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# Sustainability governance, reporting and assurance



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**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 RB, and the principles that lie behind it.

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 which sustainability presents (sustainability itself is considered one of the Company's key risks), and conducts a formal review at least once a year. For details of our issues and impacts in this area, 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 (CRSEC) Committee. The Committee meets quarterly to review our progress against our sustainability strategy, and performance against our 2020 targets. Meetings are attended by the CEO, who has accountability for sustainability performance at executive level. He is joined at the meetings by the Finance Director and other senior executives.

At managerial level, we have two committees that deal with sustainability matters, the Compliance Management Committee (CMC) and the Ethics Management Committee (EMC), both chaired by our CEO. They are responsible for overseeing the implementation of compliance and ethics activities across the Company, in conjunction with functional department heads. Many companies have just one ethics and compliance function – we have deliberately separated these committees because compliance is very much about meeting rules and regulations, whereas ethics is about the spirit of doing business with integrity. By having separate committees that work together, we believe we can better address both.

This year we began to establish new risk committees at business unit and global level which report to the CRSEC. These strengthen the identification and management of risk, an activity developed by the CMC. These new committees will replace the CMC during 2020. This structure provides quarterly updates to the CRSEC and Board on sustainability issues and risks, including ongoing performance against targets to enable their ongoing oversight of activity (see CRSEC 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, and Safety, Quality, Regulatory Compliance (SQRC) teams. SQRC is responsible for the health and safety of our people, and for product safety and quality, including regulatory compliance with product standards. Both the SQRC and Corporate Affairs functions report directly to the CEO.

# Sustainability governance, reporting and assurance continued

## Reporting and assurance

Publicly reporting on sustainability is fundamentally important to our ability to deliver our strategy. Through reporting, and by being open and transparent about what we are doing, we can engage with a wide range of stakeholders and create greater collective support for important sustainability topics such as climate change.

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. Again, this year, we engaged ERM CVS to provide independent limited assurance over certain sustainability disclosures. Their independent assurance statement is detailed later on in the insight.

## Reporting channels

In 2018 we adopted a new, dynamic approach to reporting, and have continued that approach this year. Because more and more people are reading content via smartphones and tablets, we expanded the sustainability section of our website to include more information and stories, supported by a set of insights on material aspects of sustainability. These are updated each year along with the Annual Report, while our website is updated more frequently to give stakeholders year-round information about our progress. To summarise:

- **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) (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 [www.rb.com/responsibility/policies-and-reports](http://www.rb.com/responsibility/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 other aspect of our sustainability reporting. Our aim, therefore, 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

- **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 four of the goals: SDG3 – good health and wellbeing; SDG 6 – clean water and sanitation; SDG 5 – gender equality; and SDG 2 – zero hunger. These are closely connected to our brands and our social impact partnerships (refer to the [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 for our programmes.
- **GRI:** we have prepared our 2019 sustainability reporting with reference to the GRI Standards: Core option and have included a [GRI Content Index](#) to help those looking for specific indicators.
- **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 AccountAbility.

## Reporting profile, performance data and reporting criteria

Our data is reported for the year to 31 December 2019.

We use KPIs that best describe the performance and impact of 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 on the indicators to use. These help to enable comparison with other companies. We also look for those KPIs that are most practical to use and add most value across our business and supply chain.

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

The principles and methodologies we have used in reporting our sustainability performance data for 2019, along with our statement of directors' responsibilities in preparing the information, can be found in our [Reporting Criteria and Basis of Preparation document](#).

# Sustainability governance, reporting and assurance continued

## Independent Assurance Statement to Reckitt Benckiser Group plc

Reckitt Benckiser Group plc (RB) engaged ERM Certification and Verification Services (ERM CVS) to provide limited assurance in relation to specified information in RB Sustainability Insights 2019 (the Reports) as set out below.

### Engagement summary

#### Scope of our assurance engagement

Whether the 2019 data and reported progress as listed below marked † in RB 'Sustainability Insights 2019' for year ended 31 December 2019, are fairly presented, in all material respects, with the reporting criteria:

#### **Diversity and inclusion**

- Women employed – Board (no. and % at 31 December 2019)
- Women employed – senior management (no. and % at 31 December 2019)
- Women employed – global employees (no. and % at 31 December 2019)

#### **Health and safety**

- Continued reduction of Lost Work Day Accident Rate (LWDAR)
- Lost Work Day Accident Rate (LWDAR) (per 100,000 hours)
- Lost time Accidents (no.)
- Continued reduction of total recordable frequency rate (TRFR)
- Total Recordable Frequency Rate (TRFR) (per 100,000 hours)
- Recordable Accidents (no.)
- Employee fatalities (no.)
- Contractor fatalities (no.)
- Severe Accidents (no.)

#### **Partnering for social impact**

- Inform 1 billion people through health and hygiene educational programmes and behaviour change communications (millions cumulative)
- People informed through health and hygiene messaging and campaigns (millions)

#### **Sustainable Product Innovation**

- 1/3 of Net Revenue to come from more sustainable products by 2020
- Total Net Revenue from more sustainable products (£ million)

#### **Human rights and responsible business throughout our value chain**

- Supplier audits completed (no.)
- Increase in audit pass rating from the first to most recent audit (%)
- Management-level employees completed human rights training (%)

# Sustainability governance, reporting and assurance continued

## Scope of our assurance engagement (continued)

### Climate change

- 40% reduction in GHG from manufacturing by 2020
- Scope 1 GHG emission (tonnes CO<sub>2</sub>e)
- Scope 2 GHG emissions (location-based) (tonnes CO<sub>2</sub>e)
- Scope 2 GHG emissions (market-based) (tonnes CO<sub>2</sub>e)
- GHG emissions per unit of production (tonnes CO<sub>2</sub>e per 1,000 CU)
- 35% reduction in energy consumption by 2020
- Energy use (GJ) (manufacturing and warehouses only)
- Energy use per unit of production (GJ per 1,000 CU)
- 100% renewable energy by 2030
- % renewable electricity supplied
- 1/3 reduction in carbon footprint per dose by 2020
- Total Carbon Footprint (million tonnes CO<sub>2</sub>e)
- Total Carbon Footprint IFCN (g dose)

### Reducing waste

- Zero waste to landfill at all factories
- % of sites Zero Waste to Landfill (% of manufacturing sites)
- 30% reduction in waste
- Waste (tonnes) (manufacturing and warehouses only)
- Waste per unit of production (tonnes per 1,000 CU)
- Waste recycled/reused (% and tonnes)
- Hazardous waste (tonnes) (manufacturing and warehouses only)
- Hazardous waste per unit of production (tonnes per 1,000 CU)

### Water

- 1/3 reduction in water impact per dose
- Total Water Impact (million e-litres)
- Total Water Impact (million e-litres per dose)
- 35% reduction in water use in manufacturing by 2020
- Water Use (m<sup>3</sup>)
- Water use per unit of production (m<sup>3</sup> per 1,000 CU)
- Water Discharge (m<sup>3</sup>)
- Water discharge per unit of production (m<sup>3</sup> per 1,000 CU)

We have also checked the sustainability information presented in RB's 2019 Annual Report to ensure consistency with the assured data.

# Sustainability governance, reporting and assurance continued

Reporting criteria	RB's own internal reporting criteria and definitions. ( <b>RB Reporting Criteria Basis for Preparation 2019</b> )
Assurance standard	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance.
Respective responsibilities	RB is responsible for preparing the specified information and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary. ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

## Our conclusions

Based on our activities, nothing has come to our attention to indicate that the 2019 data and reported progress, as listed in "Scope of our assurance engagement" above and marked † in RB 'Sustainability Insights 2019' for year ended 31 December 2019, 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 2019 indicators and progress is in accordance with the principles of completeness, comparability (across the organisation) and accuracy (including calculations, use of appropriate conversion factors and consolidation).

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

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

- Interviews with relevant staff at RB corporate offices to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the selected data;
- A review of the internal reporting criteria, definitions and conversion factors used;
- Visits to two manufacturing locations (Nottingham, UK and Tuas, Singapore) to test local reporting processes and consistency of reported annual data with selected underlying source data for each indicator. We interviewed relevant staff, reviewed site data reporting methods, checked calculations and assessed the local internal quality and assurance processes;
- An analytical review of the data from all sites and a check on the completeness and accuracy of the corporate data consolidation;
- Year-end assurance activities at corporate level including the results of internal review procedures and the accuracy of the consolidation of the data for the selected indicators;
- Checking the sustainability information presented in RB's 2019 Annual Report to ensure consistency with the assured data; and
- Reviewing the presentation of information in the Reports to ensure consistency with our findings.

# Sustainability governance, reporting and assurance continued

## 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 RB'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.



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1 April 2020

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