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## We see 4 dimensions to business sustainability

- **▼ Environment** operating today with as little adverse impact on the environment as practical, and working to continually reduce our future environmental impact.
- Marketplace high quality products that are safe and effective; delivered through business practices and a supply chain that is legal, ethical and socially responsible.
- Workplace a working environment that is safe and healthy; an employment environment that attracts, develops and retains the right talent of people to run our business.
- Community returning some of the wealth we create to those who are most in need of help; supporting health, hygiene and social development locally and globally.





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## **Focused on results**

I believe a global business like ours has to operate ethically and responsibly to be successful. Our strategy is to grow the business - which benefits consumers, customers, employees, suppliers, communities and shareholders – while reducing negative impacts, especially on the environment.

In 2010, with the purchase of SSL, we increased employment by 9%.

Net revenue for the group, excluding SSL, grew by 6%. Our brands continue to lead their markets, demonstrating our positive contribution.

Our most significant sustainability impact, as with most businesses, is the greenhouse gas emissions that contribute to climate change. Our flagship Carbon20 programme will cut the greenhouse gas (GHG) emissions that each product generates through its lifecycle by 20% by 2020, compared to the 2007 level.

This is industry leading, not just because of the size of the number but because it goes beyond our own operations. We have made further excellent progress in 2010 and have already achieved a 15% reduction. We can't be complacent because our growth means total emissions have increased slightly, but we have begun the essential decoupling of emissions from growth.

This report gives you an insight into how we at RB are achieving progress on climate change and the many other challenges we tackle. They include safety – where we have further improved the accident record, Trees for Change – where we have planted 4.5 million native trees, and our partnership with Save the Children, which enabled 150,000 children's lives to be saved through our support of our dedicated employees in 2010.

I am proud of our performance and know we will continue to improve.

15%

reduction in normalised **Total Carbon Footprint.** 2007-2010

100% non-PVC packaging of household products

reduction in our accident rate, 2010

**150,000** lives saved with Save the Children, 2010

Rakesh Kapoor CEO. Reckitt Benckiser

## **Our business**

19 Powerbrands representing 69% of net revenue\*. Sales in 180 countries, operations in 60 countries, manufacturing facilities in 49 countries.

#### Global brands

The Group benefits from many very strong market positions for its brand portfolio in the household, health and personal care sectors.

These positions derive from the strength of the Group's leading brands, which are the flagship brands on which the Group focuses disproportionately in our five major categories.

#### **Global operations**

Our business is structured as a matrix of 3 geographical areas:

- Europe including Eastern Europe, the Russian Federation, Turkey and Israel
- North America & Australia (NAA) including Canada and New Zealand
- Developing Markets Latin America, Africa/Middle East, South Asia and East Asia



Dettol & Lysol global No.1 germ kill

Veet global No.1 depilatory

Clearasil a leader in clear skin treatment

Strepsils global No.1 medicated sore throat

Mucinex global No.2 cough relief

Nurofen local leader analgesics

**Durex** global No.1 sexual wellbeing

**Gaviscon** local leader stomach remedies

Finish global No.1 automatic dishwashing

Vanish global No.1 fabric treatment

Scholl global No.1 foot care

Calgon global No.1 water softener

Woolite global No.2 garment care

**Bang with Lysol & Dettol** 

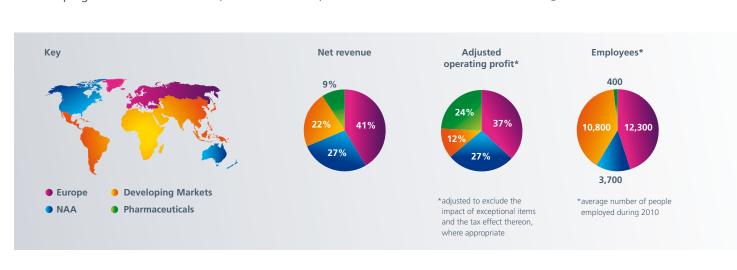
global No.1 multipurpose cleaners

Harpic with Lysol global No.1 toilet care

Air Wick global No.2 air care

Mortein global No.2 pest control

French's global No.1 mustard



£8,453m

£2,231m

adjusted operating profit

dividend per share

- \* Excludes the acquisition of SSL
- \*\* Includes final 2010 dividend of 65p recommended by the Board

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## **Environment**

The business strategy that drives RB to outperform its peers is also embedded with an absolute commitment to run the business in a way that is responsible, environmentally sound and sustainable. Our environmental programmes take into account our impacts throughout our operations – and beyond. Our focus is on making a real and meaningful contribution to mitigating climate change. We do this by reducing our greenhouse gas emissions across the whole lifecycle of our products through our Carbon20 programme. We also identify, prioritise and address other environmental issues affecting our products and operations.

15%

reduction of the normalised total footprint of our products through our Carbon20 programme by the end of 2010. We've committed to reduce the total footprint of our products by 20% by 2020.

4.5 million

native trees planted in Canada equating to an offset that makes our manufacturing carbon neutral 2006 – 2011. We don't include it on our Carbon 20 calculations.

39%

reduction in our manufacturing energy per unit of production since 2000. And our greenhouse gas emissions from our manufacturing sites have reduced by 45% per unit of production since 2000 – 11% between 2009 and 2010.

17%

reduction per unit of production in water use since 2000 and we have reduced our waste by 19% per unit of production since 2000.

#### **Our environmental commitment**

Reckitt Benckiser is committed to running its business in an environmentally sound and increasingly sustainable manner.

We recognise that our processes and products have both direct and indirect environmental impacts and we seek to achieve continuous improvement in our environmental performance with respect to those impacts.

We are committed to using energy and natural resources wisely, eliminating and minimising waste where practical, and re-using and recycling where it is sensible to do so.

We take a lifecycle management approach to improving our sustainability performance. Our policies and programmes look beyond the activities under our direct control to the impacts of our products across the whole lifecycle.

#### GIGATON AWARDS

Reckitt Benckiser has been recognised at the very first Gigaton Awards, for its work in making a difference to climate change and environmental sustainability. The Gigaton Prizes were developed and awarded by the Carbon War Room, a non-profit organisation that harnesses the power of entrepreneurs to implement market-driven solutions to climate change. The awards ceremony took place during the World Climate Summit.

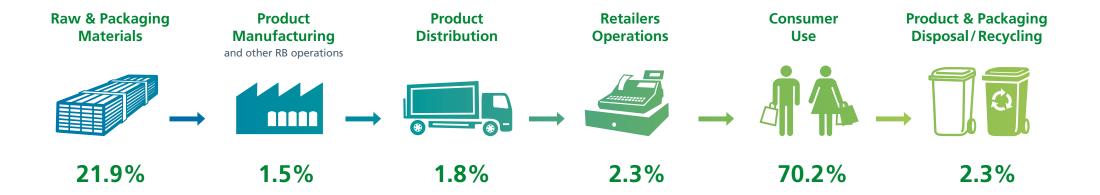
The award for the Consumer Staples sector was given to Reckitt Benckiser in recognition for work on demonstrating its leadership in mitigating risk from climate change and sustainable practices.

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## Carbon20 results



Carbon20 is an ambitious, industry-leading programme. Nevertheless, we are already three quarters of the way towards our goal in three years!



Our Carbon20 target is a 20% reduction per Dose\* in our global products' Total Carbon Footprint by 2020, against a 2007 baseline. This is an average reduction of 1.5% each year. The split of our Total Carbon Footprint is shown above.

From 2007 – 2010 we achieved an outstanding 15% reduction per Dose in our products' Total Carbon Footprint. This means that after only three years we are already three quarters towards our 2020 goal.

We also provided consumers with an additional 113 billion Doses in 2010 versus 2007.

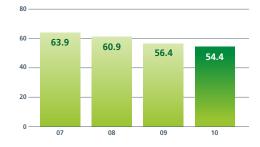
The 'eco-efficiency' (see page 32) of our products' entire lifecycle improved by 5.7% 2007 – 2010, in terms of their carbon footprint.

This has been possible because the actual growth in our Total Carbon Footprint was kept to only 10%, despite a 30% growth in the actual use of our products.

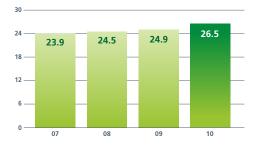
This suggests that we are being successful in decoupling business growth from our products' climate change impact across their lifecycle.

For further information see www.carbon20.com

Greenhouse gas emissions from the Total Carbon Footprint of RB's global products, per Dose including acquisitions Grammes of CO<sub>2</sub> equivalents



Greenhouse gas emissions from the Total Carbon Footprint of RB's global products, including acquisitions Million tonnes CO<sub>2</sub> equivalents



24 hours of pain relief etc. In Lifecycle Assessment (LCA) terminology a Dose is the 'functional unit' of consumer use. The number of Doses per year is not comparable to other measures of sales or production volume used in either our financial or non-financial reporting.

<sup>\*</sup> a Dose is the amount of each individual RB product required to deliver that product's intended service, either for a single use or for a defined period of time eq. one Finish automatic dishwashing tablet for one load of dishwashing, the recommended number of Nurofen tablets for

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## Reducing carbon through innovation



#### Innovation and our Carbon20 Calculator

The Carbon20 program began in 2007 and has evolved and improved since then. What began as a voluntary program with specific, challenging goals has become part of our culture. For RB, it is not about making 'eco' products or 'being green'. It's about developing new products responsibly, with carbon emissions being a mainstream criteria. We update the Carbon20 Calculator that measures our progress to incorporate up-to-date research and data. It gives us a real-time snapshot of the carbon impact of our product pipeline, allowing us to make informed decisions about product development as well as highlighting changes that will reduce the carbon footprint.

In 2010 Air Wick launched Agua Mist, left, a non-aerosol air freshener which eliminates the need for a hydrocarbon propellant. It will save more than 18,000 tonnes of CO<sub>2</sub>e compared to the standard aerosol product.

#### Innovation and collaboration

We understand that environmental responsibility is a matter for the entire industry and we can work together in some areas. We continue to partner with industry associations such as the A.I.S.E. on sustainable development programmes. They focus our innovation and creativity and help us achieve carbon savings.

RB committed to the A.I.S.E. Laundry Sustainability Project (LSP) in 2010. Each participating company commits to optimise laundry products by reformulating, compacting, reducing packaging and communicating clearly with consumers to encourage correct and effective product use. Launching reformulated powders in line with the new LSP sustainability parameters has helped us achieve total carbon savings of over 23,000 tonnes CO₂e in our Fabric Care category.

#### Innovation and regulation

Sometimes we think of great new ideas out of the blue. Sometimes the spark comes from industry partners. At other times, we are driven by necessity. Product regulations are constantly changing as research on product safety or the development of new molecules dictates. Our culture is to develop products at speed. Safety and regulatory requirements are critical to their delivery.

In North America, our Finish team rose to the challenge of product reformulation in the face of phosphate restrictions. Not only did they deliver new Finish as good as before, but the reformulation saves more than 30,000 tonnes of CO₂e a year.

NB: In our Total Carbon Footprint:

- Business travel by modes other than air is not included.
- The retail operations of our trade customers include substantial emissions associated with refrigeration, although there is minimal refrigeration required by our products; the Retailers Operations % is therefore over-stated. Going forward, better data will allow us to remove this over-statement.

We calculate the Total Carbon Footprint of our global products in line with the principles of international standards and guidelines PAS2050; 2008 and the GHG protocol (see www.carbon20.com for our Methodology, which has

been externally assured by Deloitte LLP 2007 & 2008 and PwC LLP (2009 & 2010)). Some improved data sources/sets have been available for the 2010 footprint which we have applied across all years for consistency. The Total Carbon Footprint per Dose reported here for previous years is not comparable to that reported in our 2009 and 2008 Sustainability reports. Changes in our business systems have resulted in a key data source for calculating the Total Carbon Footprint not being available for the 2010 data set. However, the 2010 numbers reported have been adjusted to enable comparison with the previous years so that the reported trend reflects our performance.

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## Reducing carbon through operational efficiency

#### **Energy use**

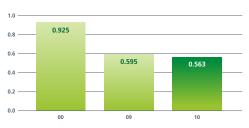
Since 2000, we have reduced energy consumption by 39% per unit of production and 16% in actual energy used.

We used 0.56 Gigajoules (GJ) for every 1,000 Consumer Units (CUs) of production in 2010. This was 5% lower than 2009.

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

- Improving machine efficiency, insulating pipes and using natural lighting where possible at our site in Cali, Colombia, has increased energy efficiency by 23% per unit of production.
- At our facility in Milton, Canada we have made savings of 37% per unit of production by reducing heat output in the warehousing areas.

**Normalised Energy Use** Gigajoules (GJ) per 000'CUs



#### Air emissions

Greenhouse gas emissions from energy use in manufacturing have fallen by 45% per unit of production since 2000, and total emissions are 25% lower

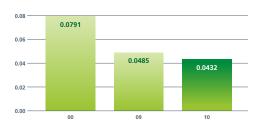
During 2010 we reduced these emissions by 11% per unit of production; down to 0.043 tonnes of CO<sub>2</sub> per 1,000 CUs. Total emissions were 249,500 tonnes of CO<sub>2</sub> equivalent – 2% less than 2009.

These emissions are generated directly on-site, through burning fossil fuels for space heating, hot water and process heating or cooling, and indirectly from our use of electricity.

As well as improvements in energy efficiency we have made further GHG savings with new technologies and fuels:

• Seven of our sites now use energy from combined heat and power (CHP) plants and seven use certified 'green' energy such as hydroelectricity or solar power.

**Normalised Manufacturing Greenhouse Gas Emissions** tonnes CO<sub>2</sub> equivalents per '000 CUs



• We have replaced some high carbon fuels such as coal and furnace oil with biomass at our Hosur and Jammu sites in India and Semarang in Indonesia.

#### Other emissions

Common industrial air emissions such as sulphur and nitrous oxides (SOx and NOx) and particulates (dust) are not generally emitted from our manufacturing facilities. Where present, these emissions are below applicable legal requirements.

At our facility in Semarang, Indonesia we have reduced our greenhouse gas emissions by over 6.000 metric tons of CO2e since 2009 by replacing the coal used for firing our boilers with biomass such as rice husks and saw dust. This is a 59% reduction in greenhouse gas emissions from 2009 to 2010.

## Carbon capture through **Trees for Change**

The Trees for Change programme is a major Reckitt Benckiser reforestation project that will offset six years of greenhouse gas emissions from our manufacturing energy use. More than 30 billion products produced at our factories worldwide from 2006 to 2011 will effectively be carbon neutral in terms of their manufacturing emissions.

Reforestation offsets emissions because growing trees sequester carbon. This ambitious project to offset the carbon footprint of our manufacturing operations will see millions of trees planted on previously deforested land in British Columbia, Canada. These new forests are using locally grown seedlings that are indigenous to the area.

The seedlings, mainly Interior Douglas-Fir, White Spruce and Lodgepole Pine, were grown in local tree nurseries from locally derived seed chosen to best fit each planting site. All of the forestry and associated work is carried out by local contractors and specialists.

Full-scale planting has been carried out since 2007. Some smaller scale remediation planting will continue until 2015.

By the end of 2010 some 4.5 million native species trees had been planted at several sites in British Columbia.

We plan to plant another 2.4 million trees by the end of the project, including about 1.5 million replacements for trees that did not survive. More than 10,000 acres or 42 square kilometres have been acquired for planting.



The new forests will have offset approximately 2 million tonnes of CO<sub>2</sub>e once complete (1.6 million tonnes by the end of 2010). Of course they will continue to sequester carbon throughout their life, as well as enhancing the natural environment.

The carbon sequestered by the Trees for Change project is not included in our Carbon20 calculations.





## **Water management**

We recognise the importance of water for our business. the communities in which we operate and our consumers. Unlike carbon emissions, the location and timing of water use is as important as the volume. We are therefore concerned with water availability and the footprint throughout our operations and product life cycle as well as the total volume we use. We recognise that we need to increase our understanding of our water impacts so we can set meaningful targets and we will continue this work in 2011 and 2012.

#### Water use

Since 2000, our water use has decreased by 17% per unit of production, but because of increased output our total consumption has risen by 15%.

In 2010 we used 0.92m<sup>3</sup> of water for every 1,000 consumer units (CUs) of production, 4% more than in 2009. Total consumption was 5.3 million m<sup>3</sup>, an increase of 14% on 2009.

The increases in our water consumption during 2010 were due to new product introductions at our facilities in Mira in Italy and Nowy Dwor in Poland, which together are responsible for a third of our global water consumption. Consumption at these sites increased by 28% and 39% respectively due to the stringent cleaning requirements associated with the new products. This is an unfortunate result of improving the formulation to replace ingredients with alternatives that have a better environmental and safety profile. They are more sensitive to micro biological contamination and therefore require more intensive cleaning.

We have reduced water use at several sites. For example;

- In Ladenburg in Germany, water consumption has fallen by 70% due in part to replacing the water-based cooling system with an air-cooled system.
- At Warth in Austria, optimising the water cooling systems has led to a 37% reduction in water consumption.

#### Water discharges

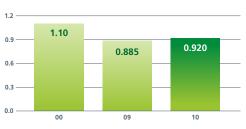
We have reduced water discharges by 30% per unit of production and by 3% in absolute terms since 2000.

In 2010, our water discharges increased by 8% per unit of production. We discharged 0.44 m³ of water for every 1,000 CUs of production in 2010 and 2.5 million m<sup>3</sup> in total.

Almost half (47%) of the water we used in 2010 was discharged into water systems. The remaining 53% went into our products, was in liquid and solid wastes sent off site, or evaporated from cooling and process systems.

#### **Normalised Water Use**

Cubic Metres per 000' CUs



#### **Normalised Water Discharge**

Cubic Metres per 000' CUs



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## **Material efficiency**

Reducing the amount of material we use in our products and packaging, and substituting improved materials, are valuable ways to reduce our impact on the environment. Cutting waste is a particularly cost-effective improvement.

#### Raw material use

In 2010 we used 0.97 million metric tonnes of our top five raw materials. About 70% were salts and organic matter. We use salts, organic matter, hydrocarbons, acids, minerals, metals and small amounts of other raw materials

#### **Product packaging**

Packaging is essential to securely and safely contain our products. However, it is a very visible source of waste once the products have been used

Optimising product packaging has several environmental benefits:

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

#### We have a three-pronged approach:

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

In 2010 a packaging redesign introduced an all-plastic trigger in the North American market. This will eliminate more than 198 metric tons of stainless steel a year. Since it is mainly polypropylene resin, it is also widely compatible with US recycling streams.

We have also made progress with 'light' weighting' in North America, most notably on the Lysol Dual Action Wipes, Lysol Spray, and Lysol 32oz cleaners. This has avoided more than 290 metric tons of resin usage and reduced our carbon emissions by 920 metric tons.

In Canada a Finish/Electrasol brand project to convert from canister packaging to a standard carton is saving almost 270 tonnes of carbon.



#### Small savings can make a big impact

In Europe we have changed the dosing scoop for Vanish powder from an injection moulded scoop to a thermoformed scoop. This change in manufacturing technology has reduced the weight by nearly 50% resulting in 153 tons of PP resin saved. As the thermoforming process requires much less energy than injection moulding this project also saved around 638 metric tons of CO<sub>2</sub>.





#### Even smaller savings add up for high volume products

Our Finish Quantum dishwashing capsules are made from PVOH which is a material that dissolves in the dishwashing machine. We developed and patented the process to produce these capsules. And since their introduction we have reduced the weight of each capsule from 2.8 grams to 2.2 grams. This tiny change has saved more than 650 metric tons of PVOH resin per year which is equivalent to 2,306 metric tons of CO<sub>2</sub>.

#### Waste

We have reduced our total waste generation by 19% per unit of production since 2000 but the total waste volume has increased bv 11%.

Our long-term strategy is to continually reduce waste generation and improve our recycling of waste arising from our operations, especially hazardous waste, which is more difficult to recycle and dispose of.

We created 0.010 tonnes of waste for every 1,000 CUs of production in 2010, of which 8.6% or 0.001 tonnes per 1,000 CUs is hazardous and is disposed of in accordance with local legislative requirements.

This was 11% per unit of production lower than in 2009 and hazardous waste was 7% lower per unit of production. Our total waste in the year decreased by 2% and hazardous waste increased by 1%.

For this year's report, we have excluded all waste from our Johannesburg site from our data (2000 - 2010) due to data quality concerns. We hope to incorporate this data again in our 2011 Sustainability Report.

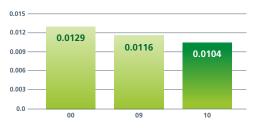
Continual improvement of our waste management since 2000 has reduced hazardous waste generation by 59% per unit of production, and 44% in actual volumes.

However, new introductions sometimes offset progress with existing products. For example:

- Better management and waste reduction schemes at Derby in the UK, have reduced hazardous waste by 55%.
- At Chartres, France, the launch of new products in 2010, increased hazardous waste by 38% per unit of production.

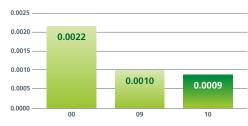
#### **Normalised Total Waste**

Metric Tonnes per 000' CUs



#### **Normalised Hazardous Waste**

Metric Tonnes per 000' CUs



#### Total Waste Recycled\* Including Hazardous Waste

01

76.1% 73.4% 60.8%

09

10

\* This data is not included in PwC's assurance of our Sustainability data

#### Vanish pouch saves carbon

In Thailand, we changed the packaging of Vanish powder from a tub to a pouch. This small change has saved over 23,000 tonnes of CO₂e per year.



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# Marketplace

Our priority is to manufacture high quality products that are safe and effectively delivered through responsible business practices – including ensuring compliance with legislation and voluntary industry agreements. We are also implementing our Global Manufacturing Standard which sets out our expectations in terms of human rights, working conditions, health and safety and environmental factors.

#### **Multimodal shift**

In 2010, we almost doubled our usage of rail for transporting products. Although we still transport the majority of our products by road, we are encouraged by our 96% increase in rail usage versus 2009 and seek to continue this shift away from all road-based transport to different modes – reducing our carbon impact and increasing our operational efficiency.

#### **External recognition**

We were also ranked joint first in the Carbon Disclosure Project 2010 FTSE-350 Report and the sector leaders in the 2010 Global 500 Report – recognising our performance in both the carbon disclosure leadership index and the carbon performance leadership index.

In addition, RB maintained its position in the several FTSE4Good indices in 2010.



CARBON DISCLOSURE PROJECT

# All global ingredient removal targets have been achieved.

 so we are looking to extend this programme in 2011 and beyond.

In 2010, our customer complaints reduced by 6% against 2009.

RB actively contributed to the update of the A.I.S.E Charter for Sustainable Cleaning.

We will look to adopt the new requirements of the A.I.S.E. Charter 2010 in 2011.

## Safe products, quality products

Product safety and quality are fundamental to our brands, our business and our long-term success.

#### **Product Safety**

Our product safety policy (available at www.rb.com) sets out our approach. It is applied to all our products through a global product safety programme comprising product safety guidelines, standards and procedures.

More than 300 people in our worldwide regulatory, safety & environmental (RSE) services and regulatory groups implement the product safety programme. It is used daily at our research & development (R&D) centres and manufacturing facilities.

RSF works across all of our business functions, especially with category research & development (R&D) teams on new products. RSE is responsible for ensuring the safety and regulatory compliance of our products for their intended use and across all of their lifecycle stages.

Regulatory teams in individual national businesses work alongside our global RSE and R&D functions to ensure that we correctly understand and comply with all national product regulations.

Our long-standing and regularly reviewed arrangements for product safety include our global ingredients guidelines (GIGs), which specify materials to be excluded or only used at certain levels in our products. The GIGs comprise a single point of reference on regulatory requirements, our own internal requirements and specific direction on the use (or non-use) of materials and ingredients. They are generally stricter than regulatory mandates and often represent industry best practice.

#### **HERA** (Human and Environmental **Risk Assessments**)

HERA is a joint voluntary initiative of A.I.S.E. and the chemical industry association Cefic. It was launched in 2009, preceding the EU REACh regulations, to provide a common risk assessment framework for substances used in household cleaning products. It also shows that this process can deliver validated safety information on ingredients used in these products in an effective and transparent way. The percentage of ingredients covered by HERA is a Key Performance Indicator of the A.I.S.E. Charter for Sustainable Cleaning for the chemical safety evaluation.

#### **Ingredient removal programmes**

We have been reviewing ingredients for the past ten years and continue a range of ingredient removal programmes above and beyond regulatory requirements. Our objective is to continually improve the environmental and safety profile of our products, by systematically removing specific ingredients from product formulae and packaging/device component specifications, where alternatives exist. The table outlines our ingredient removal achievements over the past five years1.

Ingredient	% reduction to date	completion date	Comments
Chlorpyrifos	100%	end 2009	
Boron Compounds	100%	end 2009	Removal / reduction to meet threshold levels established in the European Union
PVC Packaging of Household products	100%	end 2009	Healthcare products are excluded from this target as no viable alternatives have yet been identified for some healthcare applications
Fragrance raw materials: – Non-GN – Geranyl Nitrile (GN)	100% 100%	end 2009 end 2007	
Brominated Flame Retardants	100%	end 2007	
Formaldehyde-donor preservatives Formaldehyde	100% 100%	end 2009 end 2006	
APE's / NPE's	100%	end 2006	
Dichlorvos	100%	end 2006	
Glycol Ethers (Monoethylene series)	100%	end 2006	
Paradichlorobenzene (PDCB)	100%	end 2006	

<sup>&</sup>lt;sup>1</sup> Note: Through acquisitions the Company can periodically acquire additional products which contain ingredients previously removed from its global product formulas; when this happens acquisition-specific ingredient removal programmes are undertaken, to bring those newly acquired products into line with previously completed ingredient removal programmes.

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#### **Chemicals**

#### **Global Harmonised System (GHS)**

GHS is new global legislation affecting the classification, labelling and packaging of chemicals. It has been formally adopted in Brazil and the European Union (EU) with a target date of June 2015 for mixtures. In the EU, we are working with our suppliers to achieve harmonised classification of substances registered with the European Chemicals Agency. We have undertaken a significant work programme to ensure that all of the substance classifications used in Reckitt Benckiser products were notified by suppliers or ourselves where appropriate or necessary. Further information on GHS / CLP is available at:

http://ec.europa.eu/enterprise/sectors/ chemicals/classification/index en.htm

#### **Chemical Control Legislation**

Legislation exists in many different forms around the world. For example:

- The Australian Inventory of Chemical Substances (AICS), controlled by the National Industrial Chemical Notification and Assessment Scheme.
- The Japanese Chemical Substances Control Law, controlled by the Ministry of Economy, Trade and Industry and the Industrial Safety and Health Law controlled by the Ministry of Health, Labour and Welfare.

- The US Toxic Substance Control Act (TSCA) controlled by the Environmental Protection Agency (EPA).
- The EU Registration, Evaluation, Authorisation and Restriction of Chemicals (REACh) controlled by the European Chemical Control Agency.

Generally, chemical legislation applies to all individual chemical substances on their own. in preparations or in articles. The responsibility for registration lies mainly with our suppliers who manufacture or import the substances.

In the EU, REACh is being phased in over ten years to 2018 as it is replacing previous controls. Industry is required to register most substances that are manufactured, imported or used in Europe. RB is committed to ensuring compliance of our products. We continue to work closely with our suppliers as REACh is implemented to ensure continued compliance and business continuity. Further information on REACh is available at:

http://ec.europa.eu/environment/ chemicals/reach/reach intro.htm

#### **Product (and packaging) labelling**

Product labelling needs to give consumers clear and easily understood information on how to use (and sometimes dispose of) a product correctly and safely. Labelling of packaging material helps to promote recycling. Research suggests that the more information on a label, the less likely consumers are to read it all. A 'risk based approach' focuses the information on what consumers most need to know for correct and safe product use. We are increasingly using visual symbols which are more frequently consulted and more easily understood by consumers. To align the industry's safety information and communication, the European detergent industry association A.I.S.E. has developed a set of universal 'safe behaviour tips' and pictograms, as part of its Charter for Sustainable Cleaning, see below and www.sustainable-cleaning.com

#### Safe behaviour tips

















Do not mix with

#### **Environment labelling**

Environmental labels or ecolabels are voluntary schemes encouraging consumers to buy products and services that are kinder to the environment. Products that qualify for ecolabels have to meet selected environmental requirements. For example, criteria can include an assessment of the full lifecycle of the product, from conception, through design and manufacture, to service and disposal. Criteria cover quality, health aspects, performance and functionality.

We are committed to the development of such products and will continue to develop new products that will broaden our ecolabel portfolio and geographical coverage. We currently have strict ecolabel status in the Nordic countries under the 'Nordic Swan' criteria



and have EU 'ecolabel' status in the European Union on a number of our detergent products. www.ecolabel.eu www.nordic-ecolabel.org

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#### **Industry sustainability programmes**

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

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

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

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

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

We have committed to the A.I.S.E. Air Fresheners Product Stewardship Programme, a voluntary industry initiative established in October 2007 (see www.aise.eu/airfresheners).

Companies signing up to the programme must abide by a set of rules which go beyond legislative requirements and aim to promote best practice in the responsible manufacture, consumer communication and use of air fresheners across the EU, Iceland, Norway and Switzerland.







#### **Product quality**

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

#### **Quality improvement focus**

In 2010 we focused on preventing microbiological issues in our factories. This means we can use milder and lower levels of preservatives, in line with the thrust of regulations, without compromising product quality. We have invested £10.5 million to upgrade facilities and equipment, strengthened cleaning and sanitisation protocols and carried out extensive microbiological training for factory staff.

We continue to focus on consumer satisfaction and in 2010 we reduced the level of complaints by 6%. In our North American food business consumer complaints have fallen by 40% over the last five years. The best indicator of customer and consumer satisfaction is the fact that our brands are leaders in their markets – that can only happen with repeated consumer satisfaction.

#### **Principal quality issues**

We define principal quality issues according to this hierarchy, beginning with the most critical:

- Consumer recalls recall of a product from the public.
- Trade recalls recall of a product from a trade customer.
- Other principal issues all other quality issues where the cost of correction rework and rejected material exceeds a certain level.

In 2010 we had no consumer recalls, seven trade recalls and two other principal quality issues (see the table).

In previous years we only included consumer recalls and other principal issues but believe it is important to also report trade recalls as an important measure of our performance even if they involve low volumes or low cost.

Principa	I quality	issues	2005	<b>– 2010</b>
----------	-----------	--------	------	---------------

	Consumer recalls	Trade recalls	Other principal
2005	0	10	3
2006	0	10	5
2007	0	9	0
2008	0	7	1
2009	2	8	4
2010	0	7	2



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## Managing our supply chain

Our global manufacturing standard mandates minimum requirements for employment conditions, labour standards, health, safety and environmental management for both RB and our suppliers.

Our worldwide supply chain includes thousands of businesses providing us with everything from raw materials and packaging, through logistics and warehousing, to office supplies.

Some of our suppliers are large, multinational companies with substantial business and ethical conduct programmes of their own. Smaller, local companies – for example in our Developing Markets area – may not have such formal conduct programmes in place, but they can still be excellent suppliers.

#### **Supply chain programmes**

Our responsible and ethical supply chain programmes focus on:

- manufacturers who make products on our behalf, particularly in our Developing Markets area.
- suppliers of raw and packaging materials and suppliers of warehousing and transport services in our Developing Markets area.

We have continued to assess suppliers (and ourselves) against our global manufacturing standard (GMS), while also working with other international companies to create a common approach to supplier assessment under the AIM-PROGRESS initiative. This global programme is developing a collaborative approach to supply chain assessment in our industry, reducing unnecessary duplication and complexity.

#### **Our Global Manufacturing** Standard (GMS)

GMS is the basis for self-certification and audit against international standards for human rights, working conditions, health and safety and environmental protection.

It is a standard part of our contracts with suppliers and covers seven specific, fundamental principles:

- No child labour limitation of work by vouna workers.
- No forced labour.
- A safe and healthy working environment.
- Freedom of association.
- No discrimination equal opportunities and rights.
- Reasonable terms and conditions of employment.
- Protection of the environment.

The GMS defines the minimum requirements that must be met by all facilities that manufacture, assemble or distribute products on behalf of Reckitt Benckiser Group plc companies, including both our own and our third party suppliers' facilities.

A copy of the GMS is available on our corporate website (www.rb.com). Our internal GMS implementation guidelines are available on request.

#### **Progress so far**

To date we have not identified any critical non-compliance issues such as under-age working. We have identified non-compliance related to health and safety standards and have taken action to address the issues we found. We are working with these suppliers to continually monitor the situation at those sites.

#### We ensure that suppliers:

- are frequently visited by senior and middle managers in our R&D and Supply functions. They provide additional 'eyes and ears' and report potential issues they come across.
- are required to comply with our GMS through the terms of our contract.
- may be subject to separate environmental and health and safety (EHS) inspections and audits where we believe these are necessary.

We also encourage our suppliers to participate in the supply chain leadership collaboration, an initiative of the carbon disclosure project (CDP). This requires measuring and managing their greenhouse gas emissions, and ultimately reducing the total carbon footprint of their emissions.

#### **Transport and Logistics**

We use transport contractors to move our products by road, sea, rail and sometimes air.

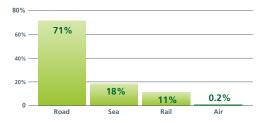
As we do not have management control of these companies we do not have direct control over their greenhouse gas emissions but we have begun to collect data from them and work with them to reduce emissions.

#### In 2010\* our contractors:

- transported approximately 5,500 million tonne-kilometres globally, contributing 0.067 tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions per 1000 consumer units (CU's) (production), equal to 389,000 tonnes in total.
- 71% of the global tonne-kilometres was by road, contributing 0.0608 tonnes of CO<sub>2</sub>e per 1000 CU's or 351,000 tonnes in total. This represents 90% of our global CO<sub>2</sub>e emissions from transport and a 2% increase against 2009.
- 18% of the total tonne-kilometres was transported by boat, contributing 0.0021 tonnes of CO<sub>2</sub>e per 1000CU's, 12,500 tonnes in total. This is 2% less than 2009.
- 11% of the global tonne-kilometres was by rail, contributing 0.0033 tonnes of CO<sub>2</sub>e per 1000 CU's, and 19,000 tonnes in total. This is a 96% increase on 2009

• 0.2% of the total, or 10 million tonnekilometres, was transported by air freight. This contributed 2% of our global CO<sub>2</sub>e emissions or 6.500 tonnes in total and is 55% lower than 2009

Transport and Logistic greenhouse gas emissions Metric Tonnes per 000' CUs



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 it's journey, reducing 'empty' running.
- combine 'less than a truck load' (LTL) shipments.
- move freight off roads to rail, inland water ways and inland sea shipping.



#### Sustainable palm oil

Palm oil is a global commodity and widely used, particularly in the food industry. However, palm oil is also subject to concerns about the environmental and social sustainability of its production, and to increasing demand.

Overall RB products use less than 0.2% of annual global palm oil production. Soap noodles – which contain a large amount of palm oil – are used in the production of bar soaps in our Developing Markets area, where it plays an important role in personal hygiene.

RB is a member of the Roundtable on Sustainable Palm Oil (RSPO), which was established in 2003 to promote the growth and use of sustainable palm oil through co-operation within the supply chain. We fully support a moratorium on any further deforestation associated with the cultivation of palm oil. In addition, we are working with our suppliers and others in the industry to seek the world's major palm oil supplies being drawn from certified, sustainable sources by 2015.

We are working with our suppliers to ensure that the RSPO's principles and criteria are implemented within our supply chain and that the current certification programme proceeds rapidly: www.rspo.org

Due to the complexity of global logistics we have to make a number of assumptions when obtaining and collecting global transport data, and have not been able to compare historical data. We have significantly improved the data and data collection process this year and are using 2010 as the baseline for future targets.

<sup>\*</sup> We report on the transport of products to trade customers from our own manufacturing facilities and third-party manufacturers. We do not currently report employee travel and the transport of raw materials.

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# Workplace

Our culture and the characteristics of our employees are our greatest competitive advantage. RB people are entrepreneurial, innovative, internationally diverse, dynamic and driven by a strong sense of ownership.

We consider the health, safety and welfare at work of our employees to be an essential part of being a responsible and productive company that manages business risks and delivers long-term shareholder value.

We are also fully committed to the principle of equal opportunity in employment. We have open communication with employees at all levels in the company.

**45%** 

of facilities in 2010 were certified to the internationally recognised safety management system, OHSAS 18001, an increase from 30% in 2009.

Part of our success is due to our group level programmes and in 2010, the company's external certification of its Group Occupational Health & Safety Management System to OHSAS 18001 was reconfirmed.

90%

reduction in accident rates, since 2001. Safety continues to be a top priority.

3%

reduction achieved in lost working day accident frequency rates (LWDAR) from 2009 levels.

### Over ten years without a lost time accident at Hosur, India

Our Hosur factory in India manufactures the active ingredient in Dettol liquid. The factory uses chlorine and has taken a proactive approach to safety management, including implementing the RB chlorine gas process safety standard. The factory conducts shop floor meetings at the start of every shift – the first discussion is around safety, health and environmental issues. There is also a reward for hazard spotting to help prevent any potential injuries and maintain and build on the impressive safety record.



Reckitt Benckiser has been named as Britain's Most Admired Company in the Health & Household sector at Management Today's Britain's Most Admired Companies Awards 2010, the 'UK's business Oscars'.

Management Today said RB had been recognised for this award because of its strategies during the recession: "RB refuses to rush into budget ranges, focusing instead on premium products such as Nurofen. The strategy paid off – the company reported strong Q3 results, with sales up to 7%."

In the overall Most Admired league table, RB now ranks 27, a huge increase on coming in 63rd last year.

The awards are now in their 18th year and are based on the opinions of 200 of the UK's largest companies.

## Our people

We aim to provide rewarding employment with responsible business conduct and conditions.

Our employees are at the heart of our success. They are highly capable and talented people who drive our business forward. bound together by a common culture to bring our vision and strategy to life.

The number of employees has grown due to acquisitions as well as the growth and investment in the business.

#### Remuneration and benefits

Total remuneration has increased in line with the increased number of employees and our remuneration policy that encourages, reinforces and rewards the delivery of shareholder value. The total remuneration paid to employees in 2009, including Directors, was £933 million (2008: £860m).

We seek to offer competitive remuneration that reflects both market conditions of the country in which people are based and their abilities and skills.

Benefits (in addition to salaries, bonuses and long-term incentives) vary regionally and nationally, and generally include items such as: pension plans, health, accident and disability insurance, medical care plans and annual health checks.

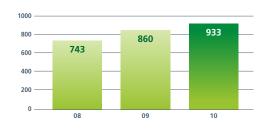
Our international transfer policy provides support for employees who move internationally. Additional benefits help them face the challenges of moving to a foreign country, and compensate people for differences in pay and living costs.

#### A strong yet diverse culture

We work hard to attract, develop and retain highly capable and talented employees who can work together to produce outstanding results.

We encourage diversity of nationality and international mobility among employees. This contributes to the generation of innovative ideas by applying new and different experiences and viewpoints across our business.

#### **Employee remuneration** £m





- <sup>1</sup> The Top 400 includes the Top 40, the Top 40 includes the **Executive Committee**
- <sup>2</sup> Based on data for 17,072 global Group employees, which is 69% of the average number of people employed by the Group during 2010

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#### **Development and training**

Development and training is an important part of attracting and motivating talented people. It can help people to achieve their full potential and helps RB maintain our competitive edge.

We provide site-level, regional, area and global training and awareness programmes on functional competencies and personal skills.

For example, around the world in 2010, our training programme provided courses in: leadership; business & organisation; people management & development, marketing, sales and finance

Other training programmes include health and safety, environment, quality and preventative maintenance.

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



<sup>&</sup>lt;sup>1</sup> The Top 400 includes the Top 40, the Top 40 includes the Executive Committee

#### **Equal opportunities and diversity**

We employ, promote and reward people based on their skills, abilities and achievements, regardless of gender, race or other personal characteristics.

We seek to encourage, recognise and reward four core values:

- Achievement
- Ownership
- Entrepreneurship
- Team Spirit

#### **BUSINESS CONDUCT**

Our Code of Conduct sets out the principles and ethical values we want to uphold. It is available at: www.rb.com

Senior managers across the company are required by Internal Audit to report and sign-off on compliance with the Code every year. The Board Audit Committee monitors the findings of this certification process.

#### **Whistleblower Helpline**

Our Whistleblower Helpline is a confidential free phone number in each country, operated by an external organisation, which employees can use to report any suspected breaches of our Code of Conduct. Any reported issues are investigated by Internal Audit and appropriate action is taken. This process is reported to and overseen by the Board Audit Committee.

#### **Human and labour rights**

We believe human rights at work are an absolute and universal requirement. In countries where we operate we aim to support progress on human rights issues in accordance with what can reasonably be expected from a commercial organisation. We subscribe to the principal international standards and guidelines for human rights and working conditions.

Our Code of Conduct and global manufacturing standard enshrine our approach to protecting human and labour rights at work.

<sup>&</sup>lt;sup>2</sup> Based on data for 17,072 global Group employees, which is 69% of the average number of people employed by the Group during 2010

#### **HEALTH AND SAFETY AT WORK**

We seek to prevent accidents, injuries and occupational ill health at all locations under our control. Our occupational health and safety (OHS) policy, objectives, responsibilities and control arrangements are available at: www.rb.com

Our global manufacturing, warehouse and R&D facilities all have health and safety committees with employee and management representatives. All our manufacturing facilities operate OHS management systems. More than 45% (compared to 30% in 2009) of these are externally certified to OHSAS 18001, an international OHS management system standard.

We maintain a group hazard assessment of our worldwide activities, to understand the hazards we face and improve control of them.

#### **Progress in 2010**

Progress on OHS in 2010 included:

- Strengthening the Group EHS audit programme with local external EHS consultants attending all audits, providing expertise in local legal compliance requirements:
- Strong H&S key item and process safety standard (PSS) scores - 99% overall reported compliance at end-2010 for Key Items and 89% (vs 82% in 2009) for PSSs (excluding ex-SSL sites which are now working towards achieving compliance with these standards). These H&S key items and PSSs are RB Group internal standards defining minimum H&S management requirements covering areas such as hot work, aerosol manufacturing and contractor management.

In 2010, external certification of our group occupational health & safety management system to OHSAS 18001 was audited and re-confirmed. This gives assurance that group-level H&S control arrangements are suitable and sufficient.

During 2010 we very regrettably suffered three fatalities during a single incident at a factory-extension construction site in India. Three construction contractors died when a cast concrete parapet wall collapsed onto a scaffold on which they were working. Official investigations into the incident are ongoing. We have communicated immediate lessons from this tragedy across the Company.

#### Fatalities and severe accidents at manufacturing, warehouse and R&D facilities

		Contractor fatalities	
2001	(1) ^	1	8
2002	0	0	1
2003	0	0	5
2004	0	0	2
2005	0	0	5
2006	0	1	5
2007	0	0	2
2008	0	0	2
2009	0	1	1
2010	0	3	2

- ^ Suspected suicide
- \* A severe accident = any permanent disability, including loss of sensory or motor dexterity eq. loss of a finger tip

#### Lost working day accident rate (LWD AR)\* at manufacturing, warehouse and R&D facilities per 100,000 hours



\* The number of accidents in which the affected employee(s) do not return to work the following day, divided by the total number of hours worked by all employees, multiplied

In 2010, we reduced the lost working day accident frequency rate (LWD AR) at our global manufacturing, warehouse and R&D facilities by 3% compared to 2009 (excluding SSL, the overall reduction would have been 7%). Overall, performance in 2010 was 90% below the accident rate in 2001

In 2010, our group environmental and health and safety (EHS) function and external consultants conducted environmental and/ or H&S audits and data assurance at 30% of our global manufacturing facilities. Country, regional and area EHS personnel carried out additional facility H&S audits/reviews.

#### Occupational health and safety policy statement

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

Specifically, the Company is committed to providing and maintaining:

- control of the health and safety risks arising from work activities.
- a safe place of work with safe means of entry and exit.
- safe plant, equipment and systems of work.
- a safe and healthy working environment.
- arrangements for the safe use, handling, storage and transport of articles and substances.
- necessary information, instruction, training and supervision to protect safety and health at work.

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# Community

RB delivers performance in everything it does, including social responsibility. It is deeply committed to sharing some of the wealth it creates with the people who need it most by helping to improve children's health, hygiene and social development around the world.

Save the Children is the natural choice as RB's global charity partner as it reflects RB's passions as a business as the family is central to both Save the Children and RB's consumers. As one of their largest corporate supporters worldwide, RB is committed to supporting their tireless work.

#### **RB Global Challenge**

We launched the third Global Challenge in 2010, when 64 people from 33 countries were selected to take part in a tough trek and a community project in Brazil for Save the Children. They aim to raise £300,000 to fund the creche renovation community project and support a wider health, education and nutrition programme in Pernambuco, North East of Brazil.

#### **Launch of Million Brighter Futures**

Of course it can never be enough, so in 2010, we launched our new Campaign, to create a million brighter futures for children around the world by raising £10 million by 2015.

# 21,629 children

benefitted through our direct funding of the Save the Children Emergency fund.

# We saved 150,000 lives

for Save the Children in 2010, bringing our total since 2006 to 600,000 lives.

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## We're working to help save children's lives



Save the Children is the natural global charity partner for RB as it reflects our passions as a business. The family is central to them as it is to our consumers. so we are committed to helping them improve the lives of vulnerable children around the world.

Since the partnership began in 2006, we have raised a total of £6 million for Save the Children. In 2010, we raised £1.5 million, and over half was raised by RB employees worldwide.

"RB helps us to reach more children the moment disaster strikes by providing a significant annual contribution of £100,000 to Save the Children's emergency fund. Additionally, through product donations such as Dettol soap and liquid, and mosquito coils, they save more children's lives by stopping the spread of deadly diseases such as diarrhoea and malaria."

Gareth Owen **Director of Emergencies** Save the Children

#### **Launch of Million Brighter Futures**

Of course it can never be enough, so in 2010, we launched our new campaign, to create a million brighter futures for children around the world by raising £10 million by 2015.

"RB's inspirational Million Brighter Futures Campaign shows how an innovative global partnership can save thousands of vulnerable children's lives."

Jasmine Whitbread CEO, Save the Children



#### Delivering health and hygiene in Angola and Tanzania

"We are committed to saving the lives of children under five, their mothers and in Huambo, Angola and Lindi, Tanzania. Our support means that Save the Children has given thousands of children low cost but highly effective life-saving measures, such as vaccinations, anti-malaria drugs and mosquito nets.

Our long-term support has been critical in saving children's lives in Angola. We are protecting children from deadly diseases by training health workers and community members on preventable childhood illnesses and good health and hygiene practices."

Adelino Saniombe Angola Programme Manager, Save the Children These one week old triplets were born in Angola with the expert help of a fellow villager who had been trained by Save the Children to be a birth attendant, RB funded her training and equipment to ensure the three triplets were given the best chance of survival.







Suman has two brothers and a sister. His mother works at the brick kilns. He used to work there too but with support from Save the Children he has become the first child in his family to go to school. His life is very different today. Instead of carrying heavy loads in the heat for hours every day, he now shows us the poems he has learnt to recite and tells us that his favourite subject is Maths. He is a member of a Save the Children group, who ensure that other children, like him, have the chance to go to school.

#### Bringing hope to children in India's brick kilns

Since April 2010, RB has been supporting Save the Children's brick kiln project in West Bengal, India. The project aims to ensure the right to education and the protection of migrant children from Jharkhand who are working in the brick kilns.

The project supports early childhood care and education, providing access to elementary education, protection from abuse and the provision of health services to adolescent girls and mothers.



#### **Child Domestic Workers' Programme**

Since 2009, RB has supported the Child Domestic Workers' programme in West Bengal, India. Save the Children work mostly with girls who have been trafficked to become domestic workers in cities such as Kolkata. Taken away from their families, many suffer abuse. Education and learning new skills gives them a chance for a better future.

#### **Children's Emergency Fund**

RB's commitment to donate at least £100,000 a year to the Children's Emergency Fund means Save the Children can respond to disasters immediately, without waiting for appeal funds, and time saves lives.

We made additional donations to the floods in Colombia and Pakistan. During the emergency in Pakistan, RB employees provided hygiene kits with Dettol soap and liquid, and mosquito coils to children and families affected by the disaster.

"RB's support helped to bring positive changes in the lives of the children across 80 brick kilns in West Bengal, India by withdrawing them from hazardous forms of labour and mainstreaming them through a formal system of education."

Manabendra Nath Ray Programme Manager, Save the Children





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#### Mission for Health

Launched in the US in September 2010, the new Lysol/Dettol Mission for Health initiative focuses on three pillars: new motherhood, teaching healthy habits to children in schools and disaster relief.

The third pillar of this initiative will support Save the Children's disaster relief, by supporting the Children's Emergency Fund. The whole Mission for Health campaign has been designed to help support mothers in their daily efforts to help their families and communities stay healthy.



#### **RB Global Challenge**

We launched the third Global Challenge in 2010, when 64 people from 33 countries were selected to take part in a tough trek and a community project in Brazil for Save the Children. They aim to raise £300,000 to fund the creche renovation community project and support a wider health, education and nutrition programme in Pernambuco, North Fast of Brazil





#### Support around the world

In 2010, RB people again gave generously of their time and money, which the company often matched, to support Save the Children and local charities around the world.

**RB US** launched a sponsorship programme for 100 children from two schools in Mississippi. Employees can correspond directly with these children, and also receive annual updates on the school programmes and the child's progress. The sponsored children participate in Save the Children's literacy and change for health and nutrition programmes.

**RB UK** launched the Action Group for Save the Children. 60 staff from RB UK spent 12 hours climbing the three mountainous peaks in Yorkshire, raising a phenomenal £50,000!

RB Pakistan employees on 14 August 2010 (Pakistan's Independence Day) packed boxes with essential food items and basic necessities for children and families affected by the floods. They provided Dettol to adults in 20,000 emergency kits during the emergency.

**RB Brazil** raised £97,000 through marketing promotions with Dettol and SBP (our Brazilian pest control brand), and held a photographic exhibition and book sponsorship of Save the Children's work in Brazil.

**RB Australia** held a Charity Golf Day in March 2010 and raised over Aus\$25,000 for Save the Children.

"The RB UK Action Group started with one person and has organically grown to ten, who are driving employee-led initiatives to develop the partnership with Save the Children. Not a week goes by without a new initiative being kicked off or someone asking to support the group – it's now part of the culture of the UK business."

Halla Ragi Senior Brand Manager Reckitt Benckiser

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# Managing & Reporting Sustainability

This report is a key part of our continuing communication with stakeholders on our approach to and management of social and environmental issues and risks.

While we seek an open and transparent dialogue with stakeholders, we maintain a focus on material issues where we can make a real difference – which is an integral part of our culture and is reflected in the content of this report.

The report is primarily aimed at audiences that have shown most interest in our sustainability management and performance during 2010: employees, trade customers, shareholders/investors, consumers of our products, and advocacy and campaign groups with an interest in the impacts of our products, operations or supply chain.

#### **Independent assurance**

PricewaterhouseCoopers LLP has provided independent assurance of selected information and data in this report. See page 34.

The social data on employee numbers and remuneration on page 20, are taken from the Company's Annual Reports 2001-10, which are themselves subject to independent assurance and are available at: www.rb.com

All of our eight previous Sustainability/ Environmental Reports, for 2000-09, were also subject to independent assurance/review, and are available at: www.rb.com

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## **Governance and strategy**

Our approach ensures we tackle corporate responsibility rigorously.

#### **Corporate Responsibility Framework**

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

#### **Code of Conduct**

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

#### **Governance structures and responsibilities**

The Board is responsible for the overall Stewardship of the Company, including sustainability and corporate responsibility. The Chief Executive Officer (CEO) is the Board member with specific responsibility for the Company's sustainability policies and performance.

The Executive Committee is responsible for the day-to-day management of the Company and is chaired by the CEO. Its structure reflects the Company's organisation and its members are responsible for sustainability issues within their respective areas and functions.

**Corporate Responsibility Framework Vision and Values** Code of Conduct Product Safety Occupational Health Global Manufacturing **Animal Testing** Environmental & Ouality Policies & Safety Policy Policy Standard Policy Global Ingredient Group OHSMS Group EMS Global Manufacturing Corporate Guidelines; Group RSE Implementation Standard (GMS) Implementation & Quality Assurance Group QMS Guidelines Local OMSs Region/Sub-Region/ Region/Sub-Region/ Regional Supply RSE animal testing Site OHSMSs Site EMSs implementation minimisation & auditing procedure & control arrangements

RSE – Regulatory, Safety & Environmental services group; OMS – Quality Management System; OHSMS - Occupational Health & Safety Management System; EMS - Environmental Management System Our Director of Global Sustainability. Environment, Health and Safety coordinates the sustainability programme on a day-today basis. Our Senior Vice President (SVP) of Corporate Communications and Affairs is secretary to the Executive Committee. She is responsible for our community involvement and much of our stakeholder engagement.

The research & development (R&D) function includes the Regulatory, Safety & Environmental (RSE) services group, which is responsible for ensuring that our products meet regulatory requirements and are safe for their intended use.

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

#### The role of the Board

The Board regularly considers and takes account of the significance of environmental, social and governance (ESG) matters and their potential risks to the company, including reputational risks and the opportunities to enhance value that may arise from an appropriate response. The Board undertakes a formal review of ESG matters at least annually. The Board's Audit committee undertakes regular review of the arrangements for, and effectiveness of, risk management and internal audit, including ESG matters and reputational risks.

The Directors Report on ESG matters and reputational risks, including an assessment of those risks, is provided in our Annual Report & Financial Statements 2010, page 14, available at www.rb.com

#### Corporate governance

Details of our corporate governance arrangements, including Board composition, committee structure, internal control. performance evaluation and details of non-executive and independent Directors and their compensation arrangements, are provided on pages 13–24 of our Annual Report and Financial Statements 2010, available at www.rb.com

#### International standards and guidelines

We subscribe to a range of International standards and guidelines relating to sustainability and corporate responsibility, including: the United Nations (UN) Declaration of Human Rights: www.un.org, and the International Labour Organisation (ILO) eight Fundamental Conventions: www.ilo.org

The intent of these standards and guidelines, along with others such as the social accountability standard SA8000: www.sa-intl.org, are incorporated in the Company's Code of Conduct and other elements of our Corporate Responsibility Framework, such as our Global Manufacturing Standard.

#### **Identifying material issues**

We use a process aligned to Accountability's 5-Part Materiality Test to confirm our assessment of the most material sustainability issues for our business. To do this, we have sought to identify and analyse:

- our 'significant aspects', which are the ways in which our activities, and our suppliers and products, materially interact with the environment, society and the economy. We identify these aspects through our Group environmental and health and safety management systems, through involvement in sector and industry sustainability programmes, and by taking advice from experts.
- the Environmental, Social and Governance (ESG) risks that could affect our business. We have comprehensive processes in place to identify and understand financial and non-financial risks, through the day-today activities of functions such as Internal Audit, Global Business Intelligence (GBI) and Group Environment and Health & Safety; and through the Board's regular review of ESG matters and reputational risks.
- the issues of greatest concern to our stakeholders, identified through our ongoing and specific engagement with key stakeholders. (see page 30)
- the issues that society has identified as important, through regulation, legislation, and institutionalised standards
- those issues covered by our existing policies and commitments, such as our Carbon20 programme.

#### Areas of potential risk

Our Annual Report and Financial Statements 2010 identify three areas of potential ESG risk, and one environmental matter, which are necessary to an understanding of the business of the Company:

- Industry sector and product safety/ regulatory risks.
- Supply chain risks.
- Product quality risks.

For more information, please see: www.rb.com/Investors-media/Investorinformation/Online-Annual-Report-2010

#### **Strategic priorities**

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

- to achieve continual improvement in our overall environmental performance, focusing on those issues where we can make a significant difference.
- to manage our business in a socially and ethically responsible manner.

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

#### Significant aspects of our sustainability programme

#### **Environmental**

- Energy use /air emissions and their contribution to climate change
- Raw material use and supply chain sustainability
- Water use and discharges
- Waste and packaging reduction, re-use and recycling
- Product use and product / packaging disposal
- Indirect supply chain impacts

#### Social & Ethical

- Products which improve hygiene and health
- Product safety and quality
- Health and safety at work
- Employment practices and human rights
- A responsible and ethical supply chain
- Community involvement
- Ethical business conduct

#### Economic

- Economic value and cash value added generated and shared with employees, shareholders and society
- Indirect economic impact

## Stakeholder engagement

We proactively engage with our stakeholders to improve mutual understanding and seek practical ways to meet their expectations.

#### We talk to stakeholders:

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

#### Our key stakeholder groups are:

#### Workplace

- Employees
- Employee collective representatives (eg. workers councils)

#### Marketplace

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

#### Community

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

#### **Employee engagement**

Providing an environment and culture in which employees can and want to give their best is a priority. We regularly seek feedback from employees on a variety of matters and in a variety of ways. This includes include departmental meetings, formal feedback tools and electronic surveys, which we carry out all over the world. We translate any opportunities for improvement into plans which are tracked in line with other business critical KPIs. Although there are some significant differences in the opportunity areas, depending on location and geography, we get consistent feedback that our employees are energised by the scope of their jobs and the freedoms they have to make decisions, but we can do a better job of setting career expectations. Our top 400 leaders are now trained in conducting career feedback, and a new global process requiring such feedback will be rolled out during 2011.

#### **External partnerships**

We seek to develop industry-wide solutions to shared challenges. In 2010, our work with external partners included:

- Corporate Leaders Group (CLG) on Climate Change, which in 2009 developed the Copenhagen Communiqué for the UN Climate Change Negotiations: www.cpi.cam.ac.uk/bep/clgcc
- Roundtable on Sustainable Palm Oil **(RSPO)** promoting the growth and use of sustainable palm oil: www.rspo.com
- A.I.S.E. (the International Association for Soaps, Detergents and Maintenance **Products)** in Europe, which coordinates the voluntary Charter for Sustainable Cleaning and the Save Energy & Water project: www.aise.eu

- Soap and Detergent Association (SDA) in the United States: www.cleaning101.com
- AIM Progress a forum of consumer goods companies assembled to enable and promote responsible sourcing practices and sustainable production systems. www.aim.be/responsible\_sourcing.htm
- FRAME funding external research into alternatives to animal testing www.frame.org.uk

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## Our approach to reporting

We work hard not only to integrate and embed sustainability into how we manage and conduct our business, but also into how we report on our business and its performance.

#### Reporting standards

We continue to report in line with the Global Reporting Initiative's Sustainability Reporting Guidelines – Version 3.0 (GRI G3): www.globalreporting.org

A GRI Content Index and Application Level Table is provided at www.rb.com. It provides a navigational tool for those looking for specific information in relation to the GRI's G3 Guidelines and includes the indicators that we have not reported on.

In preparing this report, we referenced the criteria and principles of accountability set out in the AA1000 Assurance Standard (2008) and the AA1000 Accountability Principles Standard, produced by AccountAbility. We also took into account the evolution of best practice in corporate sustainability reporting.

This report is part of an integrated approach to reporting our total performance.

We report annually on calendar year data.

Our Annual Report and Financial Statements 2010 provide:

- information necessary for an understanding of the development, performance and position of the business of the Company relating to environmental matters (including the impact of the Company's business on the environment), its employees, and social and community issues (page 7) in line with the Companies Act 2006.
- information on our management of Environmental, social and governance (ESG) matters and reputational risk (page 15) in line with the Association of British Insurers (ABI) Guidelines on Responsible Investment Disclosure, We also publish regularly updated financial and non-financial information, made available on our corporate website, including a corporate responsibility section which contains our latest external benchmarking results, a library of our policies, and copies of our non-financial reports since 2000.

#### **Key Performance Indicators**

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

- the significant sustainability aspects of our operations. (see panel on page 29).
- independent, external sources of guidance on the indicators that we should be using to measure and report on those significant sustainability aspects (see below).
- the indicators that are most practical to use and add most value across our business and supply chain.

The GRI G3 performance indicators provide our main reference for selecting appropriate KPIs; as an international standard using its indicators provides compatibility with other companies.

We also take account of the specific guidance on environmental KPIs for UK companies provided in the British Standard BS EN ISO 14031 (Environmental Performance Evaluation Guidelines). and the Environmental KPIs – Reporting Guidelines for UK Business (Department for Environment, Food & Rural Affairs).



This report is in line with the GRI G3 guidelines and applies a GRI Application Level of A

## **Our actual Environmental Impact**

#### NOT normalised against product volume.

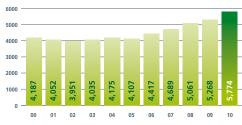
To put these data in context, it is important to note that in 2010 our manufacturing output in terms of consumer units increased by 10% versus 2009 (and between 2000 and 2010 it has increased by 38%).

In 2010 (and between 2000 and 2010), the ACTUAL environmental impact of our manufacturing and R&D facilities, NOT normalised against our production volume (which has significantly increased both during 2010 and since 2000) was as follows:

- Energy use increased by 4% vs 2009 (00 – 10: reduced by 16%)
- Water use increased by 14% vs 2009 (00 – 10: increased by 15%)
- Greenhouse gas emissions from manufacturing energy use - reduced by 2% vs 2009 (00 – 10: reduced by 25%)
- Water discharge increased by 18% vs 2009 (00 – 10: reduced by 3%)
- Total waste increased by 7% vs 2009 (00 – 10: increased by 23%)
- Hazardous waste increased by 4% vs 2009 (00 – 10: reduced by 34%)

This means that the eco-efficiency<sup>1</sup> and resource intensity of our operations has significantly improved both during 2010 and since 2000.

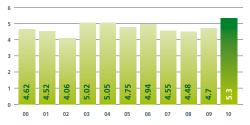
Production volume at Reckitt Benckiser manufacturing facilities Million Consumer Units



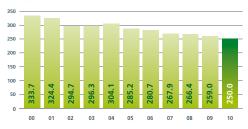
Energy use at manufacturing and R&D facilities



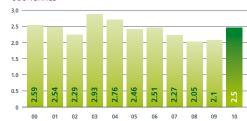
Water use at manufacturing and R&D facilities Million m<sup>2</sup>



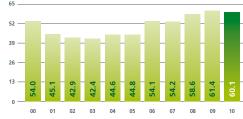
Greenhouse gas emissions from manufacturing energy use '000 Tonnes CO<sub>2</sub> equivalents



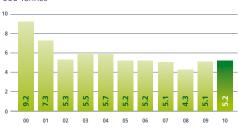
Water discharges at manufacturing and R&D facilities



Total waste at manufacturing and R&D facilities '000 Tonnes



Hazardous waste at manufacturing and R&D facilities '000 Tonnes



#### Regulatory compliance

Throughout our operations we regard legal compliance as the minimum standard to be achieved, as set out in our Code of Conduct and our Environment Policy.

#### **Environmental prosecutions and fines**

	Prosecution	Fine
2002	0	2
2003	0	2
2004	0	1
2005	0	1
2006	0	3
2007	0	3
2008	0	2
2009	0	0
2010	1	4

During 2010 four of our manufacturing and R&D sites received environmental fines totalling €6,045: Granollers in Spain, Klin in Russia, Nowy Dwor in Poland and Montvale R&D facility in North America. Three sites received health and safety fines totalling €5,704: Klin in Russia, Mira in Italy and Qingdao in China.

1 Eco-efficiency is the concept of creating more goods and services (value), whilst reducing resource use, emissions and waste (impact). By creating more value with less impact businesses can improve their sustainability whilst also contributing to net income.

Lifecycle issues should not be forgotten when considering eco-efficiency. The total lifecycle impacts of products and services need to be reduced, rather than impacts being shifted from one organisation or stage of the lifecycle to another. Reckitt Benckiser's Carbon20 programme ensures that climate change is addressed across the complete lifecycle of our products. See page 6.

## **Basis of reporting**

#### How the data and information in this report has been put together.

This report provides data and information for the period 1 January 2010 to 31 December 2010 across all Reckitt Benckiser Group plc companies, as follows:

- Environment: the 43 manufacturing facilities and nine R&D centres over which we had operational control on 31 December 2010; and, in terms of our global products' lifecycle carbon footprint, as reported for our Carbon20 programme, the 'Scope 1, 2 & 3' greenhouse gas emissions in terms of carbon dioxide equivalents (CO2e) associated with all stages of our global products' lifecycle footprint. in line with the principles of PAS2050 and the GHG Protocol (see Carbon20 Basis of Reporting 2010 at www.carbon20.com).
- Health and safety: the 51 manufacturing facilities, nine R&D centres and 12 warehouses over which we had operational control for one or more months during 2010.

In line with ongoing improvements in the scope of H&S data we report: 2007-2010 data comprises all Company manufacturing sites and R&D centres (SSL site data is included for the last two months of 2010 only as this is the period when these sites were owned by RB); and, 2001-2005 data comprises all manufacturing sites and the R&D centres co-located at those manufacturing sites.

In line with ongoing improvements in the scope of data we report: 2007 and 2008 data comprises all Company manufacturing sites and R&D centres; and 2001-2005 data comprises all manufacturing sites and the R&D centres co-located at those manufacturing sites.

- Social: all Group companies and facilities as at 31 December 2010, unless explicitly stated
- Economic: all Group companies and facilities, for our financial (calendar) year 2010, excluding Zimbabwe (see Basis of Consolidation on page 34 of our Annual Report and Financial Statements 2010).

#### Greenhouse gas emissions data

Data on greenhouse gas (GHG) emissions from our manufacturing facilities' energy use are reported as carbon dioxide equivalents (CO<sub>2</sub>e) and calculated in line with The GHG Protocol Corporate Accounting and Reporting Standard (World Resources Institute & World Business Council for Sustainable Development. 2004). Direct GHG emissions data (from our on-site use of fossil fuels) additionally include the global warming potential of methane and nitrous oxide emissions, in line with the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006).

Facility-specific GHG emissions from electricity consumption for 2000-03 use the most recent country-level conversion factors that were available from the International Energy Agency at the time of reporting. Facility-specific GHG emissions from electricity consumption for 2004-10 use an average of the last five years of IEA country level data that was available at the time of reporting (i.e. average data from 2004-08 is used for 2010).

#### Data comparability and reliability

In this report we include nationality and gender data for 17.072 Group employees, which equates to 69% of the average number of people employed by the Group during 2010.

As part of compiling this report our Group EHS function conducted site-level assurance of environmental and/or health and safety data for 2010 at five (10%) of our manufacturing facilities.

Additionally, all data in this report has been reviewed for accuracy and completeness through statistical and non-statistical means.

While we are confident in the overall reliability of the data reported and the well-established reporting procedures and controls in place, we recognise that:

- Some of these data may be subject to a degree of uncertainty that relates to: potentially different interpretation of reporting guidelines at a local and global level; and inherent limitations in some universal methods and measurement techniques used to determine environmental, health and safety and social data.
- Comparability of data from year to year may be affected by changes in the number and attributes

of Group facilities, changes in the 'mix' of products sold and continual improvements in our performance measurement systems.

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

We therefore include some revised numbers in this Report for several parameters for several previous vears, but most of those revisions are of less than +/- 1% of the number previously reported for our annual performance of a parameter, and only two of those revisions, for non-hazardous waste and Carbon 20 are material (i.e. a +/- variance of 5% or more of the number previously reported for our annual performance of a parameter).

The hazardous waste volume for 2009 in this Report is 6.4% lower than stated in our Sustainability Report 2009. During the preparation of the report we identified a data quality issue with one element of waste reporting at our Johannesburg site in South Africa. We have removed all waste data from this site from 2010 and all prior years. We hope to resolve the data issue and restate the numbers in the future.

We continually improve our Carbon20 methodology, data and assumptions. For 2010, we have reviewed how we collect and collate packaging data from our suppliers as part of the 2010 footprint calculation; and the assumptions made around certain consumer use categories based on outcomes of commissioned consumer use studies.

Output is measured as Consumer Units (CUs) - the normal unit of our products purchased by a consumer i.e. a single box, bag, bottle etc. Our Annual Report 2010 records 49 manufacturing facilities in 2010 whereas this Report records 51. because we treat two warehouses which have a production line located in them as manufacturing facilities for EHS management purposes. Some numbers in this report have been rounded off for clearer display in charts and graphics.

For further information on our Basis of Reporting, see our Reporting Criteria Statement at www.rb.com

Evolution is scope of environmental performance data presented in this report				
Year	Operational factories providing data (%)	R&D centres providing data (%)	Comments	
2010	43 (100%)	9 (100%)	The number of factories remains the same; 1 new R&D centre reporting for the first time	
2009	43 (100%)	8 (100%)	The number of factories remains the same; 1 new R&D centre reporting for the first time	
2008	43 (100%)	7 (100%)	1 factory acquired with Adams; 3 new factories reporting for the first time; 4 factories closed; 1 R&D centre closed; 1 new R&D centre reporting for the first time	
2007	43 (100%)	7 (100%)	2 factories closed; 1 factory acquired; 1 new R&D centre	
2006	44 (100%)	6 (100%)	3 factories closed; 1 new factory opened; 2 factories and 1 R&D centre acquired with BHI	
2005	43 (100%)	5 (100%)	1 factory closed	
2004	44 (100%)	5 (100%)	2 factories closed	
2003	46 (100%)	5 (100%)	1 new factory reporting for the first time; 4 factories closed	
2002	49 (100%)	5 (100%)	1 factory sold; 2 factories closed	
2001	52 (100%)	5 (100%)	All R&D centres included; 1 new factory reporting for the first time; 1 factory closed	
2000	52 (100%)	2 (40%)	Only R&D centres within factory sites included	

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## Independent assurance statement

#### Independent Assurance Report to the Directors of Reckitt Benckiser plc.

We have been engaged by the directors of Reckitt Benckiser plc (Reckitt Benckiser) to perform an independent assurance engagement in respect of Reckitt Benckiser's online Sustainability Report 2010 (the Sustainability Report), as at 28th September 2011.

#### What we did and our conclusions

We planned and performed our work, summarised below, to obtain the evidence we considered necessary to reach our assurance conclusions on the Sustainability Information (as defined below).

#### What we are assuring (Sustainability Information)

- a. The data for the year listed in the table on the back cover of the Sustainability Report under the headings Environment, Product Quality, Health and Safety at work and Social Performance (together the Sustainability Information) which has been prepared based on the Reporting Criteria set out in the Reporting Criteria Document.
- b. The Director's declaration on page 6, on the level of application of the principals of the Publically Available Specification (PAS) 2050:2008 and the WBCSD-WRI GHG Protocol (the GHG Protocol) in respect of the Carbon 20 Methodology.

The scope of our work was restricted to the Sustainability Information for 2010 and does not extend to information in respect of earlier periods. Our independent assurance report in relation to the Sustainability Information for 2009 can be found in the 2009 Reckitt Benckiser Sustainability Report (www.rb.com).

Assurance standard applied1 **ISAE 3000** 

#### **Understanding Reckitt Benckiser's reporting** and measurement methodology

There is not yet an established practice for evaluating and measuring sustainability performance information. The range of different, but acceptable, techniques used can result in materially different reporting outcomes which may affect comparability with other organisations. It is therefore important to read and understand the Reporting Criteria at (www.rb.com) that Reckitt Benckiser has used to evaluate and measure the Sustainability Information.

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

- a. Reckitt Benckiser's Reporting Criteria Document (www.rb.com) sets out how the Sustainability Information is measured, recorded and reported.
- b. Reckitt Benckiser's Carbon20 Basis of Reporting 2010 which sets out the Carbon20 Methodology.

#### Level of assurance<sup>2</sup>

Limited Assurance.

#### Work done by our independent, multi-disciplinary team of sustainability and assurance specialists<sup>3</sup> We performed the following activities:

• Evaluated the design and implementation of key

- processes and controls over the Sustainability Information;
- Assessed the source data used to prepare the Sustainability Information for 2010, including re-performing a sample of calculations;
- Carried out analytical procedures over the Sustainability Information;
- Limited testing, on a selective basis at Group level. the preparation and collation of the Sustainability Information, as well as making inquiries of management and others;
- Reviewed the Sustainability Information disclosures;
- Reviewed the Carbon 20 Methodology, to consider the Directors' declaration that RB is in line with the principles of Publically Available Specification (PAS) 2050:2008 and the GHG Protocol

#### Our conclusions

As a result of our procedures nothing has come to our attention that indicates for the year ended 31 December 2010:

- a. the Sustainability Information is not prepared in all material respects in accordance with Reckitt Benckiser's Reporting Criteria; and
- b. The Director's declaration that Reckitt Benckiser's Carbon 20 Methodology is in line with the principles of Publically Available Specification (PAS) 2050:2008 and the GHG Protocol is not fairly stated in all material respects.

#### **Reckitt Benckiser's responsibilities**

The directors of Reckitt Benckiser are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the Sustainability Report:
- establishing objective assessment and Reporting Criteria for preparing the Sustainability Report;
- measuring Reckitt Benckiser 's performance based on the Reporting Criteria; and
- the content of the Sustainability Report.

#### Our responsibilities

We are responsible for:

- forming independent conclusions, based on our limited assurance procedures and
- reporting our conclusions to the directors of Reckitt Benckiser.

This report, including our conclusions, has been prepared solely for the Directors of Reckitt Benckiser as a body in accordance with the agreement between us, to assist the directors in reporting Reckitt Benckiser's corporate sustainability performance and activities. We permit this report to be disclosed in the Sustainability Report for the year ended 31 December 2010, to enable the Directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Sustainability Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and management for our work or this report except where terms are expressly agreed between us in writing.

Our observations and areas for improvement will be raised in a report to Reckitt Benckiser's management. Our observations do not affect our conclusions on the Report set out above.

PricewaterhouseCoopers LLP, Chartered Accountants, London 28 September 2011



- <sup>1</sup> International Standard on Assurance Engagements 3000 (Revised) - 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' issued by the IAASB
- <sup>2</sup> Assurance, defined by the International Auditing and Assurance Standards Board (IAASB), gives the user confidence about the subject matter ("Sustainability Information") assessed against the reporting criteria. Reasonable assurance gives more confidence than limited assurance. The evidence gathered to support a reasonable assurance conclusion is greater than that gathered to support a limited assurance conclusion.
- <sup>3</sup> We comply with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics.

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#### About this report

This report is for the year ending 31 December 2010 and conforms to the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI); we have self-declared as meeting the top GRI application level of A.

#### **Further information**

This report is part of our integrated approach to reporting our total performance, for further information please go to our website: www.rb.com

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

Sustainability Reckitt Benckiser Group plc 103-105 Bath Road Slough, Berkshire, SL1 3UH United Kingdom

Email: sustainability@rb.com

### Sustainability performance data in this report assured by PricewaterhouseCoopers LLP See Independent assurance statement, page 34

Environment (2010 data)	Page
Greenhouse gas emissions from manufacturing energy use	
(tonnes CO <sub>2</sub> equivalents per '000 CUs; actual)	5, 7, 32
Total waste at manufacturing and R&D facilities (tonne per '000 CUs; actual)	11, 32
Hazardous waste at manufacturing and R&D facilities (tonnes per '000 CUs; actual)	11, 32
Water discharges from manufacturing and R&D facilities (m² per '000 CUs; actual)	9, 32
• Energy use at manufacturing and R&D facilities (GJs per '000 CUs; actual)	7, 32
Water use at manufacturing and R&D facilities (m² per '000 CUs; actual)	9, 32
Top 5 raw materials used (million metric tonnes)	10
Product quality (2010 data)	
Number of consumer recalls	16
Number of trade recalls	16
Number of principal quality issues	16
Social performance (2010 data)	
Nationalities: of the Company's Board, Executive Committee,	
'Top 40' and 'Top 400' senior management and 69% of the average	
numberof total global employees	20
Gender split: of the Company's Board, Executive Committee,	
'Top 40' and 'Top 400' senior management and 69% of the average	
number of total global employees	21
Use life and or form at words (2000 data)	
Health and safety at work (2010 data)	
Lost Working Day Accident Rate (LWD AR) at manufacturing,	
R&D and warehouse facilities (per 100,000 hours)	22
Numbers of fatal and severe accidents	22