



SUSTAINABILITY GOVERNANCE, REPORTING AND ASSURANCE

Reckitt Sustainability Insights 2021



SUSTAINABILITY GOVERNANCE, REPORTING AND ASSURANCE

We believe that high standards of corporate governance, combined with a rigorous, open approach to reporting, are central to running our business with integrity and to maintaining the trust of our stakeholders.

GOVERNANCE

Our [Annual Report](#) sets out our full Corporate Governance Report and statement, and you will also find information about our approach to governance on our website. Here we explain how sustainability is governed at Reckitt, and the principles that lie behind it.

At Board level

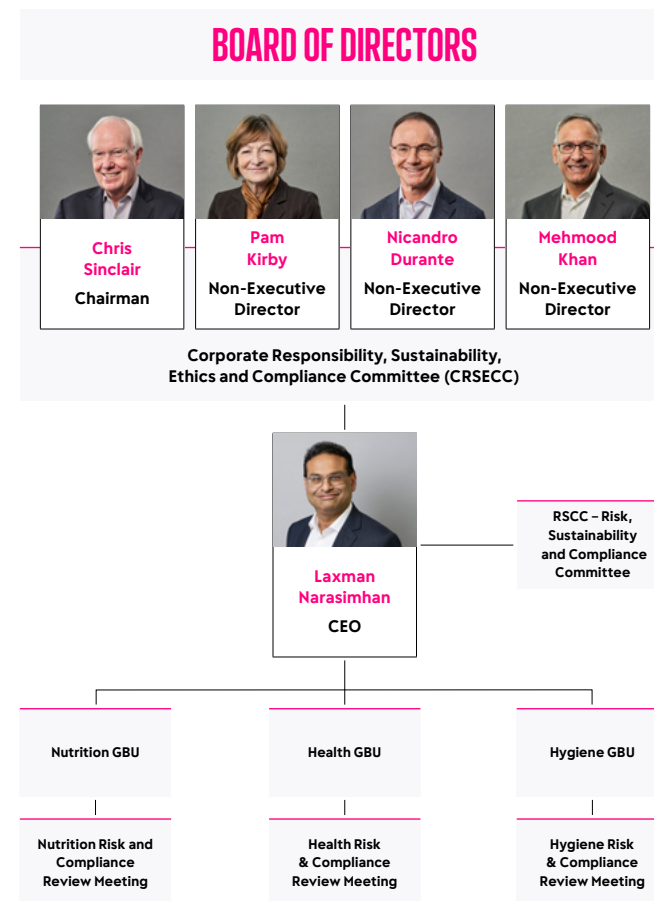
Our Board of Directors is responsible for the overall stewardship of the Company and delivery against strategy, through our executive leadership team. This includes setting our values and standards, and overseeing sustainability and corporate responsibility. They have regular discussions about the risks and opportunities for the Company and conduct a formal review at least once a year. Sustainability itself, including the key issue of climate change, is considered one of the Company's principal risks. This reflects the growing importance of sustainability and its central role in supporting the Company's growth strategy – as it becomes a more important opportunity, so too does it become a greater risk. For details of our key issues and impacts in this area, which include climate change and are overseen by the Executive and the Board, see our [Focusing on what matters most](#) insight.

The Board delegates regular oversight of sustainability to a sub-committee, the Corporate Responsibility, Sustainability, Ethics and Compliance Committee (CRSECC). The Committee meets quarterly to review our progress against our sustainability strategy, and performance against our targets. Meetings are attended by the CEO, who has accountability for sustainability performance at executive level. He is joined at the meetings by the Chief Financial Officer (CFO) and other senior executives.

At managerial level

Our managerial oversight of sustainability matters reflects the structure of our business as one Group with three business units. We have a single committee for the Group as a whole, the Risk, Sustainability and Compliance Committee (RSCC), chaired by our CEO. This is supported by business unit level committees, which report up to the RSCC and thus to CRSECC. These committees all meet and report quarterly.

Reckitt Sustainability Governance Model



Sustainability governance, reporting and assurance continued

The RSCC reviews risks and our progress in managing them, and covers all of our environmental, social and governance activity. This includes, for example, reviewing the management of and responses to issues flagged through our SpeakUp whistleblowing systems, alongside our social impact programme and progress on climate change.

This structure of Group committees supported by business unit equivalents provides quarterly updates to the CRSECC and Board on sustainability issues and risks. This includes ongoing performance against targets to enable their continuing oversight of activity (see CRSECC report in our Annual Report).

Within the business, our Corporate Affairs & Sustainability function leads strategy development and compliance, while programmes are implemented by our Brands, Supply Chain, R&D, and Safety, Quality and Regulatory Compliance teams. All functions are represented at, and are overseen by, the Executive.

REPORTING AND ASSURANCE

Publicly reporting on sustainability is fundamentally important to our ability to deliver our strategy. After all, sustainability is at the heart of our purpose-led growth strategy and so reporting on it in this detailed way through our insight papers, as well as our Annual Report, reflects this.

We therefore welcome the increasing focus of investors on environmental, social and governance (ESG) issues, and the response from reporting regulators to begin to emphasise the relationship between ESG issues and financial performance. In 2021 we continued to develop our understanding of our climate risks and opportunities which are set out in our statement against the requirements of the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#). We also extended our work on ecosystems and biodiversity, with a new partnership with Nature Based Insetting at the University of Oxford. This supports our assessment of biodiversity in key ecosystems in our value chain. The outcomes will enable us to contribute to, and deliver against, the emerging work of the Taskforce on Nature-related Financial Disclosures (TNFD).

We continue to report against certain disclosures set out by the Sustainability Accounting Standards Board (SASB).

Overall, we support moves to create a consistent set of sustainability standards for reporting, and welcome the formation of the new International Sustainability Standards Board (ISSB) by the IFRS Foundation to develop a comprehensive global baseline of sustainability disclosure standards suitable for capital markets. We also note and welcome the UK Government's development of sustainability disclosures in the form of the UK Green Taxonomy.

Independent assurance is a key part of our approach to reporting. External scrutiny helps us improve, while reassuring our readers that the data we publish is accurate. We again engaged ERM CVS to provide independent limited assurance over certain sustainability disclosures. Their independent assurance statement can be found later in this insight paper.

Reporting channels

More and more people use smartphones and tablets to find information on a company. They expect a company's website to have up-to-date information as well as giving access to the core reporting content. This is essential as the source of truth, given the rigour with which it is produced and assured. To summarise, our reporting channels are:

- **Annual Report:** reports our performance against our strategy and includes disclosures against our most material sustainability issues (published in April each year)
- **Insights:** contain more detailed information about our material issues, including our reporting against the Global Reporting Initiative (GRI) and various other frameworks (published alongside the Annual Report)
- **Sustainability section of our website:** gives further details of our approach and performance, and publishes stories showing our strategy in action (updated throughout the year)
- **Previous sustainability reports** can be found at <https://www.reckitt.com/sustainability/policies-and-reports/>

Audiences

Many stakeholders – employees, customers, shareholders/investors, consumers of our products, and advocacy and campaigning organisations – have an interest in one or more aspects of our sustainability reporting. Our aim is to give all of these stakeholders what they're looking for, while telling a true and consistent story about our work during the year.

Read more about our stakeholders and how we engage with them in our [Focusing on what matters most](#) insight.

Frameworks and standards

While we wait for the ISSB to develop a consistent set of sustainability standards for reporting, we are paying particular attention to the frameworks that will meet the varying needs of investors, key ratings agencies and indices such as MSCI, DJSI and Sustainalytics. These are:

- **UN Sustainable Development Goals (SDGs):** the SDGs are a critical and growing factor for us and our stakeholders. Our purpose is to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world and, in this context, we fully support delivery of all the SDGs by 2030. We believe we can make the biggest impact on five of the goals: SDG 2 zero hunger; SDG 3 good health and wellbeing; SDG 5 gender equality; SDG 6 clean water and sanitation; and SDG 13 climate action. These are closely connected to our brands and our social impact partnerships (see our [Partnering for social impact](#) insight). We also contribute to other relevant goals and refer to the SDGs throughout our sustainability reporting to highlight one of the key driving principles of our programmes
- **Task Force on Climate-related Financial Disclosures (TCFD):** Our TCFD disclosure gives investors climate-related information and insights into how we are mitigating and adapting to climate-related risks and opportunities. We have disclosed in line with the TCFD recommendations; more information on our disclosure can be found in our [Climate change](#) insight

Sustainability governance, reporting and assurance continued

- **Global Reporting Initiative (GRI):** we have prepared our 2021 sustainability reporting with reference to the GRI Standards: 2021 update, and have a [GRI Content Index](#) available to help those looking for specific indicators
- **Sustainability Accounting Standards Board (SASB):** We are referencing certain disclosures from SASB's Household and Personal Products Standard. Our [SASB Index](#) can be found alongside our GRI Index on our [sustainability policies and reports web page](#)
- **United Nations Global Compact:** We signed up to the UN Global Compact in 2021. Our annual [Communication on Progress](#) is a key component of demonstrating our commitment and includes an index to further information against the ten principles of the UN Global Compact
- **AccountAbility:** we also reference the criteria and principles of accountability set out in the AA1000 Assurance Standard (2008) and the AA1000 AccountAbility Principles Standard, produced by the consultancy AccountAbility

Reporting profile, performance data and reporting criteria

Our data is reported for the year to 31 December 2021, unless other timescales are specifically noted.

We use key performance indicators (KPIs) that best describe the performance and impact of our operations in line with our materiality assessment. In many cases, independent external guidance, such as the GRI standards or specific standards on environmental reporting, direct us towards which indicators to use. These enable comparison with other companies. We also look for KPIs that are most practical and add most value across our business and supply chain.

All our 2030 sustainability ambitions are based on a 2015 baseline year unless otherwise indicated.

The principles and methodologies we have used in reporting our sustainability performance data for 2021, along with our statement of directors' responsibilities in preparing the information, can be found in our [Reporting Criteria and Basis of Preparation document](#).



INDEPENDENT ASSURANCE STATEMENT TO RECKITT BENCKISER GROUP PLC

Reckitt Benckiser Group plc (Reckitt) engaged ERM Certification and Verification Services (ERM CVS) to provide limited assurance in relation to specified information in the Reckitt Sustainability Insights 2021 (the Report) as set out below.

Engagement summary

Scope of our assurance engagement	Whether the data and reported progress for the 2021 calendar year listed below and marked ⁺ in the Report, are fairly presented, in all material respects, with the reporting criteria	
	Sustainable product innovation	<ul style="list-style-type: none"> • Total Net revenue from more sustainable products (£ million) • Net revenue from more sustainable products (%)
	Climate change	<ul style="list-style-type: none"> • Total Carbon Footprint (million tonnes CO₂e) (with indirect consumer phase) • Total Carbon Footprint (million tonnes CO₂e) (without indirect consumer phase) • Reduction in Carbon Footprint (%) • Scope 1 GHG emission (tonnes CO₂e) • Scope 2 GHG emissions (location-based) (tonnes CO₂e) • Scope 2 GHG emissions (market-based) (tonnes CO₂e) • Reduction in GHG emissions Scope 1 & 2 vs 2015 (%) • Energy use (GJ) (manufacturing and warehouses only) • Energy use per unit of production (GJ per tonne of product) • Reduction in energy use in manufacturing & warehousing (%) • Renewable electricity across operations (%)
	Water	<ul style="list-style-type: none"> • Total Water Footprint (million L) (with indirect consumer phase) • Total Water Footprint (million L) (without indirect consumer phase) • Reduction in Water Footprint (%) • Water Withdrawal (m³) • Wastewater discharge (m³) • Water discharge per unit of production (m³ per tonne of product) • Water Use per unit of production (m³ per tonne product) • Reduction in water use in manufacturing and warehousing (%)
	Waste	<ul style="list-style-type: none"> • Waste (tonnes) • Waste per unit of production (tonnes per tonne of product) • Hazardous waste per unit of production (tonnes per tonne of product) • Reduction in waste from our operations per unit of production (%) • Zero waste to landfill at factories (%)

Sustainability governance, reporting and assurance continued

	Health, Safety and Wellbeing	<ul style="list-style-type: none"> • Lost time Accidents (no.) • Lost Work Day Accident Rate (LWDAR) (per 100,000 hours) • Reduction of Lost Work Day Accident Rate (LWDAR) • Recordable Accidents (no.) • Employee fatalities (no.) • Contractor fatalities (no.) • Severe Accidents (no.) • Total Recordable Frequency Rate (TRFR) (per 100,000 hours) • Reduction of Total Recordable Frequency Rate (TRFR) • Occupational Illness cases (no.) • Occupational illness frequency rate (per 100,000 hours)
	Inclusion	<ul style="list-style-type: none"> • Women employed – Executive Committee (% at 31 December) • Women employed – Group leadership team (% at 31 December) • Women employed – senior management (% at 31 December) • Women employed – global employees (% at 31 December)
	Partnering for social impact	<ul style="list-style-type: none"> • People informed through health and hygiene educational programmes and behaviour change communications (no.) • People informed through health and hygiene educational programmes and behaviour change communications (cumulative no. since 2013)
	We have also checked the sustainability information presented in Reckitt's 2021 Annual Report to ensure consistency with the assured data.	
Reporting criteria	Reckitt's reporting criteria and definitions .	
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).	
Assurance level	Limited assurance.	
Respective responsibilities	Reckitt is responsible for preparing the specified information and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary. ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.	

Sustainability governance, reporting and assurance continued

Our conclusion

Based on our activities, nothing has come to our attention to indicate that the 2021 data and reported progress for the 2021 calendar year, as listed in "Scope of our assurance engagement" above and marked + in the Report, are not fairly presented, in all material respects, with the reporting criteria.

Our assurance activities

Our objective was to assess whether the reporting of the data and reported progress for the 2021 calendar year is in accordance with the principles of completeness, comparability (across the organisation) and accuracy (including calculations, use of appropriate conversion factors and consolidation).

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

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

- Web-based and telephone interviews with relevant staff at Reckitt's corporate offices to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the selected data;
- Review of the internal reporting criteria, definitions and conversion factors used;
- Conducted virtual site visits with the following six operations: Belle Mead (USA), Elandsfontein (South Africa), Granollers (Spain), Shangma (China), St Peters (USA) and Tlalpan (Mexico) where we interviewed relevant staff, reviewed site data reporting methods, checked calculations and data to source and assessed local internal quality and assurance processes;
- An analytical review of the data from all sites and a check on the completeness and accuracy of the corporate data consolidation, including further testing of data to source;
- A sample check of the input and output data of the carbon and water footprint metrics;

- Further web-based and telephone year-end assurance activities at corporate level including the results of internal review procedures and the accuracy of the consolidation of the data for the selected indicators;
- Checking the sustainability information presented in Reckitt's 2021 Annual Report to ensure consistency with the assured data; and
- Reviewing the presentation of information in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given both the available methods for determining, calculating or estimating the underlying information and the dependence on partner organisations to provide performance information. It is important to understand our assurance conclusions in this context. We do not provide any assurance on future performance or the achievability of Reckitt's goals and targets. Where performance is expressed as a percentage change from a baseline year prior to 2018, we have placed reliance on previously reported data.



Gareth Manning
Partner, Corporate Assurance
4th April 2022



ERM Certification and Verification Services, London
www.ermcvs.com; email: post@ermcvs.com

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