



Focusing on what matters



Focusing on what matters

Assessing and prioritising our salient and most material issues to support our strategy, manage risks and create opportunities.

Working with clear priorities

As a global business, we operate across many markets, each with its own set of cultures, opportunities and challenges. Part of being a responsible business is doing our best for our many stakeholders – from customers, consumers and communities, to investors, suppliers and employees.

Our starting point is establishing a clear understanding of what matters most to both internal and external stakeholders. Not only does this help us manage our impact and relationships, it guides our strategy, policies and communications.

To this end, we regularly work with independent external experts to assess the priority issues for our many stakeholders, and for our business. This materiality assessment is our essential starting point for putting sustainability at the heart of our business strategy, our day-to-day activities and our future plans. It helps us understand how to allocate resources and how best to partner for impact, as well as how to shape our internal culture and ambition to make a real difference in the areas that matter most.

Our priorities for 2020 and beyond

Our latest materiality assessment, completed in 2019, helped us to identify and gave us insights into stakeholders' perspectives on 20 key areas which led us to six priorities:

- Product quality and safety
- Packaging and waste
- Traceable, responsible ingredients and impacts on land and biodiversity
- Water consumption and quality
- Fair wages and working practices, and supply chain labour rights
- Global health and development, and public health challenges.

Product quality and safety

This fundamental issue is central to the effectiveness and credibility of our brands, and key to our license to operate. It includes things like toxicity and chemical hazards, product tampering, and ingredient and allergen labelling. We're working to reinforce a solid culture of quality and safety throughout our organisation, as well as in our value chain – see our [Product stewardship insight](#) for more on our activities in this area in 2019.

Similarly, for our products, since 2009 we've been a 'Safer Choice' partner. This US scheme encourages the use of chemicals that are safer for human health and the environment, allowing products that meet the criteria to use 'Safer Choice' labelling. In 2019, we won the Safer Choice Partner of the Year Award for our work on safer chemicals in antimicrobial products that prevent the spread of bacteria, fungi and some viruses.

Focusing on what matters continued

Packaging and waste

Concerns around packaging and waste, particularly single-use plastics, are growing around the world. For us, this issue includes product packaging and plastic, as well as waste from our production processes. Our consumers expect action and there is growing demand for packaging that uses less plastic and is recyclable. Equally our employees are keen for us to lead in this area. While this will take long-term commitment and investment, we're working hard to make progress through innovative packaging and product design – see our insights on [Product stewardship](#), [Plastic and packaging](#) and [Waste](#). In 2019, while increasing the recyclability of a number of our products, we also brought together a cross-functional working group to shape guidelines for product labels, advising on how best to dispose of packaging and support recycling.



Traceable, responsible ingredients and impacts on land and biodiversity

Stakeholders of all types are concerned that, if we don't respond to new research and changing consumer preferences, we could fall behind on critical issues such as the transparency and traceability of ingredients and the impact of our sourcing on the environment. Take, for example, setting targets for reformulating our products to use more sustainable ingredients, which some of our competitors are already doing. We are analysing our entire supply chain – in Indonesia, for example, using real-time satellite technology to identify forests at risk from deforestation for palm oil. For more on our activities in these priority areas, see our [Product stewardship](#) and [Human rights](#) and [Protecting ecosystems](#) insights.

Water consumption and quality

This includes both the water used when we manufacture our products and the water required for people to use them. We see real scope for developing more water-efficient products, such as concentrates, and for catering specifically for people in water-stressed areas. Our Finish dishwasher detergent has made great strides in addressing water consumption. Its new concentrated formulation means people need less detergent for each wash, which reduces our water impact. For more on our work in this area, see our [Water insight](#).

Fair wages and working practices, and supply chain labour rights

Safe workplaces and labour rights, together with fair wages and working practices, are part of a responsible and effective supply network. We assess our supply chains and work with our suppliers to achieve safe and fair workplace standards. We aim to pay everyone fairly – employees, executives and long-term contractors. While we have made progress in managing many human rights issues, developing a global approach to something like living wages, for example, is a complex undertaking. In the UK, for the last three years we have chosen to pay the Living Wage to all our employees and on-site contractors. In 2019, we were recognised in the UK as a Living Wage Employer by the Living Wage Foundation, because we guarantee a minimum hourly wage of £9.30. For more on our activities and priorities in these important areas, see [Our people](#), [Human rights](#), [Protecting ecosystems](#) and [Health and safety](#) insights.

Global health and development, and public health challenges

Health and hygiene education, access to clean water and sanitation, and prevention of disease are all critical issues. They offer a chance to show stakeholders that we're living up to our purpose, "to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world." They're linked to our focus on wellbeing, our product innovations and brand activities, including our partnerships – for example, around the importance of clean water and sanitation to address waterborne diseases. It's not only about the programmes we run, but also how we play a role in advocating in certain areas. Examples of this include our work on self-care, as discussed in our [Wellbeing and self-care insight](#), and the work of our Durex brands in campaigning on sexual wellbeing, as discussed in our [Social impact insight](#).

How things have changed since 2016

Our 2019 results revealed some significant and interesting shifts in people's priorities and concerns since our 2016 assessment.

- Innovation, water, packaging materials and finding/retaining talent have all become significantly more important to both internal and external stakeholders.
- Climate change, corporate tax, employee health and safety, and data security and privacy moved down the priority list for stakeholders – not because they have been solved, but because we have more visible programmes to address these areas. However, given the pressing nature of the climate change challenge, it remains a priority for our new sustainability targets.
- The ranking of the key areas varies between stakeholder groups. For example, employee development and cybersecurity and privacy are key priorities for internal stakeholders, whereas climate adaptation and energy use were more important for external groups.
- Similarly, priorities are different between regions. In developing markets, for example, employee health and wellbeing, and public health challenges are higher priorities, but less so in more developed markets which may prioritise other areas such as mental health.

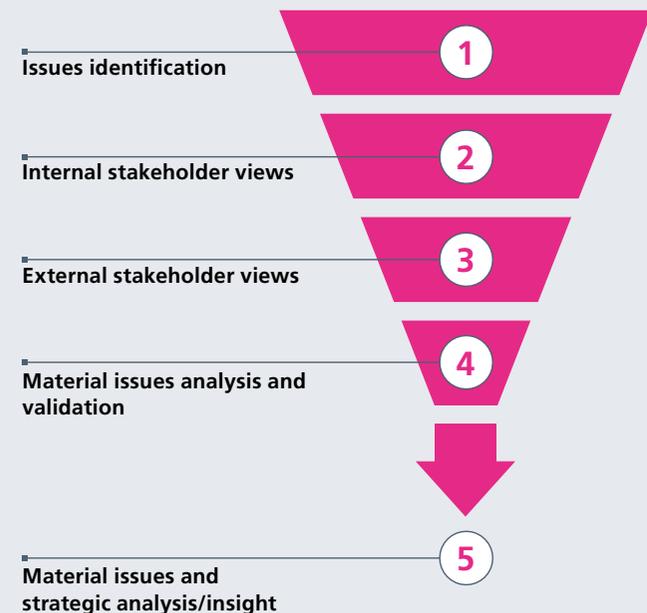
Focusing on what matters continued

Understanding what matters – our 2019 analysis

We completed our latest materiality assessment in the first quarter of 2019. This involved working with an independent specialist to gather insights from some 250 stakeholders around the world on the social, economic and environmental issues they see as most relevant to our business. Through a programme of interviews, surveys, interactive webinars and analysis, we identified 20 key areas, and six priorities, as discussed above. Building on our previous work in 2016, this assessment is helping us to shape the next phase in our sustainability journey, informing our strategies and activities as we plan beyond our 2020 targets.

There were **four main steps** to this materiality assessment:

The process



1. Understanding the issues

We began by identifying the most prominent ethical, governance, environmental and social issues, drawing on our own resources as well as external research. With input from external experts, this provided 20 key areas to consider.

2. Speaking to internal stakeholders

We worked with a group of around 80 colleagues who reflected the complexity and diversity of RB around the world. Our aim was to gather insights on how the different areas might affect the long-term health of our business, and to understand any regional differences and market priorities.

3. Speaking to external stakeholders

We then spoke to a range of stakeholders – including consumers, suppliers, leading experts, NGOs and investors – to better understand external priorities, expectations and trends.

4. Analysing and validating the findings

Finally, we analysed the insights to produce a materiality matrix to help focus our sustainability strategy and activities. This helped prioritise areas to work on.

Assessing our human rights impact

Our new partnership with the Danish Institute of Human Rights is strengthening our ability to identify our impacts on human rights. In 2019, we ran two projects to assess our human rights performance, using the lens of the United Nations Guiding Principles on Business and Human Rights. The first came up with 35 recommendations for how we can improve our human rights footprint in our day-to-day activities across RB. The other focused on our activities in Thailand, specifically looking at potential and actual adverse impacts in the value chain for Durex and infant formula. Read more in our [Human rights](#) and [Protecting ecosystems](#) insights.

How we listen to stakeholders

Many people and organisations have an interest in what we do and how we work, and we value their opinions. So we have a regular and ongoing dialogue with many stakeholders – here are some key examples:

- **Consumers** – through routine dialogue and when we’re gathering insights for our brands.
- **Employees** – for example: through our employee surveys, via engagement with our Board members in newly established dialogue forums, and through our “Ask Laks” forum on our intranet where anybody in our team can put questions to our CEO.
- **Investors** – through our routine discussions and investor forums, often with a specific focus on sustainability. Our involvement with key external indices such as Dow Jones Sustainability Index, FTSE4Good and CDP on climate change, water and forestry demonstrates our work to investors.
- **Customers** – we have routine meetings with leaders of our key customers and many members of their teams, to strengthen the way we work with them. This helps us to be as effective and efficient as possible in bringing products to the consumers our customers serve. These discussions also cover key consumer issues such as healthcare and sustainability. For example, in the US, a project with a major retailer supported delivery of healthcare for their consumers, while we are also collaborating on issues such as our shared interest in the Chemical Footprint. We work with many of our customers through our partnerships with the Ellen MacArthur Foundation on plastics and AIM-Progress on labour standards and human rights. RB is now a member of the Consumer Goods Forum where we discuss issues of mutual interest with peers, customers and our suppliers.

Focusing on what matters continued

- **Governments and policymakers** – we are in routine discussions with government agencies and regulatory bodies to guarantee the mutual recognition of regulatory standards and quality testing. This is part of a wider cross-border trade dialogue.
- **Communities** – for example: through our work with the Earthworm Foundation, our 2019 human rights impact assessment in Thailand with the Danish Institute for Human Rights and other brand partnerships.
- **NGOs** – through our brand partnerships with NGOs such as Water.org and (RED) as well as through the Earthworm Foundation in our work on deforestation and supporting local palm and latex farming communities in South East Asia.
- **Partners** – we talk to healthcare professionals continually to support their delivery of healthcare and to understand the needs of their patients.
- **Suppliers** – our suppliers are key partners in our business and we are in constant discussion with them to support service delivery and efficiency. With key suppliers, we discuss strategic needs and planning to develop effective solutions for the longer term. That planning covers the development of safe, resilient and sustainable supply networks, including for natural raw materials, ingredients and packaging. This also helps us understand the trends and issues we face and opportunities we can create in partnership with our suppliers to address them. Examples include working with fragrance producers to secure responsible sourced botanical ingredients for Airwick or supporting the long-term future of rubber plantations for the latex we use in Durex.

Listening to our stakeholders

Reporting effectively across our many sustainability issues and providing regular updates on our programmes and activities is always a work in progress. So we appreciate your feedback – what should we keep doing, and where can we do better?

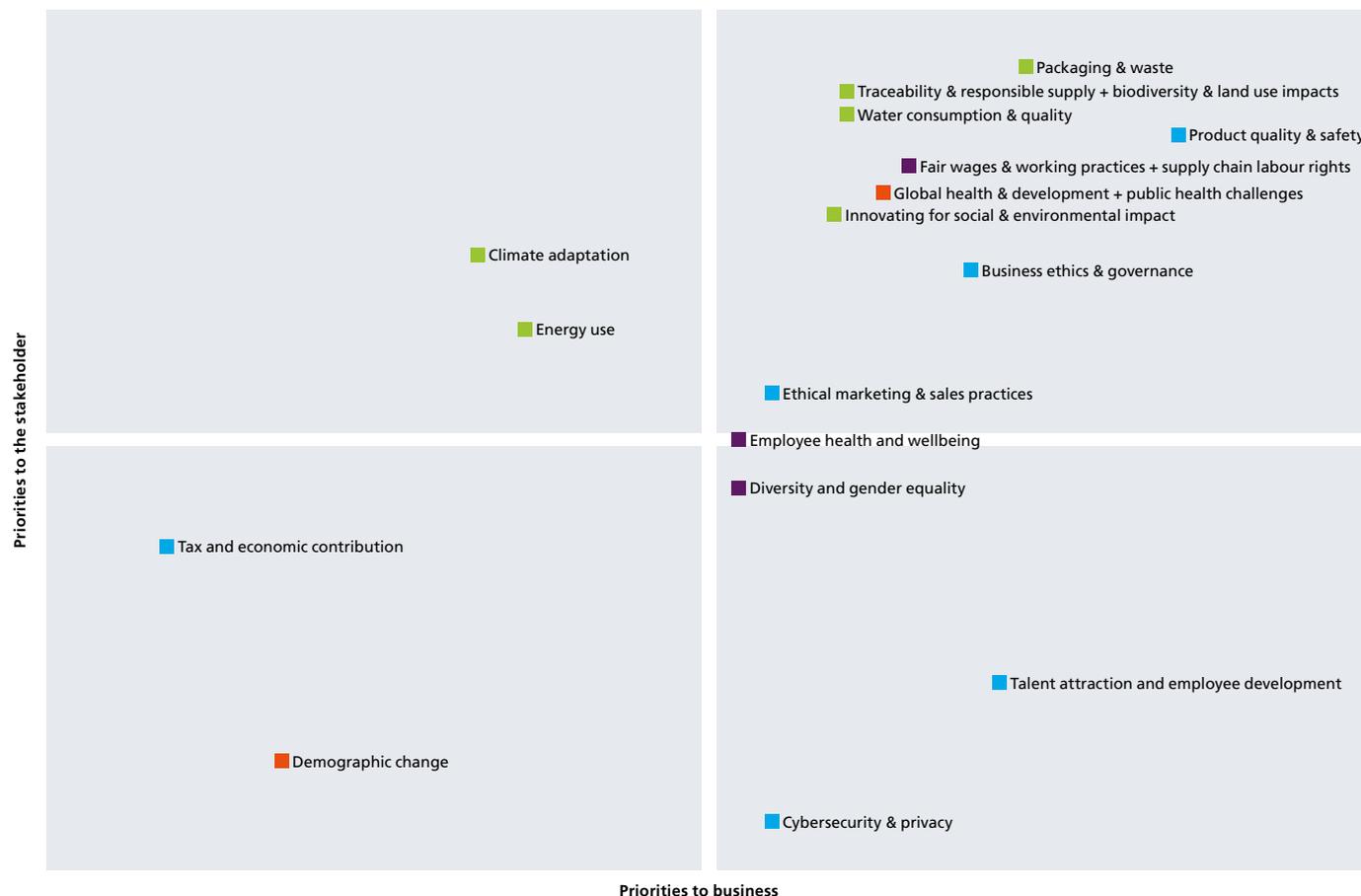
Email us at sustainability@rb.com.

Or write to:
The Sustainability team

Reckitt Benckiser Group plc (RB)
103–105 Bath Road
Slough, Berkshire, SL1 3UH
UK

Materiality matrix

Our 20 most salient issues



Our most material issues

Our assessment identified the 20 most important issues for our stakeholders and our business. From these, we consolidated some of a similar nature and impact to leave 17 which we plotted on a matrix to determine their significance. This helps us to focus our sustainability approach, but we also consider other issues, particularly those we think will become more important.

Key

- Economic & governance
- Environmental
- Human rights
- Social