

Understanding climate change risks

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

1. Stewardship and governance

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

2. Our approach and strategy

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

3. Understanding potential risks and opportunities

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

4. Targets and KPIs

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

1. Stewardship and governance

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

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

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

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

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

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



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2. Our approach and strategy

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

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

Understanding climate change risks continued

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

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

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



Click here for further information on climate change.

3. Understanding potential risks and opportunities

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

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

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



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4. Targets and KPIs

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

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



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



Click here for further information on climate change.

Further information

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