external sources and actively engage with NGOs and peer companies to better understand key risks and best practices to address these.

4. Monitoring and assessment

Businesses play a crucial role in ensuring they and their suppliers operate in a way that respects the human rights of the workers and communities within their supply chain, their employees and consumers. Policies alone are insufficient and so we have a proactive monitoring programme focused to enable us to identify and address any deviations from our policy within our business and supply chain.

We have a dedicated team with regionally based resources to manage our programme. The team includes an outsourced team of four regional human rights compliance leads who partner and engage with suppliers and internal teams to manage the programme within their respective regions.

Within our highest risk regions – South Asia, Middle East and Africa – we have our own human rights experts who work in detail with suppliers and local procurement teams, resulting in a more collaborative approach to delivering sustained improvements. This team manages the programme at a global and regional level, involving relevant stakeholders from Procurement, Supply Services, Manufacturing, Human Resources,

Legal and Internal Audit to support with delivery. The programme is reviewed regularly by our senior leadership team, who take active interest, participate and steer our long-term strategy and targets.

To ensure an efficient approach to managing the programme, we apply and take a risk-based approach. This allows us to effectively deploy resources to the areas of highest risk. All our own manufacturing facilities and distribution centres are included in our programme, in addition to our high-risk direct and indirect suppliers.

Currently we have 55 RB manufacturing facilities, seven RB distribution centres and 756 suppliers, third-party distribution and embellishment centres, amounting to 841 individual sites included in the programme. The five steps of the programme and the associated performance are: engagement, self-assessment, site risk assessment, auditing and addressing non-conformities, and training. Further detail on each of these can be found in Appendix 1.



Click here for further details on the five steps of our monitoring and assessment programme in Appendix 1.

RB Human Rights and Responsible Business compliance programme



Human rights and responsible supply chains continued



CASE STUDY

Partnering with peers and suppliers

In partnership with peers, RB co-sponsored an AIM-Progress supplier capability workshop on responsible sourcing in Shanghai, China in September 2018.

The workshop was attended by our key suppliers and started with a panel discussion involving our Regional Procurement Director and peer counterparts to discuss the importance of responsible sourcing to our respective businesses and the benefits for suppliers who embed it within their organisation. This was followed by interactive sessions providing practical and pragmatic solutions on the following regional challenges:

- Labour, environment, health and safety legislative changes
- Business integrity and anti-corruption
- H&S management systems, with a particular focus on fire and emergency safety
- Contract labour management systems
- Working hours and social security

These collaborative events provide an invaluable platform enabling us to reach and share best practice with our collective suppliers to jointly deliver improvements in supply chain practices.

5. Partnership and collaboration

Many of the social and human rights issues we face within our value chain are systemic and embedded in societies and economies. Consequently, to be able to tackle these challenges in a systemic and meaningful way, collaboration with industry, governments and other societal actors is essential. We are involved in and are exploring the following partnerships and collaborative initiatives:

AIM-Progress

We are members of AIM-Progress, which is a forum of leading Fast Moving Consumer Goods (FMCG) manufacturers and common suppliers, assembled to enable and promote responsible sourcing practices and sustainable supply chains. It is a global initiative supported and sponsored by AIM in Europe and GMA in North America. RB has a leadership position within AIM-Progress, being a member of the leadership team and co-chair of the Capability Building work stream which seeks to promote responsible sourcing practices throughout the supply chain. In 2018, in partnership with AIM-Progress member companies, we co-sponsored and attended a supplier capability building event in Shanghai, China.

Danish Institute for Human Rights

In 2018, we started a dialogue with the Danish Institute for Human Rights, exploring a global partnership enabling them to support us in the evolution of our human rights programme in 2019. This will further integrate the United Nations Guiding Principles on Business and Human Rights (UNGPs) into our organisation.

6. Moving forward

Over the last five years, our human rights programme has evolved significantly. We started conducting compliance audits of our own operations and have gradually increased internal engagement and resource, in addition to expanding the scope of activity to our direct suppliers. We are now at a stage where the programme needs to evolve further from a primarily supply chain compliance-based approach to a more holistic approach that considers the broad range of social and human rights across our value chain.

We have already identified a number of areas that require focus, below, and will be exploring these further in 2019 as part of this process.

- Ethical recruitment of migrant labour, particularly within geographies heavily reliant on migrant labour.
- Mechanisms to better measure the impact of our activities on people within our value chain.
- Increasing external partnerships and engagement particularly around systemic social and human rights challenges.
- Exploring how we can adopt a more integrated approach to social and human rights across our value chain and how our brands can directly impact social issues in a positive way.
- Increase supplier engagement and capacity building to deliver sustained improvements in supply chain standards.
- Broadening our compliance programme to remaining direct supplier categories (raw and packaging suppliers) and selected indirect suppliers such as labour providers, promotional goods providers, etc.

Human rights and responsible supply chains continued

Appendix 1

The five steps of our compliance monitoring programme are:

1. Engagement

We actively communicate our requirements and expectations to all RB facilities. At the start of any commercial relationship, we communicate our requirements to suppliers and integrate the need to comply within the commercial contract.

2. Self-assessment

We believe the self-assessment is a useful educational engagement tool in helping suppliers understand the policies and procedures they should implement within their own facilities and supply chain to best manage labour, H&S, environment and business integrity.

In order to reduce the burden on suppliers we request they complete the self-assessment on the ethical data sharing platform, Sedex. Currently, 81% of those supplier sites requested to complete a self-assessment have done so, with 18% pending and 1% refused. We continue to engage proactively with those outstanding suppliers. RB facilities are required to complete an annual self-assessment of compliance with RB's Human Rights and Responsible Business requirements on Enablon. 100% of RB's manufacturing facilities and logistics centres completed the 2018 annual self-assessment.

3. Site risk assessment

RB follows a risk-based approach to compliance monitoring; therefore, of those included in our compliance programme we conduct a specific site-level risk assessment to determine which sites are high risk and in need of further due diligence through a physical on-site audit.

All RB facilities are risk assessed using the site's inherent labour risk, associated with the site's country of operation, product area, sector profile and site function, and management controls risk, which considers previous audit ratings as a reflection of the site's ability to manage compliance on site.

All suppliers undergo a site-level risk assessment through our programme management platform, Inlight, which is hosted by Intertek. Through Inlight, each site is assigned an overall risk rating of either Critical, High, Medium or Low. The overall risk consists of inherent risk and, if applicable, the audit rating of the latest audit.

Currently, the site's inherent risk score is country specific and based on the country performance against the indicators listed below:

- 50% – World Bank Governance Indicators
- 20% – UN Human Development Index (HDI)
- 15% – Transparency International Corruption Index
- 15% – US State Department Human Trafficking Report

The overall site risk profile of the suppliers included in the programme is as follows: 62 (7%) critical, 539 (64%) high, 125 (15%) medium and 115 (14%) low risk.

In 2018 we developed a commodity-specific risk assessment for packaging and raw material suppliers and will look to better integrate this risk assessment into our programme over the next 12–18 months.

4. Auditing and addressing non-conformities

Critical and high-risk sites undergo a physical on-site audit to assess compliance at least every three years; however, this can be sooner depending on the latest audit result. Additionally, all third-party manufacturers located within an emerging economy require an audit as part of their onboarding.

For our own operations, we conduct announced bespoke Human Rights and Responsible Business compliance audits. For our supply chain partners, we conduct bespoke Human Rights and Responsible Business compliance audits for any supplier audited by our internal team and 4-pillar SMETA audits for any supplier audited by an external third-party audit firm. SMETA is our preferred auditing

procedure as it is one of the most widely used and accepted ethical formats in the world, thereby reducing the audit burden on suppliers. We are also committed to recognising ethical audits carried out for other customers, provided they meet our mutual recognition criteria.

RB sites

In 2018 we conducted audits of 20 RB factories and two RB distribution centres located in Nigeria, China, Thailand, Bangladesh, India, Pakistan, Mexico, Brazil, Singapore and Philippines. Through these 22 audits, 104 non-conformances with our requirements were identified. A breakdown of the types of findings identified by policy clause are as follows:

- 1% no child labour – One issue concerning missing age proof documentation for temporary workers.
- 3% no forced labour – One issue concerning passport retention of outsourced housekeeping staff in our Singapore factory. After dialogue with the labour provider, passports were returned to workers.
- 5% freedom of association – Minor documentation/procedural issues.
- 5% no discrimination – Issues pertaining to awareness of RB's internal policies related to this topic.
- 2% disciplinary practices – Minor procedural issue concerning grievance process for contract labour.
- 23% working hours – Incidents of excessive overtime, missing attendance records and non-provision of a weekly day off. Many of these issues relate to contracted labour.
- 29% remuneration – Missing payroll records, payslips did not provide a detailed breakdown of all types of wages, benefits and deductions, non-receipt of employment contract copies, insufficient overtime wage and social security payments made to contract workers, etc. Many of these issues relate to contracted labour.
- 32% management systems – Majority of issues concerned weaknesses in the site's due-diligence processes of contracted labour/service providers working on site.

Human rights and responsible supply chains continued

Most of the issues identified concerned our temporary workforce provided by contract labour/service providers, i.e. security guards, production support workers, housekeeping etc. Consequently, we have identified the need to tighten our due-diligence and ongoing monitoring processes of these providers and plan to continue focusing on this over the course of 2019.

Once an audit is conducted, each site must complete a robust corrective action plan through our programme management system Enablon. The CAPA is subsequently reviewed by the Global Human Rights team with monthly reports on remediation compiled and issued to global and regional management. 100% of sites audited in 2018 have an approved CAPA in place, with 61% of the issues raised satisfactorily resolved. We shall continue to monitor progress of all pending issues to ensure they are effectively closed within the agreed timeframes.

In addition to our auditing activities, we have grievance processes in place in all countries that comply with local laws. We had a total number of 286 grievances received through our formal Whistleblower 'Speak Up' line during 2018. 154 were initially identified as concerning the requirements outlined in RB's Policy on Human Rights and Responsible Business; however, after further review and consultation of the reported instances this was further reduced to 82. 74% of these allegations related to discrimination, including sexual, moral and verbal harassment, as well as favouritism. There were also claims of discrimination based on gender and race. 13% of the reports fell under the category of the terms and conditions of employment, mainly around working hours, unfair dismissal, and pay disputes. 7% concerned health and safety, the majority being working conditions. Some were also related to RB products and drugs being found in the office. The remaining 6% of case issues were split between forced labour, harmful or inhumane treatment and ineffective communication between employees and management.

After appropriate investigations of the 82 cases, 23 were substantiated. Nineteen (83%) were discrimination, mainly harassment and favouritism. Depending on the severity of the cases, the resulting action ranged from training to discipline to termination of contract. Four cases were substantiated across health and safety, working hours and remuneration and conditions of employment. Action taken on these matters resulted in training, discipline and review of processes.

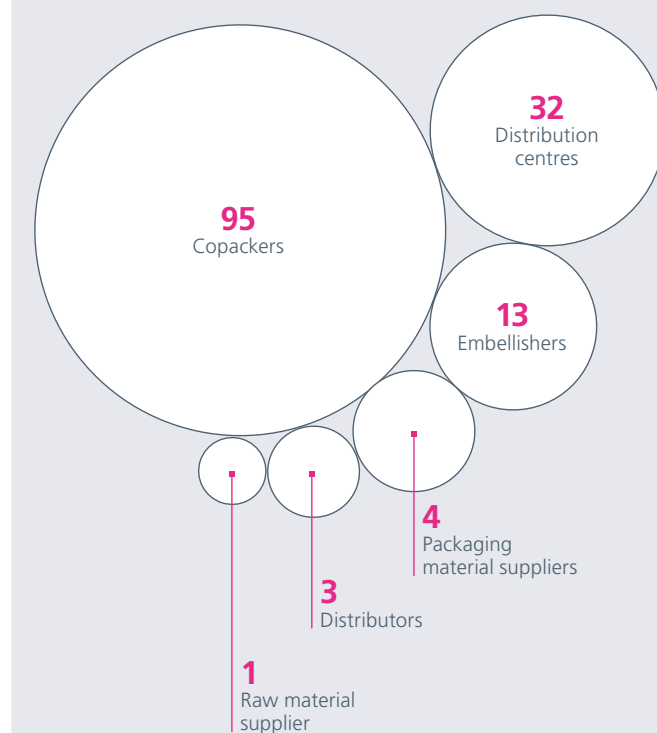
Twenty-one issues were resolved within 2018 with the remaining two resolved in January 2019. A breakdown of the substantiated grievances filed by policy clause are as follows:

- No child labour. Limitation of work by young workers – 0
- No forced labour or human trafficking – 0
- Provision of a safe and healthy working environment – 2
- Freedom of association and right to collective bargaining – 0
- No discrimination, equal opportunities and rights – 19
- Disciplinary practices – No harmful or inhumane treatment – 0
- Working hours – 1
- Remuneration and conditions of employment – 1
- Protection of the environment – 0
- Conducting business with integrity – 0
- Implementation of management systems to effectively ensure compliance with these principles – 0

RB suppliers

In 2018, we conducted 148 supply chain audits, our highest number ever. We audited specifically:

Supply chain audits



Human rights and responsible supply chains continued

Currently, our auditing activities are focused on higher risk third-party manufacturers, distribution and embellisher centres; however, we plan to further increase our due-diligence activities within our raw and packaging material supplier base moving forward. The geographical spread of our 2018 auditing activities is as follows:

- 57% Asia
- 14% Africa
- 11% Europe
- 9% South America
- 5% Middle East
- 4% Central America

Through these audits we identified 1,403 non-conformities with our policy requirements. 78% of the issues identified fell within the following categories:

- **51% health & safety** – fire safety was the most common finding, accounting for 23% of all non-conformities. Other common H&S issues concerned site maintenance, worker health and first aid, chemical safety, H&S management and machine safety and personal protective equipment.
- **10% working hours** – issues primarily concerning excessive overtime, non-provision of a weekly rest day and poor record keeping.
- **9% wages** – issues primarily concerning missing/incomplete employment contracts, employment benefits and social insurances, payslips, overtime premiums, etc.
- **8% environment**

In addition to the key areas above, we also identified issues concerning migrant labour within several suppliers in Malaysia. The issues ranged from passport retention to poor accommodation and excessive recruitment fees being paid in country of origin. We recognise that these issues are endemic within Malaysia; however, we are fully committed to working collaboratively with our suppliers, peers and other actors to try to tackle these challenging issues. We shall be focusing on these issues and practical solutions over the course of 2019 and will report on progress and challenges in the coming year.

Once audited, each site must complete a robust corrective action plan and submit it to RB for review and approval. The status of corrective action plans for sites audited in 2018 is as follows:

- 62% submitted
- 6% drafting in progress
- 24% overdue
- 8% no longer need to submit a corrective action plan as RB no longer has an active business relationship with them.

Once a corrective action plan has been received and reviewed, we monitor the supplier's progress in implementing it and commission a follow-up audit to verify the actions taken once all issues are reported as closed.

The type of remediation that takes place ranges from policy and management system changes through to improved worker training, particularly around health & safety; infrastructure, fire safety and machine guarding upgrades and investment; changes in shift patterns and production planning to better manage excessive overtime; tighter oversight and control of contract labour providers and establishing worker committees.

Our main challenge is ensuring that the actions taken are not simply applied to the one finding identified through the audit but holistically across the site and are sustained moving forward. The success of this is primarily dependent on behavioural change, with both site management and workers needing to see social and environmental management as core to day-to-day business operations. This change does take time, particularly in less developed regions of the world where awareness and understanding is less advanced; however, engagement and training is fundamental in improving this.

Through our audit and engagement activities we are starting to see tangible improvements with the audit pass rate increasing by 43% from the first to the most recent audit. That said, we are acutely aware that we have more to do, particularly around mechanisms to ensure the sustainability of corrective actions.

Human rights and responsible supply chains continued

5. Training

Proactive engagement and training are crucial to ensure both internal and external partners are aware of RB's requirements and having an understanding of how to prevent, identify and remediate issues is of paramount importance.

Internal training

In 2017 we launched an interactive human rights e-learning course to provide our employees with an understanding of human rights, RB's minimum requirements, common supply chain issues they may come across and how to report issues for further investigation and remediation. This course is mandatory for all management employees globally and to date the training has been taken by 11,001 employees. 3,813 have completed the training in 2018, representing 88% of all management level employees. We will look to ensure that we maintain this completion level and follow up with those who are yet to complete the training.

In order to assess the effectiveness of the training there was an optional survey at the end of the course. Of the people who have completed the training to date, we had 11,276 responses and achieved an average effectiveness rating of 4.58 out of 5.

Additionally, throughout 2018 we conducted quarterly town halls with relevant employees to update them on our programme requirements, activities and challenges, creating a forum where additional engagement and training could be delivered. We plan to continue these in 2019.

Supplier capacity building

Our suppliers are an essential part of our business; however, many of them, particularly within developing markets, just do not have the same level of understanding or resources available to them to tackle many of the endemic labour, health & safety and environmental challenges within their facilities.

Consequently, over the course of 2018 we have significantly increased our focus on delivering targeted capacity building initiatives for our third-party manufacturers and third-party distribution centres within South Asia, Middle East and Africa to support with audit remediation and increase our suppliers' ability to ensure sustained improvements in standards. Engagements were delivered through collaborative training workshops, on-site visits and the sharing of guidance resources on relevant issues.

This beyond-audit and partner-orientated approach has started to deliver visible improvements in standards within our supplier base. There is clearly more to do and we shall be further increasing our engagement activities in 2019.



Partnering for social impact

Our products have the potential to transform the health and lives of countless people and their communities.

Through partnerships with experts in community programmes, governments and key opinion leaders, we create scale and impact with programmes that reach millions of people.

Making progress

Aim to 2025

1bn

people informed through health and hygiene educational programmes and behavioural change communications.

Progress

765m

765m from 2013 – 2018.

1. Making a difference

Our purpose-led partnerships are rooted in a mission to provide innovative solutions for healthier lives and happy homes. Through our activities we address global issues with people and their communities. These actions are contributing to the United Nations Sustainable Development Goals and making a real difference to people's lives.

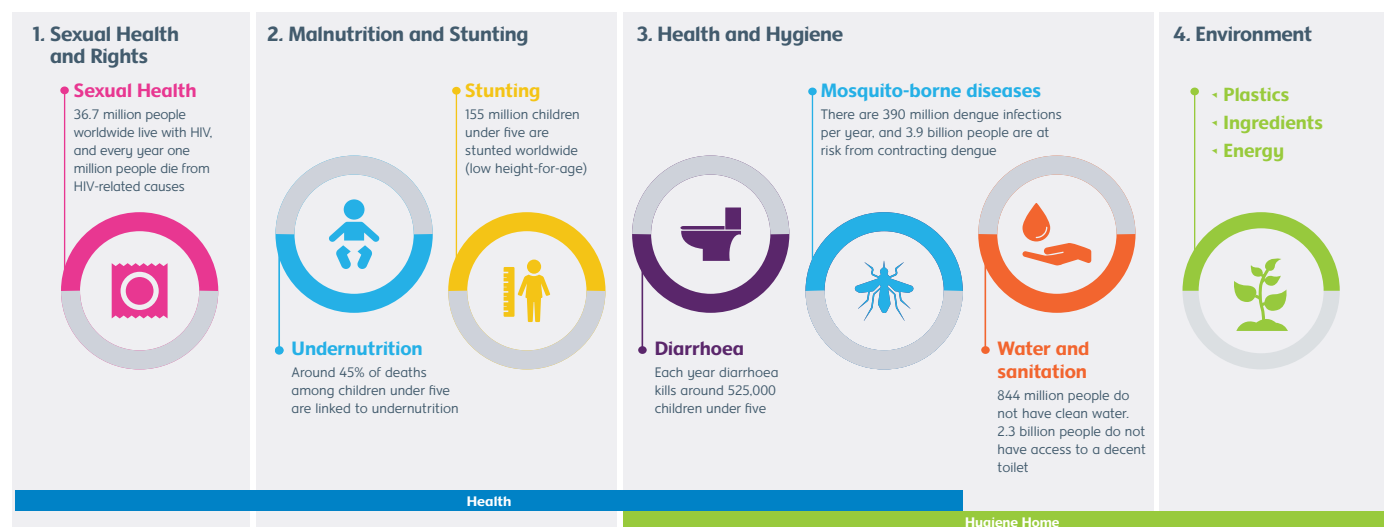
2. Partnering for impact

RB has programme partnerships in place designed to deliver maximum social impact in the areas where RB's brands and products make the biggest difference.

1. Making a difference

We recognise that we have a responsibility as a business to improve people's lives and, in turn, support change across entire communities. RB's social impact investment strategy allows us to become an even more powerful catalyst for change across the globe.

Our impact is amplified by the partnerships we build to deliver our programmes. Within our social impact investment strategy, we focus on four areas that have a direct connection to our business, our brands and where we have identified the greatest unmet need.



By 2025, we pledge to:



1 = Reinvest 1% of annual net profits in social programmes



3 = Triple employee volunteering engagement to **100,000** hours per year



2 = Double our current social investment from **£10 million to £20 million** and double our impact in communities from **2 million to 4 million** people



4 = Inform 1 billion people through health and hygiene educational programmes and behavioural change communications

Partnering for social impact continued

2. Partnering for impact

At RB we are committed to delivering meaningful and sustainable social impact. We recognise our responsibility to leverage our scale and expertise to deliver positive change. Through our brands, marketing and sales platforms we deliver messages that educate consumers about health and hygiene behaviours. We aim to help them and their communities live healthier lives. Our social impact strategy has partnerships that enable us to deliver meaningful and sustainable benefits to the vulnerable, with a focus on children and youth. Full details can be found in our Social Impact Report.

We know that scale matters, and we are making progress. We have already achieved our initial target of reaching 400 million people, so we extended our target and now aim to inform one billion people by 2025.

We are proud to be on track to meet this target, having reached 765 million people from 2013 through to 2018.

Through our brands and programmes we are able to reach millions of people. We are able to help them take action and we can build their awareness through education and information.

 [Click here to read our Social Impact Report.](#)

Sexual health and rights

With 36.7 million people worldwide living with HIV, and every year 1 million people dying from HIV-related causes, issues of sexual health and rights affect individuals and communities across the globe.

We see RB, and our world number one condom brand Durex, as integral to helping provide a solution to these global issues. Durex has long been a leading brand in driving awareness around sexual health. Its mission is to support people to embrace their own sexual rights while living a life free of sexually transmitted infections (STIs), discrimination and unwanted pregnancy.

In line with this brand mission, our social impact investment strategy aims to empower people to develop and maintain positive sexual health and wellbeing. We believe that with freedom of sexual expression, life without STIs and control over reproductive rights, people can develop fulfilling relationships, experience mental and physical wellbeing, and enjoy educational and economic prosperity.

Malnutrition and stunting

The acquisition of Mead Johnson Nutrition (MJN) in June 2017 means that RB is now one of the key players in the Breast-Milk Substitutes industry. In entering this industry, we commit to providing the highest quality infant and nutritional products, and to market these responsibly and ethically.

We are proud to be able to help and support mothers and infants through proper early life nutrition, quality parental care and nurturing. This support not only ensures that every child has the best start in life, but also builds the confidence of parents to care for their child from infancy to adulthood.



CASE STUDY (Durex)^{RED}

Durex joined forces with (RED) to fight AIDS in South Africa, where it is estimated that around 7.2 million people are currently living with HIV or AIDS. Together with the Global Fund, it pledged to raise awareness and money that will empower young women and girls to live happy, healthy lives.

Durex created the special edition (DUREX)^{RED} condom, making it the first global (RED) product that directly helps to protect against HIV, and other STIs, making this partnership particularly powerful. Funds raised from the sales of this special-edition condom will go towards helping fight HIV and AIDS, so for the first time, as the campaign suggests, people can **#HaveSexandSaveLives**

RB and Durex have committed \$5 million to support (RED)'s mission over three years, and The Bill and Melinda Gates Foundation will match this, taking the commitment to \$10 million minimum to fight AIDS.

100% of the money donated through the (DUREX)^{RED} partnership will go to a programme in South Africa. The 'Keeping Girls in School' programme aims to reduce new HIV infections and pregnancies among young women, improve access to sexual and reproductive health services and encourage more girls to stay in education.

The **#HaveSexandSaveLives** campaign was highlighted in South Africa on World AIDS Day on 1 December 2018, when the (DUREX)^{RED} bus travelled around the townships and gathered over 200,000 pledges to practice safe sex.

Partnering for social impact continued

CASE STUDY

Best Start in Life

RB has launched Best Start in Life, a new £5.5 million social impact initiative, partnering with the China Children and Teenagers' Fund (CCTF) – one of the country's leading non-profit organisations. The scheme will improve children's wellbeing and prevent stunting and malnutrition in poor rural areas through nutrition intervention and education.

The aim of the partnership, which is initially being rolled out in the remote western regions of China, is to reduce the prevalence of stunting by 50-80% by 2022. This will be achieved, in part, by providing vital advice and nutrition packs for pregnant mothers, monitoring their health, working with rural hospitals and training up to 5,000 professionals in local maternal and child healthcare centres, and encouraging exclusive breastfeeding for the first six months of a baby's life.

Through our social impact strategy and partnerships, we are committed to reducing malnutrition and stunting in the first 1,000 days of life.

Health and hygiene

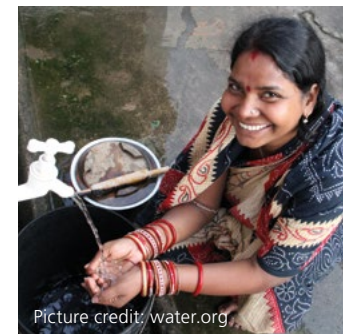
As the global leader of health and hygiene, our brands are at the forefront of delivering solutions to some of the world's most deadly preventable diseases. That's why our health and hygiene pillar focuses on three specific areas where we see both the greatest societal need and where we consider our brands, products and established partnerships to be able to have the most significant impact.

- **Diarrhoea:** Each year diarrhoea kills around 525,000 children under five.
- **Mosquito-borne diseases:** There are 390 million dengue infections per year, and 3.9 billion people are at risk from contracting dengue.
- **Water and sanitation:** 844 million people do not have clean water. 2.3 billion people do not have access to a decent toilet.

With many of our operations based in countries where these issues effect people daily, we have a responsibility to increase the capacity of vulnerable communities to tackle disease and live healthy lives. Whether this is through improved infrastructure and access to sanitation and clean water, or hygiene education, our activities give communities the essentials to preventing disease and illness. Such interventions enable communities to build resilience to health challenges, increase their economic productivity and provide relief from the emotional and physical burdens that life with disease brings.

Helping people take action

RB brands have taken the lead from consumers when it comes to thinking sustainably. Responsibility is at the heart of everything we do across innovation, packaging and in our initiatives to ensure people can use RB products sustainably. Equally important is our commitment to address the environmental impacts during the consumer use stage of our products, such as the water that is used when washing your hands with Dettol soap. Our aim is to help people understand where they can make small differences. This might be selecting the 'eco' cycle on your dishwasher or our How2Recycle initiative in the US to add uniform recycling instructions to packs. From environmental considerations to campaigns that raise awareness of social health issues like HIV, we are on a mission to ensure consumers are able to do their bit when it comes to sustainability.



Picture credit: water.org

\$1m
donated to
water.org

CASE STUDY

water.org partnership

RB and Harpic have joined forces with water.org to raise awareness to the fact that one in three people around the world doesn't have a toilet.

In addition to a donation of \$1 million, Harpic have launched a campaign 'More than a toilet' to bring to light the exceedingly high number of people in India and other developing countries living without access to basic sanitation and highlight the alarming effect this has on people's health, safety and education.

For billions of people, not having access to a toilet can be incredibly dangerous and comes with many risks, with nearly one million people being killed by water, sanitation and hygiene-related diseases each year.

Women living without access to a toilet are twice as likely to experience sexual violence when defecating in the open, and along with their children, can spend hours each day finding a place to go. Time that could be spent at school and work.

Harpic's campaign aims to mobilise the public to join the movement and raise awareness of the issue. A hero video formed the centrepiece of the campaign. It has been produced featuring footage from a 'stunt' where public access to a toilet was restricted and their response captured on camera. The video strikes home the realities that individuals face when unable to access adequate toilet facilities.

Partnering for social impact continued

CASE STUDY Vanish UK

In the Laundry category, Vanish recognises that there is an environmental impact from garments ending up in landfills. When we discovered that 29% of people in the UK have thrown out clothing because it had a stain, it became clear that our products had a role to play in reducing this unnecessary waste.

Vanish launched our **#loveforlonger** campaign to encourage British consumers to think twice before discarding clothes. In the UK, people throw away 300,000 tonnes of wearable clothes every year and only 38% realise that clothing goes into landfill after being binned. Our mission was to drive awareness of these statistics and prompt consumers to remove stains instead of discarding the items. As a result, we hope to encourage people to keep their garments for longer and reduce the amount of waste going to UK landfills each year.

Educating children about health and hygiene habits

Each day that a child is absent from school, they miss out on valuable lessons – both educational and social. Practising healthy habits can help stop germs from spreading and keep children from missing school due to illnesses like cold and flu.

Globally, RB supports initiatives through our Dettol, Lysol and Sagrotan brands that are designed to engage with school-aged children on the topic of healthy hygiene habits. The programmes are both educational and interactive so that kids can have fun while learning about important health messages, like the steps to healthy handwashing. In developing markets, the handwashing programme is designed to save lives by reducing preventable diseases such as diarrhoea. Children are taught skills that they can pass on to their family and the wider community.

An important area of focus for Lysol is the impact that healthy hygiene habits have on ensuring children avoid cold and flu so

they can attend school. There is also an impact on parents of ill children and we want to ensure families don't miss out on valuable time working or participating in other activities.

CASE STUDY Lysol healthy habits programme

To educate students, parents and teachers about health and hygiene, Lysol®, the National Education Association (NEA) and National Parent Teacher Association (PTA) in the USA partnered to create the Healthy Habits Program.

Founded in 2012, the programme develops and shares educational materials to reduce illness-related school absenteeism. In the US alone, 22 million school days are missed each year due to illness. The Lysol partnership aims to tackle these figures and created a robust Healthy Habits Tool Kit with lesson plans and educational content for students and monthly activity calendars for parents. All of this material is available in the Healthy Classroom section on [Lysol.com](https://www.lysol.com).

One of these initiatives is the FLUency programme which is active in almost 10,000 schools across the US. The objectives are to equip schools with preventative tools to stop cold and flu in its tracks: Kinsa smart thermometers, Lysol sanitising products, and the insights produced from the digital thermometer, such as where and when flu is most likely to hit. Participants benefit from information from health professionals who work alongside Lysol to ensure students stay healthy and in the best position to further their educational opportunities. In 2018 only, Lysol has distributed 48,000 free smart thermometers to teachers, parents and school nurses across the US.



Click here for more detail about our partnerships in our Social Impact Report.

CASE STUDY

Protecting people from the dangers of mosquitoes

Mortein and SBP are pest-control brands with a global footprint. Our products play an important role in reducing the spread of mosquito-borne illnesses across the world. It is our mission to raise awareness around protecting people and communities from the danger of mosquitoes.

Brazil's population is at risk from life-threatening diseases such as dengue, chikungunya and Zika spread via mosquito bites. Mosquito-borne yellow fever has also recently resurfaced as a public health concern.

SBP recognised that products alone are not enough to tackle this threat and created a partnership with The London School of Hygiene and Tropical Medicine and the Brazilian Red Cross to create the SBP Protection model. This initiative aims to eradicate mosquitoes in affected communities. The partner organisations visited households, distributing products and speaking to adults and children about the best ways to protect themselves from mosquitoes. Clean-up efforts reduced the number of areas where mosquitoes breed, ensuring that communities are safer from the spread of infection.

The SBP Protection Model launched on Dengue Awareness Day in Brazil to drive nationwide awareness about the role that mosquitoes play in spreading these diseases. Three cities were chosen to pilot the scheme and over 20,000 individuals were directly engaged, ensuring they received the knowledge and the products to be protected from mosquitoes. Public feedback was overwhelmingly positive, and the next step is to expand the model to other Brazilian cities. Following the success of the programme, Mortein/SBP have started a three-year research study to expand the model outside Brazil so other countries affected by mosquito-borne diseases can benefit from the mosquito eradication programme.

Product stewardship

Designing and consistently manufacturing safe, high-quality products that are effective and have the confidence of the people who use them is the cornerstone of our approach to product stewardship. We establish and adhere to internal policies, meeting and exceeding legal requirements, to ensure we are acting responsibly and adopting the highest standards of safety, quality and regulatory compliance.

1. Business fundamentals

Our ambition to be the world's best consumer health, hygiene and home company is built on maintaining a strong foundation of safety, quality and regulatory compliance. We continually improve our processes, enhance our infrastructure and embed a culture of safety and quality to continually strengthen that foundation of product stewardship.

2. Ingredients

As science evolves and expectations shift, we continually look forward, beyond legislative requirements, to support the safety and sustainability of the ingredients we use.

3. Transparency

Consumers have a right to know what is in the products they purchase. We are committed to providing access to ingredient information that consumers can use and understand.

1. Business fundamentals

We believe that our business cannot succeed without a solid foundation in safety, quality and regulatory compliance (SQRC). In 2018, we continued significant SQRC work involving system, data and process improvements, all complemented by further strengthening our team with additional expertise and improving our existing knowledge base.

Consumer safety

The Consumer Safety team is an integral part of our SQRC approach and assure the development of safe products. They are responsible for ensuring that the safety of all new products and reformulations is evaluated based on their intended use and foreseeable misuse. They also monitor the safety of our products in the market, report adverse experiences to the relevant authorities and provide safety insights to our product development teams.

Our Consumer Safety policy ensures safety is an integral part of our product development process and points out guidelines, standards and procedures that are implemented throughout the product life cycle – from conception through market delivery and post-launch market surveillance.

The Consumer Safety team works closely with other business partners. For example, they partner with Supply to ensure the appropriate raw materials are used and with Category Development to ensure the product is responsibly packaged and that appropriate precautionary and safety language is provided on the product label. In 2018, we completed Safety Evaluations for all of RB's global product portfolio, a process we apply to all new or changed products.



Click here for more information on SQRC governance in our Sustainability Governance and Strategy Insight.



Click here to read more about SQRC in our Annual Report.

Product quality and consumer satisfaction

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

RB is committed to providing consumers with the highest level of product quality. In support of this, our Consumer Relations department relay consumer comments and complaints to the organisation to ensure continuous improvement of our products, maintaining the trust and loyalty of our consumers.

On World Quality Day 2018, we launched our new 'Quality Vision' and embedded this by holding Quality Days at each RB site, alongside a campaign that embeds a culture of responsibility with all 40,000+ RB employees.

Product stewardship continued

2. Ingredients

Beyond regulations, RB safeguards consumers by taking a global approach to ingredient management. This includes controlling the use of known ingredients of potential concern through a Restricted Substances List (RSL), proactively reviewing emerging science via an Ingredient Steering Committee, and promoting the selection of safer, more sustainable alternatives.



In 2018, RB took part for the first time in the Chemical Footprint Project (www.chemicalfootprint.org) to benchmark our approach to chemicals management, inventory, measurement, public disclosure and verification. Signatories to this approach include investors, retailers, health care organisations, governments and NGOs and represent over \$2.8 trillion in assets under management.

RB will continue to use this benchmark to guide evolution of our strategy and processes. Since the acquisition of Mead Johnson Nutrition, RB has also invested significant resource into IT infrastructure for the efficient management of ingredient and product data. Although it is a multi-year programme, the new chemical inventory systems will significantly enhance our ingredient management and footprint measurement and enable greater transparency throughout the supply chain.

Safe, effective alternatives

In 2017, we established an internal Ingredient Steering Committee that consists of leaders from across R&D, Safety, Regulatory and Sustainability functions. This group works to identify and escalate emerging ingredient issues to provide a consolidated RB view and, where relevant, coordinate associated reformulation work and the adoption of safe and effective alternatives.

For example, the availability of a wide and safe range of preservatives is one of the key challenges facing industry today. It is critical that our products are in the best possible condition when they reach consumers and that is why we use preservatives where necessary to prevent any microbial growth or undesirable changes. However, preservatives have been under increasing scrutiny due to consumer concerns and regulatory restrictions, and hence preservatives are a priority focus area for the development of safe and effective alternatives.

In response, our Ingredient Steering Committee established a global cross-functional task-force to screen novel, safe, alternative preservatives and compounds that we can use across our portfolio. We have developed a rigorous screening and testing strategy so that we can make sure any new preservatives we use are effective and safe and are setting up collaborative programmes with industry groups and suppliers to help grow the availability and use of these safe and effective alternatives.

In addition, we are partnering with external organisations to promote the safe and sustainable design of alternative ingredients:

- RB is a member of the Green Chemistry Commerce Council (GC3) (<https://greenchemistryandcommerce.org/>) and was one of the sponsors for the GC3 preservative challenge competition, which aimed to identify and accelerate to market new safe and effective preservatives. In 2018, we also joined GC3's Sustainable Chemistry Alliance group which is focused on policies that can accelerate the development and scale-up of new sustainable chemistry processes and products in the USA.

- We are also working with an EU Environment Directorate-General (<http://ec.europa.eu/dgs/environment>) expert group, to advise the EU Commission on policy needs to advance the development of safe and sustainable chemistries and management of hazardous chemistries.
- We have also recently joined Chemsec's MarketPlace (<https://marketplace.chemsec.org>), a website designed to help find alternatives to hazardous chemicals with the intent of sending clear market signals on the need for safer and sustainable alternatives.

To help ensure that RB develops products that have the lowest possible environmental impact, we apply some the key concepts of green chemistry, adapted for product development:

- Waste prevention
- Design for energy efficiency
- Design for degradation/reuse/recyclability
- Design for bio-based/use of renewable raw materials



Click here to read more about plastics and packaging waste.



Click here to read more about sustainable innovation.



Click here to read more about our sustainable sourcing of natural raw materials.

Product stewardship continued

CASE STUDY

GC3 partnership

"RB is widely respected as a brand leader in sustainability, and has long been a chemical safety leader in the consumer products industry. We were delighted when they joined the GC3 four years ago. We have seen the company's commitment to Green Chemistry first hand in their active support of the GC3 Preservatives Project, a collaborative effort to find new, safe and effective preservatives for use in personal care and household products. Similarly, they have taken a leadership role in helping launch our GC3 Sustainable Chemistry Alliance to work on government policy that expands the development, production and use of more sustainable chemicals.

"It's no surprise that RB was honored last year as a 2018 Safer Choice Partner of the Year by the US EPA, given RB's commitment to green chemistry and their role in helping consumers gain access to safer, better products. They make a real difference in the GC3's mission to drive the commercial adoption of green chemistry."

Joel Tickner
Director of GC3



**Click here for more information on:
GC3 partnership**

Restricted Substances List (RSL)

Our RSL ensures a consistent global approach towards minimising and eliminating ingredients of potential concern, which is central to ensuring product developers can innovate responsibly. The RSL has evolved to become a vital part of our product development process and is owned by the Executive Vice-Presidents of the Category Development Organisation for each Business Unit, reporting to the President of the Business Unit.

The RSL is governed by the Ingredient Steering Committee, with priority ingredients going through an assessment of applicable regulations, consumer and environmental safety, sustainability, public perception, and the identification of potential risks and opportunities for substitution with safe, effective and/or environmentally friendly alternatives.

Based on these reviews, RB globally sets limits and/or bans on the use of certain ingredients in products beyond what is mandated by regulation. We also maintain an RSL watch-list, which is comprised of ingredients with emerging concerns or evolving standards.

Innovation teams designing new products or engaged in the rework of existing products are guided by the RSL, but also proactively engage with suppliers to obtain information on materials purchased (e.g. substances of potential concern).

The RSL is embedded within our Consumer Safety process and is considered every time an ingredient or product is assessed. Further detail can be found in our RSL policy, which defines our commitment and approach.

In 2018 we phased out some products while adjusting others and improving packaging and labelling. We also launched new internal tools to strengthen compliance to the RSL. This also simplified adoption of our new global restrictions on the use of cyclic siloxanes and tightening restrictions on isothiazolinones and fragrance ingredients. We have also removed microplastic beads, triclocarban and fluorosurfactants from our global product portfolio.



Click here to read our RSL policy.



Product stewardship continued

3. Transparency

Consumers have a right to know what is in the products they purchase, and we are committed to providing access to ingredient information above and beyond legislative requirements. We have an ambition to provide 100% transparency on ingredients to enable our consumers to make informed decisions through clear labelling on all RB products, and online information. We are continuing to strengthen this across our product range.

Product label transparency initiatives

Our Hygiene Home Business Unit began introducing an 'ingredient panel' on product packaging to clearly communicate ingredient benefits to consumers and will continue rolling this out across brands and geographies.



Online transparency initiatives

Our North America ingredient website contains full ingredient listing, ingredient function and disclosure of any of the 26 EU-identified fragrance allergens over 100 ppm. We are currently working to expand this and will update by January 2020 to include:

- Comprehensive disclosure of all individual fragrance ingredients that are present over 100 ppm as well as disclosure of any fragrance ingredients below 100 ppm that are on one of 25+ recognised hazard lists.
- Ability to view the ingredient list by function as well as by weight percentage.
- Ability to view all information in the new GMA SmartLabel format.
- Disclosure of any of 34 chemicals of high concern that are present as contaminants or impurities.

This forms part of our wider ambition to expand our digital disclosure across the globe.

[Click here to read our ingredient list for North America and Canada.](#)

[Click here to read our ingredient list for Europe.](#)

Animal testing

RB is committed to eliminating unnecessary animal testing by applying the principles of '3Rs' (Reduce, Refine and Replace) and using non-animal approaches to ensure the safety of RB products wherever feasible. RB has a strict policy on animal testing.

[Click here to read our Animal Testing policy.](#)

Sustainable innovation

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

Making progress

Aim

1/3

Net Revenue from more sustainable products by 2020

Status in 2018

18.5%

Net Revenue from more sustainable products

1. Designing more sustainable products

We recognise that good design is crucial for both product use and minimising environmental impacts. This is why we consider sustainability early on in our design process.

2.A sustainable product portfolio

In a world with limited resources, we are committed to 'doing our bit' by designing products with minimal impact on the environment and maximum benefit to the consumer.

1. Designing more sustainable products

We are committed to developing products that make a difference, contributing to enabling healthier lives and happier homes, and better use and maintenance of environmental resources. We design in better ingredients and ways to use our products to reduce the total environmental footprint – all without asking consumers to pay more or lose out on product performance; using fewer or more sustainable materials in their ingredients and packaging as well as requiring less energy and water during use and creating less waste.

RB's Sustainable Innovation App

RB's product developers use our Sustainable Innovation App which identifies the environmental impacts of innovations compared to similar products. The App is a key part of our product development process, comparing the impacts of new products with benchmarks. This ensures we assess all new product innovations and track progress towards our targets. It helps us make informed choices about products to address the carbon footprint, water impact, packaging or ingredients.

Sustainable ingredients

Designing for more sustainable products links with RB's global approach to ingredient management. This controls ingredient use and transparency through online and labelling initiatives. You can find out more about this in our Product Stewardship Insight.



CASE STUDY

Finish in-wash dishwasher cleaner

Finish dishwasher cleaners break down grease and grime build-up in the machine and help reach the optimal working function of the machine by removing residues which can build up on the sprayer arms and hidden parts. Usually, using a dishwasher cleaner requires running the machine on an empty cycle. In 2018, Finish launched an in-wash dishwasher care pouch that can be used during a full dishwasher cycle, avoiding the empty machine run. This helps our consumers to save the energy and water associated with the monthly cleaning cycle, as well as indirectly reducing the energy and water from regular wash cycles by maintaining the dishwasher.

Sustainable innovation continued



CASE STUDY

Redesigned packaging for Durex Play lubricant

We are always looking for ways to optimise our product packaging to reduce the environmental impacts associated with our products. This includes simplifying the number of materials used as well as reducing the amount of plastics. This year, we transformed the packaging for our Durex Play lubricant range, removing the overcap, replacing the multi-component pump by a one-piece flip cap and changing the design of the bottles. Put together, all these changes have resulted in a packaging weight reduction of 50% – a major achievement. This redesign was such a success we rolled it out globally.

To support our new plastics commitments, we are updating the metrics captured in the App to allow us to evaluate packaging changes against these commitments. This allows us to quantify PCR content, recyclability and total plastic weight while being able to aggregate multiple packaging components. We have already incorporated these considerations into the review and sign-off process for new product development.



[Click here for more information about the Sustainable Innovation App in Appendix 2.](#)



[Click here for more information on product stewardship.](#)



[Click here for more information on plastics and packaging.](#)

2. A sustainable product portfolio

We are committed to making our product portfolio more sustainable through innovative products. Our target is to generate at least one-third of our Net Revenue from more sustainable products by 2020. A sustainability target associated with Net Revenue improves our ability to reduce our life cycle impacts with a direct connection to core business. Our Net Revenue from more sustainable products has steadily increased year on year but we are currently behind our plan with 18.5%¹ of Net Revenue from more sustainable products.

¹ Based on a 12-month period from Q4 2017–Q3 2018, and excluding our Infant Formula and Child Nutrition business.

There are two key contributing factors:

- In 2018, we tightened the metrics of our Sustainable Innovation App across ingredients, packaging and consumer (energy) use in line with our reporting criteria. This excluded some projects we had previously included in the list as they no longer met the 10% threshold required (see Appendix 2).
- There was a significant increase in total Net Revenue across the business, which outstripped the increase in sustainable Net Revenue during the same period.

Recognising the contribution that we can make through the products we sell means that we measure many of our environmental metrics across all of our portfolio. There are a number of key issues which are addressed in more detail in other RB Insights.



[Click here for more information on our reporting criteria.](#)



[Click here for more information on plastics and packaging.](#)



[Click here for more information on climate change.](#)



[Click here for more information on water resources.](#)

Sustainable innovation continued

Appendix 1: Sustainable products

One-third Net Revenue from more sustainable products in 2020

By 2020, our target aims for one-third of our Net Revenue to come from 'more sustainable' products, measured by our Sustainable Innovation App. The sustainability team works closely with the finance function to track our Net Revenue from more sustainable products to help bolster the business case for sustainability.

Our Net Revenue from more sustainable products was £1,868 million in 2018, up from £1,824 million in 2017 (based on a 12-month period from Q4 2017–Q3 2018 and excluding our Infant Formula and Child Nutrition business). This is equivalent to 18.5% of total Net Revenue, down from 19.4% last year. In 2018 we improved the accuracy of our App across ingredients, packaging and consumer (energy) use, maintaining alignment with our reporting criteria. Re-calculating 2017 results (reported as 19.4%) and accounting for the projects subsequently pulled from our more sustainable project list would give 18.2% for 2017, showing that 2018 still delivered an improvement.

Report year	More sustainable Net Revenue (m)	% More sustainable Net Revenue
2013	£230	3.0%
2014	£350	5.0%
2015	£558	5.0%
2016	£1,193	13.2%
2017	£1,716 ²	18.2% ²
2018	£1,868	18.5% ³

² Re-calculation of 2017 sustainable Net Revenue % following the Sustainable Innovation App accuracy update in 2018. Reported as £1,824 million and 19.4% in 2017.

³ Excluding our Infant Formula and Child Nutrition business.

Sustainable Innovation Calculator	Carbon g CO ₂ / dose	Water Effective water L / dose	Packaging Effective packaging g / dose	Ingredients Self declaration
Better	>10% savings	>10% savings	>10% savings	Complies with RSL + one new 'preferred sustainability credential'
Same	-1.5 - 10% savings	-1.5 - 10% savings	-1.5% - 10% savings	Complies with RSL
Worse	>1.5% increase	>1.5% increase	>1.5% increase	Does not comply with RSL (or variance)

Appendix 2: Sustainable innovation

We use our Sustainable Innovation App to determine if a product can be considered 'more sustainable' and have its revenues count towards our Net Revenue target. The application is a streamlined Life Cycle Assessment (LCA) tool that models the most important environmental impacts of products, including raw materials, packaging and consumer use. To qualify, a product innovation must score better in at least one of the following categories without scoring worse in any others:

- **Carbon** – significant savings (>10%) in grams of CO₂e per dose.
- **Water** – a significant decrease (>10%) of water impact per dose.
- **Ingredients** – adhere to RB's Restricted Substances List and have at least one preferred sustainability credential (Fairtrade or FSC certification, for example).
- **Packaging** – the product must use less packaging overall or use less virgin packaging material resulting in a significant saving (>10%) in the weight of virgin packaging per dose (after subtracting any post-consumer recycled content).

The tool is also used to assess our innovation pipeline so we know what changes are likely to affect our total carbon and water use footprints over the coming three years as products are launched. A network of Sustainability Champions representing each category in their respective markets has been established across the globe to help embed sustainability into the product development process.

[Click here for more information on product stewardship.](#)

[Click here for more information on our reporting criteria.](#)

Sustainable innovation continued

Appendix 3: How we operationalise green product design choices for product life cycle stages

Choice of raw materials or components

With our Sustainable Innovation App we model the carbon and water impacts of our products including raw and packaging materials. Also, for a product to be considered more sustainable with respect to ingredients, it must adhere to RB's Restricted Substances List and have at least one preferred sustainability credential. These credentials promote the use of certified natural raw materials (e.g. paper and board) as well as the use of biodegradable, bio-based or natural ingredients.

Our policy and standard on the Responsible Sourcing of Natural Raw Materials applies to all our natural raw materials, whether used in our factories or supply chain. The App also encourages the reduction of resource consumption by including concentrated formulations in the credentials. For packaging, the App encourages increase recycled content. Our Durex Featherlite Ultra condoms are 20% thinner and 25% lighter than standard latex condoms, saving c.5,200 tCO₂e/year across the full life cycle.



Click here for more information on responsible sourcing.

Direct operations, production and manufacturing

We aim to minimise impacts from manufacturing processes and products on the environment. We have goals to reduce our GHG emissions, energy use, our water use and impact (including scarcity) and the waste (including hazardous waste) from our operations.

Our Restricted Substances List (RSL) ensures a consistent, global approach to safeguarding our consumers and employees from exposure to ingredients of potential concern. The RSL is a list of ingredients that RB has banned or restricted within our global product portfolio.



Click here for more information on product stewardship.



Click here for more information on waste from our operations.



Click here for more information on climate change.



Click here for more information on water resources.

Distribution, storage and transportation

Our Sustainable Innovation App is simplified to exclude transportation, storage and retail as our total carbon footprint reporting shows these contribute less than 5% to the total. However, many of our packaging changes have a positive knock-on effect on transport, where less packaging means less volume and weight to move during distribution.

Use of our products

The use of our products is captured in our App as our water and carbon footprints have highlighted that this is our most significant life cycle stage. To reduce impacts in consumer use, we work to identify both product innovations and behavioural interventions.

Recent product improvements with a lower sustainability impact during the consumer use phase range from more energy efficient devices in Air Wick to easier to rinse hand soaps in Dettol. Innovative packaging of our Dettol Squeezy liquid handwash eliminates the need for a pump to dispense the liquid and the liquid format results in carbon and water impact savings of over 60% per handwash.

End-of-life management

We also design to minimise impacts from end of life. In line with our new packaging commitments, we aim to reduce plastic packaging, incorporate more recycled content and provide best-in-class labelling on pack to ensure our consumers know how to dispose of our product packaging.



Click here for more information on plastics and packaging.

Responsible sourcing

The production and supply of raw materials carries a number of social and environmental challenges. Through entrepreneurship and creativity, our supply chain partners and the communities they serve can become more sustainable.

Making progress: Palm oil

Aim	Status in 2018
95% palm traceability to mill for suppliers globally (excluding surfactants)	88% traceability

Making progress: Paper and board

Aim	Status in 2018
100% paper and board from certified or recycled sources by 2020	90.5% from certified or recycled sources (excluding co-packers)

1. Responsible sourcing of natural raw materials

Understanding and mitigating the risks and generating benefits from the opportunities in our natural raw materials supply chains are at the heart of our approach. We have assessed our raw materials, and focus on palm oil, latex, dairy, paper and board. We work closely with suppliers and third-party partners to create positive outcomes that benefit workers, communities and ecosystems.

2. Palm oil

We have taken significant steps to increase transparency in our palm oil supply chains and to carefully invest in initiatives that bring change at scale but also at a focused, community level. We are supporting programmes that enable us to inform and drive improvement in both approaches.

3. Other materials

We buy a wide variety of natural raw materials from around the world. For each of these we have concentrated on ensuring supply chain resilience that benefits from and contributes to ecosystem protection and maintenance of worker rights and better communities.

Our approach to responsible sourcing is anchored in a strong policy and standards framework, but one that is flexible enough to find create and effective solutions. We believe in a strong relationship with our suppliers, based on a comprehensive understanding of traceability. Knowing the origin of our materials is key to understanding the challenges faced and to building mutually agreed solutions.

1. Responsible sourcing of natural raw materials

Our policy and standard for the responsible sourcing of natural raw materials 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, dairy, and paper and board.

We are committed to ensuring the natural raw materials used in our products and packaging are produced in a manner that: meets or goes beyond applicable laws and regulations with respect to human rights; safeguards health & safety; protects biodiversity and the environment; does not cause deforestation; and supports the contribution of business to achieving sustainable development.

Our work is informed by our commitments to:

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

Our Responsible Sourcing of Natural Raw Materials policy and standard applies to all natural raw materials used in products and product packaging that are produced by or on behalf of RB, including at both Company owned/managed facilities and facilities owned, managed or operated by suppliers, contractors and subcontractors. Our Global Sustainability team set the standards and provide guidance on implementation. Our Supply function is responsible for implementing the policy and standard, details of which can be found on [rb.com](https://www.rb.com).



Click here for more information on our key policy requirements in Appendix 1.



Click here to read our Responsible Sourcing of Natural Raw Materials policy and standard.

Responsible sourcing continued

2. Palm oil – A comprehensive approach to sustainable palm oil production

Through our partnership with Earthworm (formally The Forest Trust) we continue to focus on developing a comprehensive understanding of our value chain by mapping and assessing the complex risks in our palm oil supply chain. A spatial awareness of the value chain enables us to focus effort at a local level and develop programmes that support primary producers, the dealers that purchase from them and other stakeholders that work up to the point palm oil derivatives reach our manufacturing sites.

In 2018 we began to implement several commitments to work more closely with our suppliers to drive industry change:

- **Public supply chain traceability and transparency**
We published a full list of mills in our supply chains in 2018 and piloted the use of Starling satellite monitoring technology

to map mill locations against High Conservation Value (HCV) and High Carbon Stock (HCS) areas.

- **Timely identification of supply chain grievances in pursuit of NDPE commitments**
Working with our suppliers and through our own supply chain analysis, we identified 13 grievances regarding instances of ecosystem destruction. Five of these resulted in suspension of buying by our suppliers, while the remainder were investigated and time-bound commitments made by them to resolve these.
- **Observation of a forest conversion cut-off date of 31 December 2015**
We believe this date should represent the point from which clearance of HCV and HCS areas is judged as incompatible

with NDPE commitments. We will work closely with our supply chains in 2019 to ensure this is acted on.

- **Compliance with all applicable environmental, labour, health & safety laws and regulations, and adherence to the International Labour Organisation's (ILO) Fundamental Conventions in our supply chains**
We continued to maintain funding of on-the-ground programmes focused on improving livelihoods and fulfilment of human rights in our wider supply chains. We aimed to achieve this through third-party audits and capacity-building programmes at palm oil processing mills and through support for the industry development of policy and practices that work to ensure the more responsible recruitment of migrant labour in Malaysia.

CASE STUDY

Closer to origin

In 2018 we continued to support smallholder farmers in priority areas of our supply chains. Through Earthworm's 'Rurality' programme, we are building smallholder resilience through improved farming techniques that tackle the endemic social and environmental issues associated with palm production.

This programme works 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 Sabah, Malaysia and East Riau, Indonesia and in Southern Thailand. In each instance, considerable effort is placed on empowering smallholders to develop diversified incomes, alongside core farming activity. For example, through the rearing of goats within palm oil growing landscapes in Malaysia Borneo.

Key achievements in numbers are outlined below:

Farmers reached:

- **Indonesia:** 174 farmers engaged
- **Malaysia:** Supply chain gatherings with 224 farmers
- **Thailand:** 340 farmers trained (2018)

Stakeholders engaged for strengthened supply chain:

- **Indonesia:** three stakeholders engaged including mill, dealers, and other farmers groups
- **Malaysia:** five stakeholders engaged in CB and diversification
- **Thailand:** 11 stakeholders engaged, including six collection centres

Livelihoods strengthened:

- **Indonesia:** 90 women engaged in community farming
- **Malaysia:** 14 farmers involved in income diversification activities
- **Thailand:** 163 farmers that have diversified their crop cultivation, including 105 farmers that have increased variety of food crops



Responsible sourcing continued

Sustainability of the wider landscape

Environmental damage and poor socio-economic conditions are often a consequence of macro-level factors, including government policy, internal and external migration, and inequitable distribution of land-use rights.

In 2018 we continued to support Earthworm's landscape-level programmes in Aceh Tamiang, Aceh Singkil and East Riau in Indonesia, where palm oil that enters our supply chains is harvested.

In Aceh Tamiang we signed a memorandum with the district government that inspired the halting of new palm oil concessions in the region.

In Southern Aceh we brought together representatives of local civil society organisations and companies operating within biodiversity hotspots in order to develop comprehensive land use plans.

In East Riau we conducted detailed analysis of satellite imagery data and cross-referenced this with plantation and concessions data to inform targeted conservation action.



Click here for more information on our approach to responsible palm oil sourcing in Appendix 2.

3. Other materials

Latex

We work closely with our latex supply chains to ensure compliance with our Responsible Sourcing of Natural Raw Materials policy.

We have completed on-the-ground assessments in conjunction with Earthworm to ensure that the latex we use is compliant with our policy and sourced responsibly.

Through Earthworm's Rurality programme we are funding work to improve smallholder livelihoods within the direct supply chains of our suppliers by:

- Creating strong and stable relationships between farmers, first buyers and other key stakeholders along the supply chain to leverage commercial relations, seize opportunities and find solutions.
- Improving livelihoods and social conditions by increasing the value of cash crops, developing a stable farming business by diversification and ensuring a safe working environment.
- Maintaining and enhancing the quality of their natural environment and habitat areas by encouraging responsible farm development and adopting integrated farm management practices.



We are committed to maintaining a clear focus on latex sustainability supply chain resilience and will continue to support smallholder programmes at scale.

Dairy

Since acquiring Mead Johnson Nutrition in 2017, we have taken steps to understand the sustainability of our dairy supply chains. In 2018 we joined the Sustainable Agriculture Initiative Platform (SAI Platform) Dairy Working Group and will become active members of the group's workstreams in 2019.



The SAI Platform Dairy Working Group is tasked with implementing 11 Sustainability Criteria set out by the Dairy Sustainability Framework (DSF):

- | | |
|---------------------|--------------------------------|
| 1. Greenhouse Gases | 7. Market Development |
| 2. Soil Nutrients | 8. Rural Economics |
| 3. Waste | 9. Working Conditions |
| 4. Water | 10. Product Safety and Quality |
| 5. Soil | 11. Animal Care |
| 6. Biodiversity | |

Responsible sourcing continued

Working collectively with other Dairy Working Group members, including peer companies and suppliers, the ultimate aim of the Dairy Working Group is to improve sustainability outcomes across the dairy industry. We aim to ensure a collective approach to sustainability that can be measured through a common set of metrics, right along the supply chain. We are pleased to report that our highest volume suppliers are active members of the working group.

Through our active participation in various workstreams, we will take an active role in this important initiative from 2019.

Paper and board

Our existing commitments to responsible sourcing apply to the paper and board that we purchase for use in primary and secondary packaging (of products and for packing during transportation). We aim to ensure that 100% of the paper and board we use is either certified to FSC or PEFC standards by 2020.

We are working with our suppliers to ensure the full traceability of their supply chains, based on credible third-party certification, and in 2018 we achieved 90.5% of this target to date (excluding co-packers).

We will use this data to further increase due diligence and transparency in our supply chains, enabling use to work with our supplier to improve origin-level impacts.

Responsible sourcing continued

Appendix 1

Key natural raw materials policy requirements

Our key policy requirements state that natural raw materials must be from sources that:

- are managed in compliance with all applicable environmental, labour and health & safety laws and regulations, and ILO Fundamental Conventions¹;
- do not contribute towards deforestation or degradation of peatlands of any depth, primary forests² or High Conservation Value areas, as defined by the HCV Network³;
- are managed in accordance with all applicable tenure and use rights, including the respect of indigenous people's and local communities' rights;
- are not using toxic chemicals (as listed by the Stockholm (POP) Convention)⁴;
- do not use fire to prepare land for replanting and/or waste disposal;
- are managed in a manner that protects biodiversity and ecological processes; and
- actively seek to utilise previously cleared and/or degraded land rather than natural forests. Plantations should optimise the use of agricultural land where appropriate, and not put indirect pressure on forests through overuse of agricultural land in an area.

- ¹ <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang-en/index.htm>
- ² Primary forest is a forest ecosystem with the principal characteristics and key elements of native ecosystems such as complexity, structure, and diversity and an abundance of mature trees, relatively undisturbed by human activity. Human impacts in such forest areas have normally been limited to low levels of hunting, fishing and harvesting of forest products. Such ecosystems are also referred to as 'mature', 'old-growth', or 'virgin' forests.
- ³ 'High Conservation Value Areas' refers to the areas necessary to maintain or enhance one or more High Conservation Values (HCV), where an HCV is a biological, ecological, social or cultural value of outstanding significance or critical importance. Specific definition of the six HCV categories is provided in our Standard for the Responsible Sourcing of Natural Raw Materials available on rb.com.
- ⁴ The Stockholm Convention on Persistent Organic Pollutants lists 22 organophosphates, such as DDT, which signatory countries agree to cease making and using other than in specific exceptional cases. POPs can be very widely distributed by wind; they are slow to biodegrade and tend to build up in animal tissue.

Monitoring compliance

Each year we complete a risk assessment of all natural raw materials used within our products. We use an external company to assess a range of social and environmental criteria to grade the materials we use from low to high priority. The results of this assessment ensure we continue to focus our efforts on the highest priority materials.

Specific due diligence is then performed for materials deemed to be of a higher priority. Our compliance monitoring programme includes suppliers of key natural raw materials, all of whom must comply with our policy which is an integral part of our commercial contracts.

Our compliance monitoring activities include:

- In-depth responsible sourcing programmes
- Traceability and compliance questionnaires
- Supplier engagement including visits, meetings and assessments
- Independent audits

Working with our suppliers

We are dedicated to working with our suppliers to ensure the responsible sourcing of natural raw materials against our policy and standard. We understand that in some regions or countries, particularly where there are complex and informal supply chains, reliably confirming compliance may be a difficult, complicated and lengthy process. We aim to address any issues identified, ensuring plans are in place to address them. We value an open and honest approach to any occurrences of non-compliance and a genuine commitment to correct these in an appropriate time frame. We believe that working with suppliers to address non-compliance in our supply chain can be a better long-term solution than immediately discontinuing work with them. However, if mutually acceptable solutions cannot be reached within appropriate timescales, we may be required to suspend our business relationship until a satisfactory solution can be found.

Responsible sourcing continued

Appendix 2

Responsible palm oil sourcing

In a global context, RB is a relatively small user of palm oil derivatives, but we are committed to ensuring we have the knowledge we require to ensure we take the actions required to address issues connected to palm oil sourcing, including deforestation. We remain committed to the goal of ensuring that our supply chains are deforestation free by 2020 and other forms of ecological destruction, such as degradation of peatlands (of any depth) or high conservation value areas. We remain a member of the Roundtable on Sustainable Palm Oil (RSPO) and work only with RSPO member suppliers committed to the same goals. In 2018 we also continued to work with other brands to ensure responsible palm oil supply chains can be established at scale.

Our palm oil programme focuses on the following areas:

Engaging with suppliers

In 2018 we continued to maintain close, direct relationships with our suppliers to ensure targeted action could be taken upstream from refineries that supply us directly, with other supply chain actors.

We work closely with the international non-profit organisation Earthworm to ensure that we know all of the palm oil mills in our supply chains.

In 2018 we achieved traceability to mill for 88% of all our palm oil-derived products. This now includes India (but excludes surfactants) and the smaller amount of palm oil that is used in our IFCN products. This is the result of work with all of our suppliers and will ensure that we are able to monitor key at-risk geographies in the palm oil growing landscape and invest in transformational programmes that engage refineries, mills and communities where we can have the greatest impacts on efforts to reduce deforestation and improve labour rights.

In 2018 we continued to invest in further improving our understanding of human rights risks linked to palm oil and in taking action to ensure improvement. In 2018, we started a programme of assessing labour management at mill in our supplier supply chains, working with Impactt Consulting in Malaysia and a key supplier. We will further expand this programme in 2019.

We also maintain a programme at a mill in Indonesia, which was featured in reporting by Amnesty International in 2016 and which continues to supply a key refinery in our supply chain. Considerable progress was made in 2018 to deliver new procedures and operating systems and worker engagement. Work will continue in 2019 with external consultants and our supplier.

Supply chain analysis

In 2018 we worked with Earthworm to develop a database of the mills in our supply chains that includes information on the programmes and measures we have in place to ensure compliance with our NDPE policy. We are using this information to ensure the development of an effective programme of on-the-ground support to mills in our supplier supply chains. This will also inform our ongoing dialogue with suppliers.

On-the-ground programmes

We continue to support on-the-ground programmes in 2018, focused on reducing impacts on forests and wider ecosystems by tackling issues at a landscape level through stakeholder engagement alongside direct interventions geared to improve the environmental and socio-economic sustainability of smallholder farmers. These programmes will be informed by the supply chain traceability data outlined above.

Landscapes

We will continue to support landscape-level programmes in Aceh Tamiang, Aceh Singkil and East Riau, designed to promote constructive engagement between government, producers, local communities and civil society to develop comprehensive and sustainable land use approaches that respect livelihoods, based on legitimate land tenure. This will be enhanced through our support for local, civil society organisations that will independently monitor progress.

Smallholders

We are maintaining our investments in smallholder farmer communities through projects in East Riau, Indonesia and in Sabah, Malaysia. These 'Rurality' programmes focused on continuing to build productive relationships between farmers, buyers and wider supply chain stakeholders to improve livelihoods and preserve the natural environment. In 2019, we will work to ensure the solutions identified by Rurality can be adopted at scale, across the wider landscape. The Rurality programme in East Riau will inform, interact with and benefit from the landscapes programme there, as outlined above.

Further information on our responsible palm sourcing programme can be found on rb.com, which will be updated in 2019.

Climate change

We recognise the threat from climate change; from changing weather patterns, floods and droughts. At RB, climate change is a material issue. We are committed to reducing our environmental impact while helping deliver global climate change targets.

Making progress

Aim	Status in 2018	Aim	Status in 2018
40%	35.2%	35%	22.6%
reduction in GHG from manufacturing by 2020	reduction per unit of production vs 2012	reduction in energy consumption by 2020	reduction per unit of production vs 2012

Aim	Status in 2018	Aim	Status in 2018
100%	30%	1/3	4%
renewable energy by 2030	of manufacturing sites sourcing renewable energy	reduction in our carbon footprint per dose by 2020	reduction since 2012

1. Greenhouse gases from our manufacturing

We have direct control over the greenhouse gases (GHG) emitted during product manufacture and are committed to reducing GHG emissions in line with calls to limit global warming.

2. Greenhouse gases across our full value chain

Through the design of our products and the influence we have on our suppliers, customers and consumers, we work to maximise the benefit and minimise the climate change impact associated with our products.

3. Transportation and logistics

As a global company, we recognise the importance of transport and distribution to our business. We work with our transport contractors to improve efficiency and reduce emissions.

4. Carbon offset programme

While reducing our emissions and switching energy sources, we also consider offsetting and ran our 'Trees for Change' carbon offset programme from 2006 to 2015.

5. Resilience to the effects of climate change

In building a more resilient business, we aim to minimise potential climate-related risks for our product portfolio and operations while also identifying areas where we can create opportunities through all our work to further minimise climate change.

We take a value-chain approach to understanding and managing our climate change risks and impacts, based on carbon life cycle modelling. This helps prioritise efforts to address the biggest risks and opportunities. RB is committed to making more with less

environmental impact. We target not only the aspects under our direct control such as energy reduction in our factories and investing in purchased and on-site renewable energy, but also tackle the much larger carbon emissions and water impact embedded in our products. These stem from the materials we use, how people use our products and also the disposal and recycling of product packaging. Our Environment policy and our sustainable innovation programme confirm our commitment and frame our work.

Reflecting these different elements, we have two GHG reduction targets:

1. To achieve a 40% reduction in our GHG emissions (per unit of production) in our own manufacturing sites and warehouses by 2020, through driving energy and production efficiency programmes.
2. A 1/3 reduction in our carbon footprint per dose by 2020 versus 2012, which aims to reduce GHG emissions across the full value chain of our products.



[Click here to read more about our approach to sustainable innovation.](#)

Climate change stewardship

Stewardship of our climate change strategy is the responsibility of RB's Board of Directors and our Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee, a sub-committee of the Board. It is responsible for overseeing its implementation, progress and performance against our 2020 targets. More information on our approach, in line with the Taskforce for Climate-related Financial Disclosures (TCFD) recommendations, can be found in our RB Insights 'Understanding Climate Change Risks'.



[Click here for more information on understanding climate change risks.](#)



[Click here to read our Environment policy.](#)

Climate change continued

1. Greenhouse gases from our manufacturing

At RB, we have a long history of focusing on reducing GHG emissions and since launching our current targets in 2012, we have made significant progress across our manufacturing sites, improving energy efficiency and sourcing renewable electricity. We will continue to make improvements, while reducing absolute carbon emissions by expanding our use of renewable energy to support delivering on our Science Based Targets. Additionally, given that RB's operations represent only a small part of our overall carbon footprint, our Science Based Targets will extend to cover the wider value chain.

Our 2018 GHG emissions associated with our operations, Scope 1 and 2 (including R&D and offices), were 148,214 and 247,856 tonnes of CO₂e respectively, which results in a total of 396,070 tonnes of CO₂e. These emissions are generated directly on site, through burning fossil fuels for space heating, hot water and process heating or cooling (Scope 1), and indirectly from our use of electricity (Scope 2). Our 2018 GHG emissions data Scope 1 and 2 includes our IFCN (Infant Formula and Child Nutrition) operations.

We track and report our GHG emissions, following a dual market-based and location-based methodology in line with the WRI/WBCSD GHG Protocol and Scope 2 Guidance. In line with the location-based approach, our Scope 2 emissions for 2018 were 309,179 tonnes of CO₂e and our total Scope 1 and 2 tonnes of CO₂e was 457,393. This equates to approximately 61,323 tonnes of CO₂e being saved due to our commitment to sourcing renewable energy.

¹ Pre-acquisition data for our IFCN business is not available. To ensure comparison with our 2012 target baseline, the 2018 data shown excludes IFCN. Including IFCN, 2018 manufacturing and warehouse energy use was 0.6304 GJ per 1,000 CUs.



CASE STUDY 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.

Improving energy efficiency

Becoming more energy efficient is essential for significantly lowering carbon emissions, helping reduce energy costs as well as our environmental footprint. Since 2012 we have reduced our energy consumption per unit of production by a total of 22.6%¹ ensuring we remain on track to meet our goal of a 35% reduction by 2020. See Appendix 1 for details.

Our approach comprised two core elements:

1. Measuring, monitoring and tracking energy consumption across our operations from site to regional, Business Unit level thought to Corporate. We use dedicated software to collect, assess and benchmark site performance, and identify opportunities for improvement across the business.

2. Implementing a variety of energy-saving projects across our operations, such as chiller replacement, heat recovery, conveyor switching, installing variable speed drives, automatic boiler regulators, compressed air optimisation, LED lighting and installing automated heating, air conditioning and lighting controls.



3,000t
GHG emissions saved

CASE STUDY Drive for energy efficiencies in Thailand

Bangpakong investing for the future

At Bangpakong, Thailand, our on-site team conducted a full review, focusing on energy intensive processes to identify energy savings opportunities. These include upgrading cooling towers, installing temperature, air and lighting controls, and integrating system improvements, saving 15% of the site's energy use, plus the installation of a CHP, providing the site with electricity, heat and steam and saving an estimated 3,000 tonnes of GHG emissions.

Bangplee innovations in air conditioning

Air conditioning can be a significant and increasing consumer of energy. At our site in Bangplee, Thailand, we investigated what more could be done by investing in new, more efficient technologies. The site opted for the '5 Plus' Technology which provides up to 40% savings. In addition, due to innovative electronic-based parts, operating and maintenance needs decreased, plus cooling capacity and compressor lifetime improved.

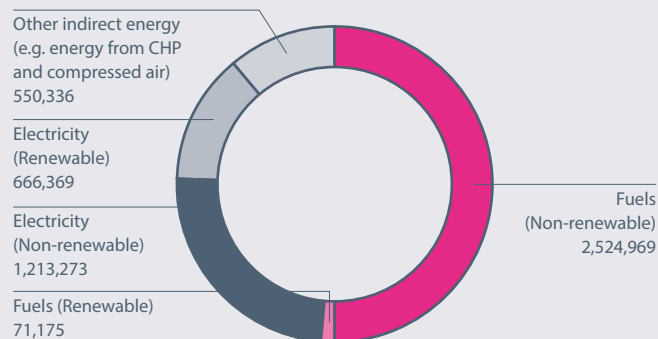
Climate change continued

Renewable energy

We are increasing our use of renewable energy, and are committed to sourcing 100% renewable electricity by 2030. In support of this, RB joined the RE100 initiative, a collaborative, global initiative, uniting like-minded organisations to drive change and increase availability, demand and delivery of renewable energy. As a result, over 30% of our manufacturing sites are currently using energy from renewable sources, with the majority of our US and EU sites now purchasing renewable electricity.

In 2018, we used 5,026,122 GJ of energy across our sites (including our IFCN operations). This comprised:

Energy used across our sites in 2018 in GJ



Underlying our commitment to renewable energy is our investment in solar energy, for example at our plants in Belle Mead, Cali and Mauripur, plus the Power Purchase Agreement (PPA) we signed for our Mysore plant in the Indian state of Karnataka. As our first solar-powered factory in India, this is delivering a reduction of over 75% in carbon emissions.

Other emissions

RB is not a significant user of ozone depleting substances (ODS) and, as a result, this is not a significant issue for our business. Common industrial air emissions such as sulphur and nitrous oxides (SO_x and NO_x) and particulates (dust) are not generally emitted from our manufacturing facilities. Where present, these emissions are below applicable legal requirements.



CASE STUDY

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 kWh of renewable electricity over the next ten years, ensuring the necessary funding for the project was secured.

This supply agreement will reduce the plant's carbon emissions by 75% in addition to decreasing costs over the ten-year period.

2. Greenhouse gases across our full value chain

We recognise that the products we sell affect the climate through the product design choices we make and the suppliers we work with. RB is committed to developing innovative products and technologies that require less energy and produce fewer emissions.

By designing our products in ways that reduce the amount of energy required to make, use and dispose of them, we can decrease the associated emissions. We choose ingredients and packaging materials that have a low carbon footprint and work in partnership with other RB teams and suppliers to reduce the carbon and water footprints of our products. De-carbonising our products makes good business sense, enabling resilience to direct and indirect climate change impacts.

Measuring our carbon footprint across our full value chain, both upstream and downstream, entails a robust and comprehensive calculation of GHG emissions throughout the life cycle of our products – from the sourcing of raw materials, to the way they are manufactured, used and disposed of. By better understanding where our impacts are high, we can deploy additional reduction measures.

In 2018, we calculated the full value chain impacts from our new IFCN division following the Mead Johnson Nutrition acquisition. This provided new insights, both in terms of the hotspots within the IFCN division as well as the size of the IFCN impact relative to the whole of our business. We will use this information to roll out our sustainable innovation work across IFCN in 2019.



Click here for more information on our sustainable innovation programme.

Climate change continued

One-third lower carbon footprint per dose by 2020

Our carbon performance is measured by our total carbon footprint per dose of product against a 2012 baseline (65.7g CO₂e per dose). In 2018, our total carbon footprint was 63.1g CO₂e per dose, a 4% decrease against 2012. The total carbon footprint for the full value chain of RB products and its breakdown is shown in the infographic on page 5.

We have successfully delivered reductions in a number of areas such as plastics used in packaging. Working with suppliers, we also have programmes in place to reduce the impacts from natural raw materials. However, we are behind our targets on full value chain GHG reductions.

Most of our GHG emissions occur when consumers use our products. Despite making progress, influencing consumer behaviour remains a key challenge and we have therefore been working with partners to effect change. For example, Finish have been collaborating with key makers of dishwashers to ensure our dishwasher tablets deliver the same performance at lower temperatures and with reduced water use. This means that GHG emissions from consumer use will reduce over time, as people replace their existing dishwashers with new, more efficient models. Alongside this, as people also move from hand washing to energy and water-efficient dishwashers we can similarly drive significant carbon and water savings globally.

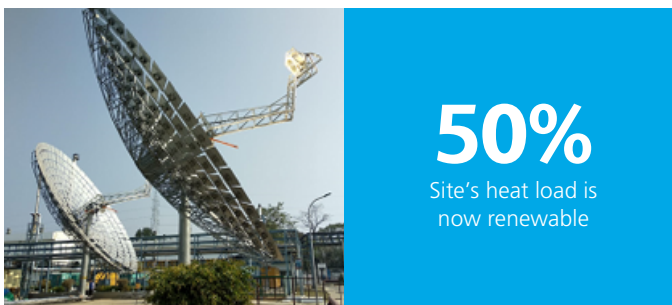
However, this move will increase RB's own carbon and water footprint, because the impact will be linked to our products, despite the overall positive impact on saving water and contribution to reducing global water scarcity.



CASE STUDY

Roof-mounted solar power at Mauripur

At our factory in Mauripur, in Pakistan, we've increased our use of renewable energy with the installation of a 107 KW high efficiency roof-mounted poly-crystalline solar system. The system is designed to operate during daytime (off-peak hours) in parallel with the local electricity grid, providing the site with clean power and reducing its GHG emissions.



50%

Site's heat load is now renewable

CASE STUDY

Renewable hot water at Uttaranchal

At our plant in Uttaranchal, India, we've gone one step further by installing dual axis parabolic solar dishes, to generate renewable hot water. The dishes are 95m² in size and move during the day to track the sun and maximise energy output. With just five dishes, 50% of the site's heat load is now renewable, decreasing energy use by 25% and reducing GHG emissions.



1,600t

GHG emissions saved

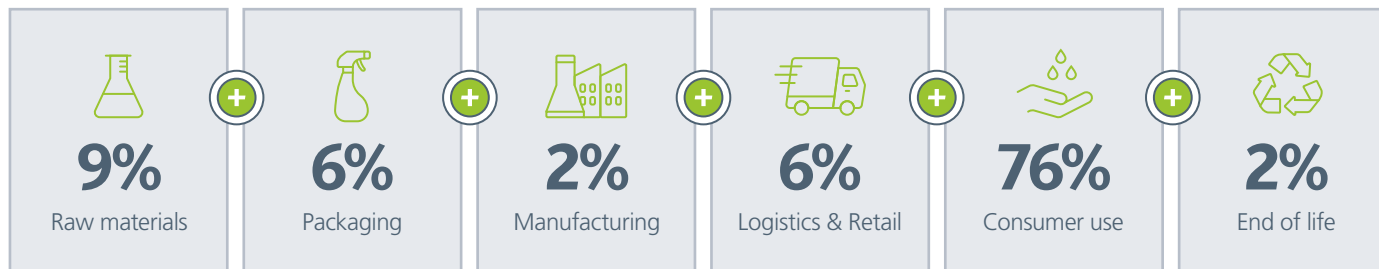
CASE STUDY

Moving away from coal power in China

At our sites in Anhui and Shanxi in China we focused on what energy we use on site and how it is produced. In 2018, both sites invested in the installation of new cleaner burning natural gas boilers, plus additional heat recovery, moving away from less efficient coal fired boilers and saving an estimated 1,600 tonnes of GHG emissions.

Climate change continued

Our carbon footprint



Looking forward, as RB grows, this in turn will drive up the overall carbon footprint of our products. For example, bar soap is both carbon and water intensive as it uses a relatively large amount of energy (e.g. carbon) to heat water as well as having a high water impact at point of use. This is an example of improved hygiene and associated health benefits from hand and body washing, where the benefit is delivered with negative life cycle impacts. This will mean that we will have to work even harder to deliver GHG reductions across the value chain to compensate for growth or find new ways to make soap with lower emissions. We acknowledge this will be challenging, but we also believe this will open up new opportunities for us.



Click here for more information on our breakdown of product life cycle emissions in Appendix 2.



Click here for more information on our approach to responsible sourcing.



Click here for more information on plastics and packaging.



CASE STUDY CDP

We recognise the importance of driving transparency and stakeholder disclosures. We're delighted to be included in CDP's 2018 Supplier Engagement leaderboard, achieving A listing, as well as A- listing for climate. We're proud of our achievements but we know there is much to do across all three of CDP's focal areas of climate, water and deforestation, both within our supply chain and in our own operations. Deforestation accounts for up to 15% of the world's greenhouse gas emissions, so we're committed to advancing our work on palm oil and other issues where supplier collaboration is key. For our CDP 2018 Palm Oil and Timber disclosures RB was awarded the above-industry scores of A- and B- respectfully.

CASE STUDY

Mucinex Fast-Max

The Sustainable Innovation Application helped to identify some surprising carbon, water and packaging savings for these Cold, Flu & Sore Throat Caplets. The product was originally available in a bottle, but incorporating Sustainable Innovation at the forefront of our development process helped to identify that the caplets are almost 95% lighter, saving more than 80% of greenhouse gas emissions and more than 90% of the water impact.

3. Transportation and logistics

As a global consumer goods company, we recognise the importance of transport and distribution in our business. However, in 2018 logistics accounted for only 2% of our total carbon footprint. We use transport contractors to move our products by road, sea, rail and sometimes air; consequently, we do not have operational control of these companies, but we work with them to improve efficiency and reduce emissions.

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

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

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

Climate change continued

4. Carbon offset programme

RB ran a carbon offset programme called 'Trees for Change' in British Columbia between 2006 and 2015. We launched this programme because we wanted to actively mitigate our company's impact on climate change and this offered us a means, in addition to our existing activities, to do so.

Our goal for the programme was to plant enough trees to take in the same amount of carbon dioxide as our manufacturing operations generated from 2006 to 2017, effectively making our manufacturing operations carbon neutral. We achieved this goal through planting over 8 million native trees since the inception of the programme. Our methodology for estimating the carbon sequestered by the trees planted in our RB Trees for Change programme is aligned to the Intergovernmental Panel on Climate Change's (IPCC) Good Practice Guidance (GPG) for Land Use, Land-Use Change and Forestry (LULUCF) Projects (2003).

We have always managed the programme in-house rather than using an external offsetting company, which means we are responsible for ensuring enough trees survive and grow, while maintaining the land we own using local contractors and striving to be a good neighbour.

We recognise that land use priorities are changing within British Columbia. As a result, in 2015, we paused the programme while we completed a full review. As part of this review, we engaged with local stakeholders to understand how RB's Trees for Change programme could continue to make a positive contribution to the local community. Based on the feedback from the community, in 2016 we decided to continue to maintain the trees and land already planted as part of the programme, but to discontinue efforts to purchase any additional land. RB will continue to be a responsible neighbour, maintaining the land it owns and keeping the properties safe and secure, using local suppliers.

At this time, we do not plan on implementing another Trees for Change programme. Instead, we will focus our efforts and resources on reducing RB's greenhouse gas emissions through manufacturing efficiencies, renewable energy and reduction efforts along the full value chain.

5. Resilience to the effects of climate change

As part of building a resilient future business, we aim to understand the risks posed to sourcing, making and selling our ingredients and products through climate change, for example floods, droughts and temperature changes that influence the transmission of diseases. The better we understand these risks, the better we are prepared for them and can continue to provide our customers and consumers with a relevant product offering. You can find more information of the work we are doing in this area in our RB Insights 'Understanding climate change risks'.



Click here for more information on understanding climate change risks.

Outlook for 2019

Recent changes in our business, such as the acquisition of Mead Johnson Nutrition, have led to changes in our overall environmental footprint. As a result, we have decided to review RB's goals to ensure they reflect the new business. We have committed to setting carbon reduction targets that support climate science and help limit global warming in line with the objectives of the United Nations Framework Convention on Climate Change (UNFCCC).

We took our first step towards this in 2018 by committing to setting Science Based Targets. In line with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), we have also reviewed our business strategy and climate-related 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.

Climate change continued

Appendix 1

Energy and greenhouse gas data

Energy usage	Units	2012	2013	2014	2015	2016	2017	2018**	% Change vs. 2017	% Change vs. 2012
Energy use per unit of production	GJ per 1,000 CU	0.4704	0.4488	0.4130	0.3959	0.3939	0.3767	0.3640	-3.4%	-22.6%
GHG emissions per unit of production*	tCO ₂ e per 1,000 CU	0.0402	0.0392	0.0374	0.0347	0.0313	0.0278	0.0260	-6.3%	-35.2%

Note: All data for manufacturing and warehouses unless otherwise stated.

* GHG emissions data are in line with the Scope 2 GHG Protocol market-based approach.

** Pre-acquisition data for our IFCN business is not available. To ensure like-for-like comparisons, target performance trends vs 2012 exclude IFCN. Including IFCN, 2018 manufacturing and warehouse GHG emissions were 0.0521 tCO₂e per 1,000 CUs and energy use was 0.6304 GJ per 1,000 CUs.

Appendix 2

Greenhouse gas emissions across the full value chain (Scope 1-3)**

Total carbon footprint impact 2018 (RB excl IFCN)		Raw materials	Packaging	Manufacturing	Logistics and retail	Consumer use	End of life	Total/ average
Carbon 2018	total (million tCO ₂ e)	2.9	1.9	0.4	1.7	26.4	0.7	34.0
	g/dose	5.3	3.5	0.8	3.1	49.0	1.3	63.1
	% split	8	6	1	5	78	2	100

The system has been developed with reference to the requirements and principles of recognised international standards such as PAS 2050:2011 and the greenhouse gas protocol.

Total carbon footprint reductions (RB excl IFCN)		2012 (baseline)	2017	2018	% Change on 2012	% Change on 2017
Carbon 2018	g/dose	65.7	64.6	63.1	-4%	-2%

Total carbon footprint impact for IFCN 2018		Raw materials	Packaging	Manufacturing	Logistics and retail	Consumer use	End of life	Total/ average
Carbon 2018	total (million tCO ₂ e)	0.5	0.1	0.2	0.7	2.8	0.1	4.4
	% split	11	3	4	15	63	3	100

*** Pre-acquisition data for our IFCN business is not available. To ensure like-for-like comparisons, target performance trends vs 2012 exclude IFCN. Including IFCN, the 2018 carbon footprint across the full value chain is 38.4 million tonnes of CO₂e.

Understanding climate change risks

Climate change is a significant threat to society and ecosystems around the world, through rising sea levels and potential floods to water scarcity and economic migration. The need for action is clear and there are growing calls for organisations to better understand and report on climate-related risks.

1. Stewardship and governance

Our structure for ensuring proper stewardship and oversight of our sustainability and climate change risk, opportunities and programmes.

2. Our approach and strategy

Our integrated approach to understanding and managing our climate change strategy across our value chain.

3. Understanding potential risks and opportunities

Our approach to understanding and assessing climate-related risks and opportunities across our business.

4. Targets and KPIs

Driving performance across our value chain through our targets and metrics.

1. Stewardship and governance

With purpose at the heart of our business, we recognise our role in combating climate change and making a positive impact for healthier lives and happier homes around the world. Our understanding of climate change impacts, and our approach to tackling them, are key to achieving our ambitions.

Stewardship of our climate change strategy is the responsibility of RB's Board of Directors, and our Board Committee for Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) is responsible for overseeing its implementation, progress and performance against our 2020 targets. The CRSEC Committee meets quarterly and comprises three Non-Executive Directors, the CEO and CFO (more details can be found in RB's 2018 Annual Report, pages 87-92). Our CEO is the Board Member accountable for Environmental, Social and Governance matters including climate change.

The CRSEC Committee is supported by our Executive Committee and RB's Compliance Management Committee (CMC). The CMC is operational in focus, led by the CFO, and comprises Executive Committee members including the CEO and Chief Supply Officer. The CMC meets quarterly and is responsible for overseeing the implementation of compliance and sustainability strategy across the Company. It provides strategic advice and ensures effective execution of sustainability strategy in conjunction with functional department heads, including climate-related activities and progress against our climate change objectives.

The CRSEC Committee and CMC oversee sustainability matters, including climate-related issues and strategies to guide and review progress, for example reviewing material issues and opportunities, performance against objectives, acquisition impacts, climate-related KPIs and setting targets, as well as

approving project plans and expenditure as part of their standard agenda. Climate-related issues are monitored by our CMC and reported to the Board annually as part of our integrated reporting process; materiality assessment and progress against our targets are tracked, monitored and reported through monthly sustainability progress reports and our CMC sustainability dashboard.

Operational leadership for sustainability is led by our Corporate Affairs and Sustainability function, focusing on delivering RB's purpose, providing an integrated approach with our Corporate and Global Health and Hygiene Home business teams. The Sustainability function is responsible for developing and delivering strategies and programmes relating to climate change and monitoring progress against them, working collaboratively across the business and reporting directly to the Group CEO.



[Click here to read our Annual Report.](#)

2. Our approach and strategy

Climate change is a global issue requiring all of us to play a role. At RB we take a holistic approach across our value chain, understanding and managing our climate change strategy, based on carbon life cycle modelling, and prioritising our efforts to address the biggest risks and opportunities.

Our work on materiality highlights the importance of climate change for our business, both in the near future and in the longer term. This takes account of external policy frameworks and conventions, such as the Paris Agreement, and we frame activity in support of these. RB supports the objectives of the United Nations Framework and the Sustainable Development Goals in tackling climate change and its impacts.

Understanding climate change risks continued

RB is committed to making more with less; continually reducing the emissions of our operations and our brands across their life cycle, while also growing our business. Our strategy for managing climate change risks and opportunities includes action across the entire footprint of our products. We are implementing energy efficient production processes, investing in purchased and on-site renewable energy, and advancing our sustainable innovation programme (for more details, please see our 'Climate change' Insight on [rb.com](https://www.rb.com)).

In recognition of Science Based Target setting and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), we reviewed our current climate change strategy and targets in line with various scenarios. We are continuing this work and will publish more details, updating our new long-term climate change goals, in the year ahead. We have committed to setting Science Based Targets and have signed up to RE100, with the goal of achieving 100% renewable electricity across our operations by 2030.

Together with our climate-related programmes, at RB we use a combination of internal financial and non-financial success metrics. Our approach includes sustainability programmes and annual objectives, together with programmes that build awareness, recognise performance and highlight new initiatives that drive improvements through channels such as internal news stories and spotlights and peer-nominated awards.

3. Understanding potential risks and opportunities

Climate change was and continues to be a key element within our materiality review and in terms of specific detail around energy including greenhouse gas (GHG) emission, consumption and alternative energy sources; water consumption, quality and scarcity; and climate change adaptation. Our materiality review supports our current and developing strategies and operational activity on energy and water, and climate change more broadly.

We are considering risks arising from both low carbon transition policies and physical climate impacts. We include this in our wider consideration of corporate risk, as described in our 2018 Annual Report (pages 42-43), and typically evaluate short (up to three years), medium (three to six years) and long (six to twelve years) term impacts. We are further developing our understanding of climate change risks and opportunities related to potential scenarios of 2°C and 4°C global warming, supporting our response to the Task Force on Climate-related Financial Disclosures (TCFD). We worked with PwC to review our activities and reporting in support of TCFD in 2018 and are committed to continue to report on this and our approach going forward.

We assess climate-related risks and opportunities on an ongoing basis at a product and asset level. For our products, we assess climate-related and water scarcity risks across the entire life cycle, from material sourcing to consumer use, during the product development and product change cycles. Since its launch in 2013, we have completed over 5,000 assessments and currently have over 600 live users who help the business drive sustainable innovation. Our sites are assessed for sustainability risks, including climate change, flooding and water scarcity on a global basis. For example, we have used World Resources Institute (WRI) Aqueduct to assess water scarcity across our operations. The use of local water scarcity factors enables us to identify areas where there is greatest concern and where we can focus extra effort on reductions.

4. Targets and KPIs

As a global leader we have established a number of voluntary climate-related targets and metrics driving performance within our direct control and across our value chain. These include our targets to reduce our carbon footprint and water impact per dose by a third by 2020, our commitment to achieve a 40% reduction in GHG emissions from our manufacturing operations and a 35% reduction in water use by 2020, and to reach our goal of 100% renewable energy by 2030. Our approach to targets, and our ongoing work to reduce GHG emissions and improve water resilience, will continue to inform our response to the TCFD.

We report progress publicly on an annual basis in our Annual Report and RB Insights on www.rb.com.



Click here for more information on our sustainability reporting and assurance.



Click here for further information on climate change.

Further information

Additional information relating to our approach to sustainability, including climate-related risks, can be found in our Annual Report and RB Insights on www.rb.com, as well as in external public disclosure submissions such as CDP.



Click here for further information on climate change.



Click here to read our Annual Report.

Water resources

In many parts of the world, millions face water scarcity or poor water quality. Lack of access to clean water and sanitation has significant impacts on human health and the environment. At RB we are committed to addressing these global challenges, playing our part so that together we can make a real difference.

Making progress

Aim	Status in 2018	Aim	Status in 2018
1/3	4%	35%	38%
reduction in water impact per dose by 2020	increase per dose vs 2012	reduction in water use in manufacturing by 2020	reduction per unit of production vs 2012

1. Water use in manufacturing

We recognise water is a precious resource. As a global leader, our role is to continually innovate and challenge our processes to reduce the impact of our water use in our operations.

2. Water use across our value chain

We take a comprehensive approach to understanding the water use associated with our products right across our value chain, through our product footprinting and sustainable product innovation programme.

3. Water scarcity

Access to water is critical for healthier lives and happier homes. Innovations in our products and operations enable us to concentrate our efforts in water-scarce areas where we can have the greatest impact.

4. Wastewater discharge

As responsible users of water we are committed to water stewardship across our operations, to protect the environment and local water sources.

5. Pollution prevention

As a global manufacturer, we take the operations of our factories and our commitment to preventing pollution seriously, maintaining high environmental standards in production processes.

1. Water use in manufacturing

We continually seek ways to reduce the water used across our operations, driving efficiencies in both process and equipment innovation.

We've invested in better metering systems that allow us to more accurately monitor our water usage and enhance our global water monitoring, tracking and reporting capabilities. Linking all our sites and management teams to one connected system is providing greater visibility of performance and opportunities across our network, enabling us to better identify further efficiencies and process improvements to reduce and recycle water, while also facilitating increased best practices sharing across our sites.

In 2013 we amended our 2020 target to a 35% decrease in water use per unit of production due to strong performance in this area. In 2018, we used 0.5981m³ of water for every 1,000 CUs of production, a 2.3% reduction versus 2017 and 38% less than in 2012, resulting in us over-achieving our stretched 2020 target ahead of schedule.

The decrease in our water consumption per unit of production is due to a variety of process improvements. For example:

- Advanced water treatment and the use of reverse osmosis, resulting in increased in-process water reuse and recycling at several of our sites, including Shashi, China; Bangpakong, Thailand; and Hosur, India.
- Water recycling on dipping lines in our plants in Shangma Qingdao, China and Bangpakong, Thailand.
- Process backwash optimisation at our sites in Nowy Dwor, Poland and Hosur, India.

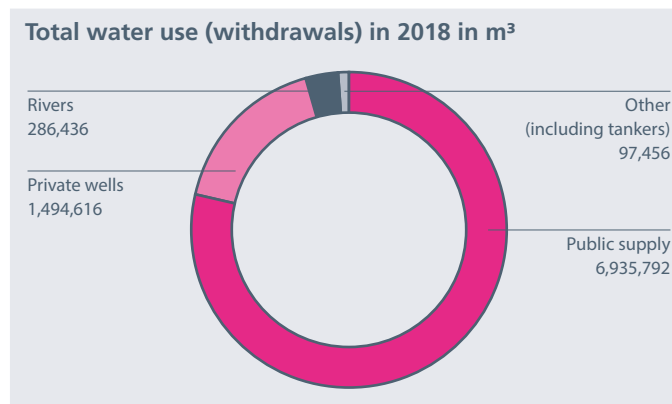
Water resources continued

- 'Clean in Process' optimisation at our site in Baddi, India.
- Pre-heating purified water used for 'Clean in Process', and flash steam used for water boiler feed preheating at our site in Chartres, France.
- Process re-engineering to eliminate hot water sanitisation needs at our site in Tuzla, Turkey.

All our factories are required to meet our Global Water Management Standards, which set out our approach to sustainable water best practices. All our plants have also undertaken an assessment of water use at their facilities to help identify future reduction opportunities. In addition, through our advancements in on-site water reuse and recycling, several sites, including Hosur and Mysore in India and Bangplee, Thailand, have achieved zero liquid discharges – purifying, recycling or putting back into production all the water used on site.

Following RB's acquisition of Mead Johnson Nutrition (MJN) and the subsequent establishment of our IFCN (Infant Formula and Child Nutrition) business, we extended our water programme to these new sites and are defining a new commitment to further reduce water use. We integrated our IFCN sites into our company-wide water monitoring and reporting systems, enabling us to track and report water use and discharge volumes for 2018 and going forward. Data for 2012 that would allow us to build a baseline is not available, so we are not able to include IFCN historic performance within our RB legacy 2020 target performance data.

Across our operations we use water from a number of different sources depending on the local area. In 2018, our total water use (withdrawals) (including IFCN sites) was 8,814,300m³, of which we reused/recycled 216,207m³ of water and drew water from the following sources:



[Click here to view our water use data in Appendix 1.](#)



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 increases the site's water efficiency, increases recycling and decreases the overall water withdrawals, while also decreasing the levels of wastewater.

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

2. Water use across our value chain

One-third less water impact per dose by 2020

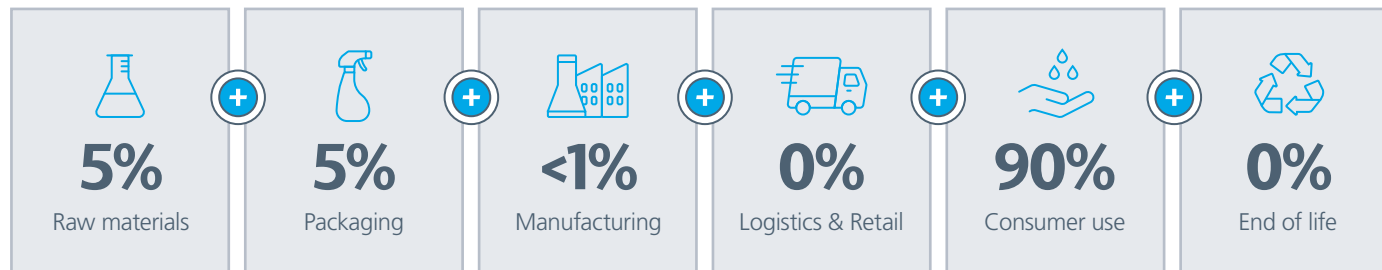
RB recognises the importance of access to safe water. We aim to reduce our water impact and, at the same time, help people lead happier lives in healthier homes through our products. We are committed to reducing the water impact per dose by a third by 2020. All our products require water at some point in their life cycle, with around 90% of our water impact coming from consumer use, 10% associated with our raw materials and packaging and less than 1% from our manufacturing sites. Understanding our total water use and total water impact enables us to prioritise activities that will deliver the biggest reductions. Underpinning this is the robust calculation of water use and impact across our full value chain. Water is a local issue and quantifying water impact allows us to consider water scarcity at the location where it is used. Tracking water use additionally gives us a clearer view on reductions.

We measure our total water use in litres and total water impact in litre equivalents (e-litres) per dose of product against a 2012 baseline. The breakdown of our total water impact is shown in the picture below. In 2018, our total water use per dose decreased slightly to 5.1 litres per dose, a 2% decrease compared to 2017; however, there has been a 4% increase in water impact to 9.2 e-litres per dose compared to 2012.

Given that such a large share of total water use and impact arises when people use our products, we continue to develop new products that need less water. We are focusing attention on developing water-efficient hygiene solutions like Dettol Squeezy liquid soap and Dettol Touch of Foam soap which require significantly less water to use than conventional bar soap. However, we are not yet seeing significant reductions in the largest part of our footprint at the point of consumer use.

Water resources continued

Our water impact



[Click here to read more about our sustainable innovation programme.](#)

[Click here to view our product water use data in Appendix 2.](#)

2018 performance

We reported an increased impact for 2018. This was driven by significantly increased sales of bar soap in our Middle Eastern markets. As our impact methodology includes water impact at consumer use and is also weighted for use in water-scarce geographies, this rise in consumer use in the Middle East accounts in the main for the 4% increase versus our baseline.

We will continue efforts to reduce our water impact, through a combination of reducing water use in production, building awareness of the issue among people who use our products and also developing lower water-impact products.



CASE STUDY

Dettol Squeezy liquid hand wash

Dettol Squeezy liquid hand wash, launched in India, provides the protection of a liquid hand soap at the price of a bar soap. As a liquid, it requires 40% less water to use than bar soap. Its innovative packaging eliminates the need for a pump to dispense the liquid, resulting in less component material and easier recyclability than conventional liquid hand wash. Because it dispenses just the right amount of soap, there are more doses per pack, resulting in carbon and water impact savings of over 60% per dose and a pack saving of over 50% per dose.

3. Water scarcity

We recognise the importance of local water scarcity and the difference we can make to local communities, eco-systems and businesses. Through our product portfolio footprinting and water risk analysis we have identified areas where we can have greatest impact and where we can help our consumers and the communities where we work to manage this scarce resource.

With our R&D teams and Powerbrands driving innovations such as our Dettol Squeezy liquid hand wash and the support of our Sustainable Innovation App, we are already seeing positive change and are looking forward to sharing more such innovations during 2019.

We have assessed water scarcity across our operations in line with the WRI Aqueduct and WFN methodology. As part of our water efficiency programme we have increased our efforts to use water in the most efficient way possible, particularly at sites located in water-scarce areas. A key element is our focus on developing new ways to recycle and reuse water, with several sites such as those in Hosur and Mysore, India and Bangpalee, Thailand, now achieving zero liquid discharge. This means all wastewater is purified and recycled or put back into the production process. To help tackle water scarcity, we work with local communities with projects that improve access to and replenishment of water sources. In India we are using geological analysis together with installing rainwater harvesting and direct feeds into the water table to recharge local groundwater.

CASE STUDY CDP



More details of our approach can be found in our CDP water disclosure, for which in 2018 we received an above-sector average score of B. In 2019 we are aiming to improve our score even further (see www.cdp.net for more information).

Water resources continued

4. Wastewater discharge

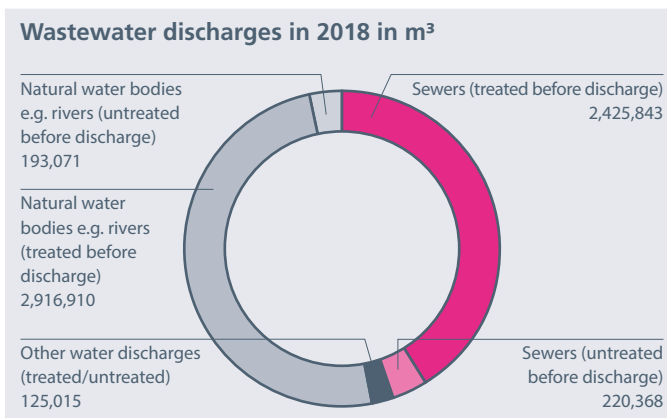
We are committed to discharging wastewater in a responsible way that ensures water is treated in the most efficient way possible and the environment is not degraded. All production sites must implement our wastewater standard and ensure compliance with applicable local regulatory requirements. Our on-site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

This year, our focus on water led to upgraded wastewater discharge facilities at several of our sites in India, China and Thailand. This investment complements modifications and improvements made at other sites, for example our facilities in Indonesia, South Africa, Colombia and Bahrain.

In 2018, we discharged 0.246m³ of water per 1,000 CUs of production. This represents a slight increase of 3.7% versus 2017 due to changes in product mix, however an overall reduction of 50.3% since 2012. For our IFCN sites, data for 2012 that would allow us to build a baseline is not available, so is not included in these trend performance figures.

We have integrated wastewater discharge monitoring for our IFCN operations into our company-wide data systems, enabling us to report for 2018 and going forward. Of the water we used in 2018, 66% was discharged into water systems. The remaining 34% went into our products, was in liquid and solid wastes sent off site, or evaporated from cooling and process systems.

In absolute terms, we discharged 5,881,207m³ in total in 2018 (including IFCN sites) via the routes shown in the following chart:



[Click here to view our water use data in Appendix 1.](#)



CASE STUDY Cali factory

We are committed to discharge wastewater in a responsible way and continue with our regular wastewater technology investment and maintenance programme. For example, our Cali factory in Colombia installed a new wastewater treatment plant to ensure proactive compliance with future legislative changes. The system is also connected to the grid through attached solar panels, with excess energy being consumed by the rest of the factory.

5. Pollution prevention

As a responsible global manufacturer, we take our commitment to preventing pollution seriously. For RB, doing what the law expects us to do is merely our minimum standard. Continuous improvements are achieved through our Global Environmental Standards which are assessed by our corporate Environmental team, who also provide training to drive improvements, share best practices and audit environmental standards across our operations. All sites must meet our standards, with a programme of self-assessments and monthly corrective action follow-ups, in addition to our corporate compliance audits.

In 2012, we set a target for all manufacturing sites to implement functioning EHS management systems externally certified to ISO 14001 by 2020. In 2018, we reached and surpassed this target ahead of schedule by achieving a 'one system' integrated ISO 14001 certification across both our corporate and global operations.

During 2018, no fines or prosecutions pertaining to environmental breaches or pollution were registered. During 2018, RB sites including our newly acquired IFCN facilities had no spills.



[Click here to read RB's Environment policy.](#)



Water resources continued

Appendix 1

These tables show the water use and discharge from our own operations, benchmarked against previous years.

Water use – operations

	Units	2012	2013	2014	2015	2016	2017	2018	% Change vs. 2017	% Change vs. 2012
Water use per unit of production*	m ³ per 1,000 CU	0.964	0.788	0.718	0.675	0.657	0.612	0.598	-2.3%	-37.9%
Water discharge per unit of production*	m ³ per 1,000 CU	0.496	0.344	0.289	0.281	0.289	0.238	0.246	+3.7%	-50.3%

* Pre-acquisition data for our IFCN business is not available. To ensure comparison with our 2012 target baseline, 2018 data shown excludes IFCN. Including IFCN, 2018 manufacturing and warehouse water use was 1.1056 m³ per 1,000 CUs and water discharges m³ 0.738 per 1,000 CUs.

Water discharges – quality

	Units	2016	2017	2018
Direct Chemical Oxygen Demand**	metric tonnes	1,048,493	1,020,921	637,264

** Wastewater quality (COD) data shown above is calculated based on a 65% coverage of sites, including IFCN. Data is not currently captured centrally for the remaining sites, however we are actively working to align our wastewater quality data reporting process to improve this percentage going forward.

Water resources continued

Appendix 2

Water use – product*

Total water use 2018 (RB excl IFCN)	Units	Raw material	Packaging	Manufacturing	Logistics & Retail	Consumer use	End of life	Total/ average
Water use 2018	total (million litres)	605,800	381,800	5,300	0	1,774,900	0	2,767,900
	litres/dose	1.12	0.71	0.01	0	3.29	0	5.13
	% split	22	14	0	0	64	0	100

Total water use reductions (RB excl IFCN)		2012 (baseline)	2017	2018	% Change on 2012	% Change on 2017
Water use (litre/dose)		4.9	5.2	5.1	-4%	-2%

Total water use for IFCN 2018	Units	Raw material	Packaging	Manufacturing	Logistics & Retail	Consumer use	End of life	Total/ average
Water use 2018	total (million litres)	618,500	72,000	4,900	0	318,600	0	1,014,000
	% split	61	7	0	0	31	0	100

Water impact – product*

Total water impact 2018 (RB excl IFCN)	Units	Raw material	Packaging	Manufacturing	Logistics & Retail	Consumer use	End of life	Total/ average
Water impact 2018	total (million e-litres)	266,900	247,000	4,800	0	4,465,200	0	4,983,800
	e-litres/dose	0.50	0.46	0.01	0	8.28	0	9.25
	% split	5	5	0	0	90	0	100

Total water impact reductions (RB excl IFCN)		2012 (baseline)	2017	2018	% Change on 2012	% Change on 2017
Water impact (e-litre/dose)		8.91	8.22	9.25	+4%	+12%

Total water impact for IFCN 2018	Units	Raw material	Packaging	Manufacturing	Logistics & Retail	Consumer use	End of life	Total/ average
Water impact in 2018	total (million e-litres)	288,800	45,700	1,000	0	122,100	0	457,600
	% split	63	10	0	0	27	0	100

* Pre-acquisition data for our IFCN business is not available. To ensure like-for-like comparisons, target performance trends vs 2012 exclude IFCN. IFCN results are shown as a separate entry.

Plastics and packaging

Plastics and packaging waste can have significant adverse impacts on wildlife, people and ecosystems if not treated correctly. At RB, we are committed to minimising packaging waste through reduction at source, reuse and recycling to support a circular economy and a more sustainable future.

Making progress

Aim	Status in 2018	Aim	Status in 2018
25%	New commitment	100%	New commitment
use of post-consumer recycled content in our plastic packaging by 2025		of our plastic packaging will be reusable or recyclable by 2025	

1. Plastics and packaging

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.

2. Microplastics

There are concerns over the presence of microplastics in the environment due to their potential to harm marine organisms and to enter the food chain.

1. Plastics and packaging

In 2018, we have seen an unprecedented public focus on plastics in recognition of the damage to our natural world and public health. RB has long been committed to using materials such as plastics, paper and board wisely, reducing their use, eliminating and minimising waste where possible, and reusing and recycling where it is practical to do so. While plastic has proved itself one of the most versatile and useful products ever invented, its widespread use and particularly the countless pieces of plastic that end up in the ocean are causing enormous environmental damage. As a company, we reduce our packaging as much as possible, eliminating waste wherever we can through innovation. Our policies and programmes improve our performance and look beyond the activities under our direct control to the impacts of our products, including packaging, across the whole life cycle.

Our plastics pledge

We are committed to creating a circular economy for plastics by collaborating across the entire plastics value chain to tackle plastic waste and partnering with other stakeholders to make progress. While we are stepping up our efforts to play our part in the responsible use of plastics, many of these initiatives are already well established at RB; what is new is our commitment to transparency.

In 2018, we reinforced our plastics commitments by publishing our approach and pledge for the responsible use of plastic. We have organised our efforts using the '4 R' approach – reduce, replace, reuse and recycle.

- We are committed to removing or reducing plastic packaging wherever possible and investing in research into alternative materials that can replace its use.
- Where we will continue to use plastic in packaging we will ensure that at least 25% of its content is recycled plastic by 2025, where possible or allowed by regulators.
- By 2025, 100% of our plastic packaging will also be recyclable or reusable, with best-in-class labelling to help consumers recycle effectively.



CASE STUDY

New trigger spray design wins UK Packaging Award

Since 2003, we have been working to make our trigger sprays more environmentally friendly, including the removal of all metal. This year, we rolled out a new platform for triggers which reduced the number of components, lightweighted the design and by making all components out of the same polymer, achieved a big win on recyclability. This will cut plastic use by 570 tonnes a year and by mid-2020, 90% of our triggers will be 100% recyclable where infrastructure exists. This design was recognised for its step-change in trigger designs with an award for best Rigid Plastic Pack at the UK Packaging Awards.

- We will work with peers and governments to enable products in our health portfolio to meet these targets without compromising their safety and efficacy for patients and consumers.

Responsible plastic use is not just about keeping it to a minimum and replacing its use where possible – it's about ensuring that we reuse and recycle as much as possible too. Plastic provides the best solution in terms of safety, cost and carbon footprint for many products but its post-sale life must be thoughtfully addressed. Where it can be replaced effectively, it should be.



[Click here to read our plastic position statement.](#)

Plastics and packaging continued

Finding solutions by working together

Alone, RB will never solve the global plastics challenge. The solution demands global coordination, with multi-lateral collaboration and joint ventures. This means working with third parties – be they not-for-profit organisations, governments, local authorities and communities, industry associations, waste management specialists, suppliers, retailers, consumers or our peers – and we will seek to forge effective relationships across all these groups.

We have therefore joined forces with a number of initiatives and organisations to help us develop new ways of reducing, replacing, reusing and recycling plastics.

At a global level, we have joined the New Plastics Economy initiative, led by the Ellen MacArthur Foundation, a charity connecting business, government and academia to accelerate the transition to a circular economy. As part of this commitment, we are also a signatory to the initiative's Global Commitments, reaffirming our shared vision to:

- Take action to eliminate problematic and unnecessary plastic packaging by 2025, where possible and allowed by regulation.
- Take action to move from single use towards reuse models where relevant by 2025.
- 100% of packaging to be reusable, recyclable or compostable by 2025.
- Use 25% recycled content on average (by weight) across all plastic packaging by 2025.

We have also forged local partnerships, for example by joining WRAP's UK Plastics Pact, and are partnering with TerraCycle on a UK programme to recycle our flexible packaging. In the US we are also working with TerraCycle to collect, reprocess and repurpose plastic packaging that we will use in other ways. We are also participating in the Loop pilot, a 'first-of-its-kind' initiative designed to allow consumers to use products in refillable packaging which is collected, cleaned and reused.



[Click here to read more about the Ellen MacArthur Foundation.](#)



[Click here to read more about the UK Plastics Pact.](#)



[Click here to read more about TerraCycle.](#)

Implementing solutions

Where we use plastic, we strive to use it responsibly and encourage consumers to dispose of it with care. Putting this into practice means that in 2018 we developed action plans for our key brands and across our business to accelerate delivery of all our plastic commitments; these include:

- **Reduce:** Our action plans identify how we can reduce plastic in our packaging through re-design, making components smaller, replacing materials etc. Reducing the amount of plastic used in packaging, whilst maintaining technical performance, helps us deliver against a number of sustainability considerations in addition to plastics: it often goes hand-in-hand with a carbon reduction as well, reducing our products' impact on climate change. See one of our highlights below, on Scholl.

- **Replace:** We will continue to find replacement materials where suitable, investing in research into new innovative packaging formats and technologies such as plastic replacement foaming technology, working closely with our supply chain.
- **Reuse:** We are exploring further reuse models for our products. Many of our brands already sell products that can be reused through buying refills, e.g. Air Wick plug-ins, Mortein Instant Repellent and Dettol no-touch handwash devices. We are also actively involved in TerraCycle's Loop programme (see above) to explore what the future could look like in a closed-loop economy.
- **Recycled content:** We recognise that the market for post-consumer recycled content exists in the USA and Europe and are looking for opportunities to further increase our use of PCR in our packaging in 2019 and 2020. We are also working with suppliers in other geographies such as India and Latin America to improve supply of PCR.
- **Recyclability:** We are developing globally relevant systematic recyclability guidelines to inform marketing and R&D teams to ensure we design for recyclability. These take into account both what is needed to make individual components (e.g. the bottle, cap or trigger) recyclable, as well as considering the fully assembled product on shelf. We are also implementing labelling schemes, where they are available, to make sure we communicate how to best dispose of and recycle our products (more on this below).

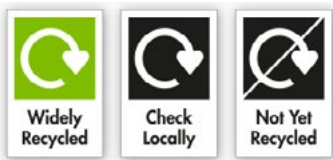
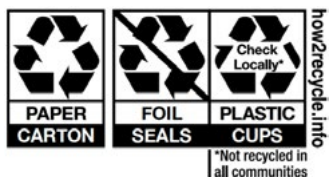
For our medicines, self-care medical devices and food supplements, there are strict regulations on the use of plastics in packaging and manufacturing. We are collaborating closely with industry associations as well as our retail partners to address the required changes in regulatory and approval frameworks that will help us address plastics in this portion of our portfolio.



RB's support of the New Plastics Economy Global Commitment and our own Plastics Pledge both strengthen our commitment to responsible use of plastics across our packaging formats.

Plastics and packaging continued

We recognise that it is not enough to design our packaging to be recyclable, we also need to communicate to everyone using our products how to safely and effectively dispose of the packaging once they have finished using our product. We are already working with leading labelling organisations in the US and UK, two of our biggest markets, to ensure we provide clear instructions and guidelines. In the US, Lysol was the first RB brand to put the How2Recycle on pack in 2018, with other RB brands following suit. In the UK, Air Wick is the first RB brand to display the OPRL label. We are reviewing additional labelling schemes as more become available in other countries.



Developing product packaging

Our packaging policy helps us deliver on our commitments and action plans. We bring this to life by considering sustainability as part of our product development process: packaging quantities and types are assessed through RB's Sustainable Innovation App to help us make informed decisions.

For a product to be considered more sustainable in relation to packaging and count towards our percentage sustainable Net Revenue target it must use less packaging overall or use less virgin packaging material, resulting in significant savings (>10%) in the weight of packaging per dose (after subtracting any post-consumer recycled content). Other opportunities arise from making the packaging recyclable, reusable/returnable or including biodegradable or bio-based content.

Our main packaging materials are:

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

For our paper and board, we ensure that this is either recycled paper and board or obtained from a sustainable and certified source; this is managed through our natural raw materials programme.

To support our new plastics commitments, we are updating the metrics captured in the App to allow us to evaluate packaging changes against these commitments. This allows us to quantify PCR content, recyclability and total plastic weight while being able to aggregate multiple packaging components. We have already incorporated these considerations into the review and sign-off process for new product development.



[Click here to read more about our approach to sustainable innovation.](#)



[Click here to read more about our natural raw materials programme.](#)



CASE STUDY

Packaging redesign for Velvet Smooth foot file

Scholl's foot files used to be sold in robust plastic clamshells which protected the product and provided good consumer visibility of the product. However, with RB's drive to reduce plastics in its packaging globally, we were looking for ways to reduce the amount of plastic used whilst still maintaining high levels of product protection and consumer appeal. RB's packaging team rose to the challenge. Velvet Smooth's redesigned blister pack achieves a 25% reduction in plastic (PET), delivering an impressive annual reduction of over 70 tonnes of plastic a year (based on previous sales volumes). RB's sustainability assessment tool shows that the new packaging achieves a carbon reduction of 24% compared to the original, whilst water usage remains comparable. This means the redesigned pack not only reduces plastics but also RB's contribution to climate change.

Plastics and packaging continued

2. Microplastics

The presence of microplastics in the environment is a cause of increasing concern due to their potential for harm to marine organisms, and presence in the food chain, both because of possible human consumption and the potential for transport of persistent organic pollutants (POPs).

The definition of microplastics has been subject to ongoing discussion by regulators and within industry, but they are generally regarded as being water-insoluble, solid plastic particles below 5mm, where plastic is a synthetic polymeric substance that can be moulded, extruded or physically manipulated into various solid forms and that retains its final manufactured shape during use in its intended applications (i.e. use and disposal).

Microplastic particles in the environment arise from a range of sources, including primary microplastics that were historically used in cosmetics (e.g. microplastic beads for their abrasive properties), and secondary microplastics that are released from clothing or from the degradation of larger plastic materials (e.g. tyres, plastic bags and bottles) in the environment.

Recognising the potential negative impact that microplastics could have on the environment, RB has taken the following actions:

- We have been taking steps to stop using microplastic beads since 2016. An entire phase-out of polyethylene and polyurethane microbeads from our global portfolio was completed in the first half of 2018, removing these from our Clearasil range and Vitroclen oven cleaning products. In both instances, silica-based alternatives were selected, maintaining equal product performance.
- A number of microplastics that meet the EU ECHA definition have also been added to our Restricted Substances List (RSL) and a decision analysis tool developed to help guide our product developers on the selection of safe and effective alternatives. RB is collaborating with industry partners to minimise the release of microplastic particles into the environment, including the release of fibres from clothes washing, as well as supporting research initiatives on detection, risk-assessment and degradation of microplastic particles in the environment.
- RB actively participates in various industry associations to ensure action on key issues, and supports proportional use of regulatory measures, where required to safeguard human health and the environment.



Click here for more information on ingredients as part of our Product Stewardship programme.

Waste from our operations

Only a small proportion of the world's waste is currently reused or recycled. At RB, we are committed to reducing the volume of waste generated at our facilities, finding innovative ways to reuse and recycle materials, and send zero waste to landfill. We've achieved this ambitious target once and are working hard to repeat it across our newly acquired sites.

Making progress

Aim	Status in 2018	Aim	Status in 2018
100%	93%	30%	26.3%
zero waste to landfill by 2020 at all factories	of factories with zero waste to landfill	reduction in waste by 2020	reduction per unit of production vs 2012

1. Zero waste to landfill

At RB, we are committed to ensuring no waste goes to landfill, though increasing reuse and recycling where possible and supporting the development of a circular economy.

2.Reducing waste at source

We recognise the importance of the materials we use and are committed to minimising waste through the continual reduction of waste generated across our facilities.

1. Zero waste to landfill

For RB we consider two principal aspects of waste: waste resulting from manufacturing our products and waste associated with consumers who have finished using our products, which mainly consists of packaging waste. At RB, we are committed to reducing both types of waste and to finding ways of closing the loop, converting waste to build new resource opportunities. Here we focus on waste from manufacturing operations.

At RB we are committed to reducing the levels of waste our facilities generate, improving the ways we treat waste and ensuring no waste goes to landfill. Across our facilities we have established Global Waste Management standards, ensuring effective practices are in place which go beyond legal requirements.

We have had a long-standing commitment to increasing recycling and not sending waste to landfill from our direct operations where possible, as reflected in our target for all manufacturing sites to achieve Zero Waste to Landfill. Our target definition includes non-hazardous manufacturing as well as hazardous waste, which is often more difficult to recycle and dispose of.

In 2017 we achieved our target of 100% Zero Waste to Landfill across our RB legacy sites ahead of schedule. The acquisition of Mead Johnson Nutrition has meant that we now own a number of additional sites in our network which historically were not 100% Zero Waste to Landfill. We remain committed to our target and are actively working to bring these new sites in line with the RB standard. Taking these sites into account, in 2018, 93%* of our factories achieved Zero Waste to Landfill status.

This has been achieved by the hard work and collaboration of our teams. We established a waste champions network and set up partnerships with sites that had already achieved Zero Waste to Landfill. These initiatives have enabled the identification of different use options for some of the waste streams being generated, as demonstrated by Jontex's innovative repurposing



CASE STUDY

Condoms reborn as shoe soles in Brazil

Our Jontex condom manufacturing site in Sao Roque, Brazil is making great strides in increasing waste recycling, thanks to an exciting new venture with a local shoe manufacturer.

Together with our continued focus on Jontex's safe sex message, the factory is also driving its sustainability agenda, in particular on waste. In producing condoms there is a small element of latex that doesn't make it into the finished product. By setting up a specific collection process, the site has been able to harness this potential waste and instead send it for recycling. There, it is turned into latex granules, which are then sold to be used in the manufacture of shoes. In 2018, just over 120 tonnes of latex was repurposed in this way.

By renewing and repurposing, the site has not only avoided waste but has also put the concept of a 'circular economy' into action, creating something of value and extending its useful life.

of latex waste. Our 'race to zero' campaign and global employees challenge, encouraging innovative waste reuse and recycling solutions, have also proven invaluable.



Click here to read more about plastics and packaging.

Waste from our operations continued

2. Reducing waste at source

We also focus on the amount of waste generated and in 2013 we set a target to reduce waste from our direct operations by 30% by 2020 vs a 2012 baseline. Our commitment and approach across our manufacturing sites also includes a particular focus on hazardous waste, which is more difficult to recycle and dispose of. In 2018 our hazardous waste was 0.0014 tonnes per 1,000 CUs (16% of our total waste) and is disposed of in accordance with local legislative requirements.

All plants have annual waste targets that are supported by a range of measures and projects to ensure their delivery. In addition, our sites must meet our global Waste Management Standards and, more broadly, the waste management programmes and performance of suppliers and third-party contractors are assessed and monitored where necessary.

We also look beyond targets and compliance to opportunities. In our distribution operations, for example, we have worked with suppliers to develop reusable and returnable packaging, further reducing waste and transit packaging in our supply chain.

These programmes, together with the drive of our employees across our sites, have enabled us to achieve a reduction in waste per unit of production of 26.3% vs 2012 and 6.1% vs 2017. Over the same period our hazardous waste decreased by 12.7% per unit of production vs 2012, however in 2018 we experienced a 5% increase vs 2017.

CASE STUDY

Investing in waste reduction

RB's Shangma plant in China reduced 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 wastewater 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.

CASE STUDY

Bangpakong, Thailand

Wastewater treatment sludge is being turned into concrete blocks to build a recreation area for a local school.

CASE STUDY

Shanxi, China

Materials left over from the traditional medicine manufacturing process are now being turned into compost by an organic fertiliser producer.



Waste in our operations (manufacturing and warehouses)

	Units	2012	2013	2014	2015	2016	2017	2018	% Change vs. 2017	% Change vs. 2012
Waste per unit of production**	tonnes per 1,000 CU	0.0117	0.0114	0.0105	0.01	0.0094	0.0092	0.0086	-6.1%	-26.3%
% of sites Zero Waste to Landfill	% of manufacturing sites	–	48%	74%	89%	98%	100%	93%*	n/a	n/a
Hazardous waste per unit of production**	tonnes per 1,000 CU	0.0016	0.0016	0.0014	0.0012	0.0013	0.0013	0.0014	+5.0%	-12.7%

Note: % changes versus 2017 and 2012 are stated accurately and not affected by rounding. This is to provide full year-on-year comparison.

* Includes Zero Waste to Landfill status of our newly acquired IFCN sites. Since acquisition we have been actively working with these sites to improve waste reduction and recycling, resulting in four of these sites achieving Zero Waste to Landfill during 2018.

** Pre-acquisition data for our IFCN business unit is not currently available. To ensure comparison with our 2012 target baseline, 2018 data shown excludes IFCN. Including IFCN, 2018 manufacturing and warehouse waste was 0.0127 tonnes per 1,000 CUs and hazardous waste was 0.0016 tonnes per 1,000 CUs.

Sustainability reporting and assurance

RB is committed to publicly reporting on and sharing our sustainability performance and strategy. This helps us demonstrate our activity, engage with our stakeholders and create greater collective support for important sustainability topics such as climate change.

1. Sustainability reporting 2018

A new approach for RB's sustainability reporting.

2. Reporting standards

We follow internationally recognised standards and criteria for our reporting.

1. Sustainability reporting 2018

Our approach to sustainability reporting has changed for 2018. In the past, RB produced a separate Sustainability Report and Detailed Sustainability Report each year. However, our stakeholders and their ways of consuming content are changing. More people than ever are interested in sustainability and the way RB approaches these issues. Because of this – coupled with the fact that more people are reading content via their smartphones and tablets – we are starting to do things differently.

www.rb.com/responsibility has been expanded and streamlined, helping our stakeholders to navigate our different sustainability projects and challenges, our approach to these issues, as well as case studies and details of partnerships. Each section of this content is supported by RB Insights.

These documents provide further information on each particular topic, including additional case studies, performance data, methodologies and links to our policies and standards.

The result is a more dynamic approach to sustainability reporting, which we believe provides a more rounded and engaging view of RB's approach to delivering social benefit and sustainable business. This dynamic format means that we can now give our stakeholders more information in 'real time'. In conjunction with traditional reporting, such as our Annual Report, we see this as an opportunity to give our stakeholders more timely and relevant information on our sustainability initiatives.

UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a critical and growing factor for our stakeholders. The 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 SDGs and supporting targets by 2030.

We believe we can make the biggest impact on the following four goals: good health and wellbeing; clean water and sanitation; gender equality; and zero hunger.

We also contribute to other relevant goals and refer to the SDGs throughout our sustainability reporting to highlight one of the key driving principles for our programmes.

Annual Report 2018

As sustainability is a core part of our business strategy, a summary of our sustainability performance across our strategic pillars is also included in our Annual Report, available at rb.com

Audiences for this report

Our sustainability reporting is a key part of our continuing communication with stakeholders on our approach to and management of sustainability issues and risks for long-term profitability. We aim for open and transparent dialogue with stakeholders and we maintain a focus on material issues where we can make a real difference. This is an integral part of our culture and is reflected in the content of this report.

This report is primarily aimed at audiences that have shown most interest in our sustainability management and performance during 2018: employees, customers, shareholders/investors, consumers of our products, and advocacy and campaigning organisations.

Report profile

Our reporting covers the year ending 31 December 2018. We will be updating this content annually, on at least a calendar year data basis. Previous sustainability reports can be found at www.rb.com/responsibility/policies-and-reports/

Performance data from our Infant Formula and Child Nutrition (IFCN) business is included this year for the first time, following our acquisition of Mead Johnson Nutrition (MJN).

All our 2020 sustainability goals are based on the 2012 baseline year unless otherwise indicated.

Sustainability reporting and assurance continued

Listening to our stakeholders

Reporting effectively across the breadth of our sustainability issues, and the regular updates on our many programmes and activities, is always a work in progress and so we look forward to hearing your feedback – what should we keep and where can we do better?

Contact us at:

The Sustainability team
Reckitt Benckiser Group plc (RB)
103–105 Bath Road
Slough, Berkshire, SL1 3UH
United Kingdom

Email: sustainability@rb.com
www.rb.com

2. Reporting standards

Our 2018 sustainability reporting has been prepared in accordance with the GRI Standards: Core option.

A GRI Content Index is provided in Appendix 1 of this document. It provides a navigational tool for those looking for specific information relating to the GRI Standards guidelines.

In preparing this year's sustainability information, 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.

Responsibility

The Directors are responsible for reporting the sustainability data as at 31 December 2018 in accordance with the reporting criteria as set out in the Reporting Criteria and Basis of Preparation document available at www.rb.com. In doing so, they have:

- Designed, implemented and maintained internal controls and processes over information relevant to the measurement and preparation of the sustainability data that is free from material misstatement, whether due to fraud or error.
- Established objective reporting criteria for measuring and preparing the sustainability data to meet the needs of Reckitt Benckiser's stakeholders and applied them consistently.
- Presented information, including the criteria, in a manner that provides relevant, reliable, comparable and understandable information.
- Measured and reported the sustainability data based on the reporting criteria.

Key Performance Indicators (KPIs)

The KPIs that we use in our sustainability reporting are determined by:

- The significant sustainability aspects of our operations in line with our materiality assessment.
- Independent, external sources of guidance on the indicators that we should be using to measure and report on those significant sustainability aspects.

- The indicators that are most practical to use and add most value across our business and supply chain. The GRI Standards performance indicators provide some reference for selecting appropriate KPIs; as an international standard, using its indicators provides compatibility with other companies. We also take account of the specific guidance on environmental KPIs for UK companies provided in the British Standard BS EN ISO 14031 (Environmental Performance Evaluation Guidelines), and the Environmental KPIs – Reporting Guidelines for UK Business (Department for Environment, Food & Rural Affairs).



Click here for more information on materiality.

Reporting criteria

The principles and methodologies we have used in reporting sustainability performance data for 2018 are available in our Reporting Criteria and Basis of Preparation document.



Click here to read our Reporting Criteria and Basis of Preparation.

Assurance

ERM CVS has provided independent limited assurance over selected 2018 data contained within our sustainability reporting as set out in the table in Appendix 2. Their independent assurance statement is also included in Appendix 2.



Click here to view our independent limited assurance table and statement in Appendix 2.



Click here to view the GRI Content Index and Application Level Table in Appendix 1.

Sustainability reporting and assurance continued

Appendix 1

Global Reporting Initiative (GRI) Standards content index

AR: 2018 Annual Report and Financial Statements

GRI Standard	Disclosure	Location	Additional information/Omissions
General Standard disclosures			
Organisational profile			
GRI 102:1	Name of the organisation	AR: Front cover	
GRI 102:2	Activities, brands, products and services	AR: Business model, p.02-03	
GRI 102:3	Location of headquarters	AR: Subsidiary undertakings, p.203	
GRI 102:4	Location of operations	AR: Subsidiary undertakings, p.203	
GRI 102:5	Ownership and legal form	AR: Independent auditors' report	
GRI 102:6	Markets served	AR: Operating reviews, p.24-33	
GRI 102:7	Scale of the organisation	AR: Business model, p.02-03	
GRI 102:8	Information on employees and other workers	Our people insight Diversity and inclusion insight	
GRI 102:9	Supply chain	Responsible sourcing insight Human rights insight	
GRI 102:10	Significant changes to the organisation and its supply chain	AR: Chief Executive's Statement, p.08-11	
GRI 102:11	Precautionary principle or approach	AR: Risk management, p.40-43	
GRI 102:12	External initiatives	Partnering for social impact insight	
GRI 102:13	Membership of associations	Human rights and responsible supply chains insight, p.02, 04 Product stewardship insight, p.02 Climate change insight, p.06 Plastics and packaging insight, p.02 Responsible sourcing insight, p.03, 06	
Strategy			
GRI 102:14	Statement from senior decision-maker	AR: Chief Executive's Statement, p.08-11	
Ethics and integrity			
GRI 102:16	Values, principles, standards and norms of behaviour	AR: Business model, p.02-03	

Sustainability reporting and assurance continued

GRI Standard	Disclosure	Location	Additional information/Omissions
Governance			
GRI 102:18	Governance structure	AR: Board of Directors and Executive Committee, p.58-63 Sustainability governance insight	
Stakeholder engagement			
GRI 102-40	List of stakeholder groups	AR: Business model, p.02-03	
GRI 102-41	Collective bargaining agreements	Our people insight, p.03	
GRI 102-42	Identifying and selecting stakeholders	AR: Stakeholder engagement, p.12-15 Materiality and stakeholder engagement insight	
GRI 102-43	Approach to stakeholder engagement	AR: Stakeholder engagement, p.12-15 Materiality and stakeholder engagement insight	
GRI 102-44	Key topics and concerns raised	Materiality and stakeholder engagement insight	
Reporting practices			
GRI 102-45	Entities included in the consolidated financial statements	AR: Subsidiary undertakings, p.203-221	
GRI 102-46	Defining report content and topic boundaries	Sustainability reporting and assurance insight	
GRI 102-47	List of material topics	Materiality and stakeholder engagement insight, p.01	
GRI 102-48	Restatements of information	Sustainability reporting and assurance insight	
GRI 102-49	Changes in reporting	Sustainability reporting and assurance insight	
GRI 102-50	Reporting period	Sustainability reporting and assurance insight, p.01	
GRI 102-51	Date of most recent report	Sustainability reporting and assurance insight, p.01	
GRI 102-52	Reporting cycle	Sustainability reporting and assurance insight, p.01	
GRI 102-53	Contact point for questions regarding the report	Sustainability reporting and assurance insight, p.02	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Sustainability reporting and assurance insight, p.02	
GRI 102-55	GRI content index	Sustainability reporting and assurance insight, p.03-07	
GRI 102-56	External assurance	Sustainability reporting and assurance insight, p.09-10	
Topic-specific standards			
Category: Economic			
GRI 201 Economic Performance			
GRI 201-1	Direct economic generated and distributed	AR: Notes to the Financial Statements, p.142-192	



Sustainability reporting and assurance continued

GRI Standard	Disclosure	Location	Additional information/Omissions
GRI 201-2	Financial implications and other risks and opportunities due to climate change	AR: Risk management, p.40-43 Understanding climate change risks insight, p.02	
GRI 203 Indirect Economic Impacts			
GRI 205 Anti-corruption			
GRI 205-1	Operations assessed for risks related to corruption	Business conduct insight, p.01-02	
GRI 205-2	Communication and training about anti-corruption policies and procedures	Business conduct insight	
GRI 205-3	Confirmed incidents of corruption and actions taken	Business conduct insight	
Category: Environmental			
GRI 302 Energy			
GRI 302-1	Energy consumption within the organisation	Climate change insight, p.07	
GRI 302-4	Reduction of energy consumption	Climate change insight	
GRI 302-5	Reductions in energy requirements of products and services	Climate change insight Sustainable innovation insight, p.04	
GRI 303 Water			
GRI 303-1	Water withdrawal by source	Water resources insight, p.03, 05-06	
GRI 303-2	Water recycled and reused	Water resources insight	
GRI 304 Biodiversity			
GRI 304-2	Significant impacts of activities, products and services on biodiversity	Responsible sourcing insight	
GRI 305 Emissions			
GRI 305-1	Direct (Scope 1) GHG emissions	Climate change insight, p.07	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Climate change insight, p.07	
GRI 305-3	Other indirect (Scope 3) GHG emissions	Climate change insight, p.07	
GRI 305-4	GHG emissions intensity	Climate change insight, p.07	
GRI 305-5	Reduction of GHG emissions	Climate change insight, p.06	
GRI 305-6	Emissions of ozone-depleting substances (ODS)	Climate change insight, p.03	
GRI 306 Effluents and Waste			
GRI 306-1	Water discharge by quality and destination	Water resources insight, p.04	
GRI 306-2	Waste by type and disposal method	Waste from our operations insight	
GRI 306-3	Significant spills	Water resources insight, p.04	



Sustainability reporting and assurance continued

GRI Standard	Disclosure	Location	Additional information/Omissions
GRI 307 Environmental Compliance			
GRI 307-1	Non-compliance with environmental laws and regulations	Responsible sourcing insight, p.05-06	
GRI 308 Supplier Environmental Assessment			
GRI 308-1	New suppliers that were screened using environmental criteria	Responsible sourcing insight, p.05 Human rights and responsible supply chains insight	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	Responsible sourcing insight	
Category: Social			
GRI 404 Employment			
GRI 401-1	New employee hires and employee turnover	Diversity and inclusion insight, p.04	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people insight	
GRI 402 Labour/Management Relations			
GRI 402-1	Minimum notice periods regarding operational changes	Our people insight	
GRI 403 Occupational Health and Safety			
GRI 403-3	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Employee health and safety insight, p.03	
GRI 404 Training and Education			
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Our people insight, p.04	
GRI 405 Diversity and Equal Opportunity			
GRI 405-1	Diversity of governance bodies and employees	Diversity and inclusion insight, p.04	
GRI 406 Non-Discrimination			
GRI 406-1	Incidents of discrimination and corrective actions taken	Diversity and inclusion insight	
GRI 407 Freedom of Association and Collective Bargaining			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our people insight, p.03	
GRI 408 Child Labour			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	Responsible sourcing insight Human rights and responsible supply chains insight, p.03	
GRI 409 Forced or Compulsory Labour			



Sustainability reporting and assurance continued

GRI Standard	Disclosure	Location	Additional information/Omissions
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Responsible sourcing insight Human rights and responsible supply chains insight, p.03	
GRI 412 Human Rights Assessment			
GRI 412-2	Operations that have been subject to human rights reviews or impact assessments	Responsible sourcing insight Human rights and responsible supply chains insight, p.05-06	
GRI 413 Local Communities			
GRI 413-1	Operations with local community engagement, impact assessments and development programmes	Partnering for social impact insight	
GRI 414 Supplier Social Assessment			
GRI 414-1	New suppliers that were screened using social criteria	Human rights and responsible supply chains insight, p.05 Responsible sourcing insight	
GRI 414-2	Negative social impacts in the supply chain and actions taken	Human rights and responsible supply chains insight, p.06 Responsible sourcing insight	
GRI 416 Customer Health and Safety			
GRI 416-1	Assessment of the health and safety impacts of products and service categories	Product stewardship insight, p.01	
GRI 417 Marketing and Labelling			
GRI 417-1	Requirements for product and service information and labelling	Product stewardship insight, p.01-04	



Sustainability reporting and assurance continued

Appendix 2

Table of indicators (2018 data marked † subject to ERM CVS limited assurance)

	Units	2012	2013	2014	2015	2016	2017	2018
Healthier Communities (Social Metrics)								
People reached to improve their health and hygiene	millions (cumulative)	–	24	141	237	365	568	765†
Better Design (Product Metrics)								
Total Net Revenue from more sustainable products ²	£ million	–	230 ¹	325 ¹	558	1,193	1,716 ⁷	1,868†
Total carbon footprint ⁵	million tonnes	31.1 ⁸	–	–	–	–	34.0 ⁸	34.0†
Total water impact ⁵	million e-litres	4,215,800 ⁸	–	–	–	–	4,327,600 ⁸	4,983,800†
Manufacturing Responsibly (Environment Metrics)								
Total GHG Scope 1 and 2 emissions from manufacturing, R&D, offices and warehouses (market based) ³	tonnes CO ₂ e	–	–	–	294,087	269,045	264,648 ⁴	396,070†
GHG emissions from energy use in manufacturing and warehouses ⁵	tonnes CO ₂ e per 1,000 CU	0.0402	0.0392	0.0374	0.0347	0.0313	0.0278	0.0260†
Energy use at manufacturing and warehouses ⁵	GJ per 1,000 CU	0.4704	0.4488	0.4130	0.3959	0.3939	0.3767	0.3640†
Water use at manufacturing and warehouses ⁵	m ³ per 1,000 CU	0.964	0.788	0.718	0.675	0.657	0.612	0.5981†
Water discharges from manufacturing and warehouses ⁵	tonnes per 1,000 CU	0.496	0.344	0.289	0.281	0.289	0.238	0.246
Waste at manufacturing and warehouses ⁵	tonnes per 1,000 CU	0.0117	0.0114	0.0105	0.0100	0.0094	0.0092	0.0086
Hazardous waste at manufacturing and warehouses ⁵	tonnes per 1,000 CU	0.0016	0.0016	0.0014	0.0012	0.0013	0.0013	0.0014
Our People (Health & Safety Metrics)								
Lost Working Day Accident Rate ⁶	per 100,000 hrs	0.107	0.107	0.093	0.080	0.071	0.121	0.084†
Employee fatalities	number	1	0	0	1	2	0	1†
Severe accidents	number	1	1	2	3	1	2	4†
Diversity								
Women employed – Board	% at 31 December	20	10	17	29	27	27	27†
Women employed – senior management ⁹	% at 31 December	16	17	19	19	20	24	25†
Women employed – global employees	% at 31 December	41	42	42	42	42	44	44†

- † 2018 data included in ERM CVS's limited assurance scope.
- 1 2013 and 2014 total Net Revenue from more sustainable products Q1-Q3.
- 2 Based on 12-month periods from Q4 to Q3. Our 2018 data excludes our Infant Formula and Child Nutrition business.
- 3 GHG emissions data are in line with the GHG Protocol Scope 2 Guidance (2015) market-based approach as outlined in our Reporting Criteria. Following a location-based approach, our Scope 2 emissions for 2018 were 309,179 tonnes of CO₂e and our total Scope 1 and 2 tonnes of CO₂e were 457,393.
- 4 Restatement of 2017 total GHG emissions for Scope 1 and 2 (previously reported to be 227,776 CO₂e), due to correction of identified calculation error.
- 5 Following acquisition in 2017, the Mead Johnson Nutrition business was integrated into RB and now forms our Infant Formula and Child Nutrition (IFCN) business. Data from acquisitions is usually included for the first full calendar year of RB ownership/control (e.g. data from a manufacturing facility purchased in November is included from 1 January of the following year). However, 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 for IFCN, annual performance data is presented excluding IFCN 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 IFCN data. Including IFCN, 2018 manufacturing and warehouse GHG emissions were 0.0423 CO₂e per 1,000 CUs, energy use was 0.6304 GJ per 1,000 CUs, water use was 1.1056 m³ per 1,000 CUs, water discharges 0.738 m³ per 1,000 CUs, waste was 0.0127 tonnes per 1,000 CUs and hazardous waste was 0.0016 tonnes per 1,000 CUs. For products, the total carbon footprint was 38.4 million tonnes CO₂e, and water impact was 5,441,500 million e-litres.
- 6 LWDAR 2012–2016 at manufacturing, warehouses and R&D. LWDAR 2017–2018 at manufacturing, warehouse, R&D and commercial sites also includes organised travel.
- 7 In 2017, DvM (Developing Markets) data from Q4 2016–Q3 2017; ENA (Europe North America) data covers FY 2017. 2017 numbers were restated following the app accuracy update in 2018.
- 8 2012 and 2017 data were restated following minor changes to the calculation methodology and to reflect acquisitions and divestments.
- 9 For 2018, senior management is defined as the Executive Committee, the Group Leadership Team and the Senior Management Team.

Sustainability reporting and assurance continued

Independent Assurance Statement to Reckitt Benckiser Group plc

Reckitt Benckiser Group plc (RB) engaged ERM Certification and Verification Services (ERM CVS) to provide limited assurance in relation to specified information in RB Insights: Sustainability Reporting and Assurance as set out below.

Engagement summary	
Scope of our assurance engagement	<p>Whether the following indicators, marked † in Appendix 2, for year ended 31 December 2018 are fairly presented, in all material respects, with the reporting criteria:</p> <p>Healthier Communities (Social Metrics)</p> <ul style="list-style-type: none"> • People reached to improve their health and hygiene (millions cumulative) <p>Better Design (Product Metrics)</p> <ul style="list-style-type: none"> • Total Net Revenue from more sustainable products (£ million) • Total carbon footprint (million tonnes) • Total water impact (million e-litres) <p>Manufacturing Responsibly (Environment Metrics)</p> <ul style="list-style-type: none"> • Total GHG Scope 1 and 2 emissions from manufacturing, R&D, offices and warehouses (tonnes CO₂e) • GHG emissions from energy use in manufacturing and warehouses (tonnes CO₂e per 1,000 CU) • Energy use at manufacturing and warehouses (GJ per 1,000 CU) • Water use at manufacturing and warehouses (m³ per 1,000 CU) <p>Our People (Health & Safety metrics – employees and contractors)</p> <ul style="list-style-type: none"> • Lost Working Day Accident Rate (per 100,000 hrs) • Employee Fatalities (number) • Severe accidents (number) <p>Diversity</p> <ul style="list-style-type: none"> • Women employed – Board (% at 31 December) • Women employed – senior management (% at 31 December) • Women employed – global employees (% at 31 December)
Reporting criteria	RB's own internal reporting criteria and definitions. RB Reporting Criteria Basis for Preparation 2018
Assurance standard	ERM CVS's assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	RB is responsible for preparing the specified information and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary. ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Sustainability reporting and assurance continued

Our conclusions

Based on our activities, nothing has come to our attention to indicate that the 2018 indicators, as listed above, are not fairly presented, in all material respects, with the reporting criteria.

Our assurance activities

Our objective was to assess whether the reporting of the 2018 indicators is in accordance with the principles of completeness, comparability (across the organisation) and accuracy (including calculations, use of appropriate conversion factors and consolidation).

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

A multi-disciplinary team of sustainability and assurance specialists performed the following activities:

- interviews with relevant staff at RB corporate offices to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the selected data;
- a review of the internal reporting criteria, definitions and conversion factors used;
- discussions with nine manufacturing locations to test local reporting processes and consistency of reported annual data with selected underlying source data for each indicator. We interviewed relevant staff, reviewed site data capture and reporting methods, checked calculations and assessed the local internal quality and assurance processes;
- an analytical review of the data from all sites and a check on the completeness and accuracy of the corporate data consolidation;
- year-end assurance activities at corporate level including the results of internal review procedures and the accuracy of the consolidation of the data for the selected indicators from the site data; and
- reviewing the presentation of information relevant to the scope of our work to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given both the available methods for determining, calculating or estimating the underlying information and the dependence on partner organisations to provide performance information. It is important to understand our assurance conclusions in this context.



Jennifer Iansen-Rogers

Head of Corporate Assurance, 7 March 2019

ERM Certification and Verification Services, London

www.ermcvs.com; email: post@ermcvs.com

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS employees that have undertaken this engagement have provided no consultancy-related services to RB in any respect.

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

The Sustainability team

Reckitt Benckiser Group plc (RB)
103–105 Bath Road
Slough, Berkshire, SL1 3UH
United Kingdom
www.rb.com



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