



## RECKITT BENCKISER GROUP PLC (the *Company*)

### CORPORATE RESPONSIBILITY, SUSTAINABILITY, ETHICS AND COMPLIANCE COMMITTEE

#### Terms of Reference

Adopted by resolution on 19 November 2019

#### A: CONSTITUTION

1. The Board of Directors of the Company (the **Board**) resolved on 28 July 2016 to establish a Committee of the Board to be known as the Corporate Responsibility, Sustainability, Ethics and Compliance Committee (the **Committee**).
2. The Terms of Reference for the Committee outlined below (the **Terms of Reference**) are defined by the Board and may be amended by the Board at any time. The Board resolved on 19 November 2019 to amend the Terms of Reference of the Committee. The Terms of Reference replace in their entirety those adopted on 9 November 2018.

#### B. PURPOSE AND DELEGATED AUTHORITY

3. The purpose of the Committee is to support the Board in reviewing, monitoring and assessing the Company's approach to responsible, sustainable, ethical and compliant corporate conduct and to assist the Board in upholding its values of responsibility, honesty, integrity and respect.
4. The scope of the Committee shall extend to such aspects of ethical conduct, corporate responsibility, sustainability, safety, quality, compliance and related policies and procedures as may be appropriate to the long-term success of the Company. For clarity, this includes, but is not limited to: governance; sustainability; human rights; health & safety; product safety and quality and compliance; environmental protection; and compliance with regulations regarding business conduct.
5. The Board has delegated the authority set out in these Terms of Reference to the Committee. The Committee is authorised by the Board to:
  - 5.1 investigate and take action in respect of any activity within its Terms of Reference;
  - 5.2 seek any information it requires from any employee of the Company as appropriate in order to perform its duties;
  - 5.3 obtain, at the Company's expense, outside legal or other independent professional advice on any matter within the Terms of Reference; and
  - 5.4 carry out its duties for the Company as appropriate.

#### C. MEMBERSHIP

6. Members of the Committee shall be appointed by the Board, on recommendation of the Nomination Committee and the Board shall be responsible for setting the term of members' appointments and for the revocation of any appointments.
7. The Committee shall comprise of a minimum of three members. A majority of members of the Committee shall be independent Non-Executive Directors.



8. The Board shall appoint the Chairman of the Committee who shall be an independent Non-Executive Director. If the Chairman is unable to chair the Committee at any meeting, such other person as the Committee determines shall chair the Committee.

#### **Training and performance**

9. The Committee members should receive periodic training (including an induction programme for new members) and be entitled to attend training courses on all and any aspects of corporate governance, compliance, product safety and other corporate responsibility, sustainability, or ethics related matters to assist in the performance of their duties.
10. The Committee shall review on an annual basis its own performance, constitution and Terms of Reference to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.
11. The Board shall review the work of the Committee on an annual basis and, in the interim, the Committee will ensure that the Board is kept advised as necessary concerning proceedings.

#### **D. ADMINISTRATION**

##### **Quorum and Attendees**

12. The quorum shall be two Committee members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vesting in or exercisable by the Committee.
13. Only members of the Committee have the right to attend Committee meetings. However, other individuals, including but not limited to, the Chief Executive Officer, Group General Counsel, Head of Group Ethics and Compliance, Chief SQRC Officer and Group Head of Internal Audit shall be invited to attend all meetings of the Committee but may be excluded at the Committee's discretion.

##### **Secretary**

14. The Company Secretary or Deputy Company Secretary or his or her nominee shall act as Secretary to the Committee.
15. The Secretary shall be required to produce papers and minutes of the Committee's meetings as are appropriate and shall ascertain at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly.

##### **Meetings**

16. The Committee shall meet at least three times per year and at such other times as the Chairman or Secretary shall require.
17. Outside the formal meeting programme the Chairman of the Committee shall maintain a dialogue with key individuals involved in the Company's governance of corporate responsibility, sustainability, ethics or compliance matters, including the members of any relevant management committees, and shall maintain a regular dialogue with the Chairman of the Audit Committee.

##### **Agenda, Papers and Minutes**

18. Unless the Committee agrees otherwise, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors, no later than five calendar days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time,



but Committee papers may be forwarded at shorter notice with the approval of the Committee Chair. The Committee may send notices, agendas and supporting papers in electronic form where the recipient has agreed to receive documents in such a way.

19. Once approved, the minutes and relevant papers shall be circulated to all members of the Board, unless it would be inappropriate to do so and shall be copied to the Audit Committee and available on request to the Company's auditor.

## **E. DUTIES AND RESPONSIBILITIES**

20. Members of the Committee shall consider their duties and responsibilities under section 172 of the Companies Act 2006 to act in a way which the Committee considers, in good faith to be most likely to promote the success of the Company for the benefit of its members as a whole.
21. The duties of the Committee are to oversee and make recommendations to the executives and the Board for actions to be taken in respect of the Company's corporate responsibility and sustainability, ethics and compliance strategies, policies, programmes and activities as the Committee sees fit, including:
  - 21.1 overseeing the Group's conduct with regard to its corporate and societal obligations as a responsible global citizen on behalf of all its stakeholders;
  - 21.2 promoting socially responsible values and standards that relate to the environment in which the Company operates;
  - 21.3 assisting the Board in fulfilling its oversight responsibilities with regard to the Company's compliance with laws, regulations, adopted codes of practice and internal policies and procedures;
  - 21.4 overseeing, assessing, monitoring and recommending policies, processes and procedures relating to corporate responsibility (including human rights, health and safety and product safety), sustainability and compliance matters (including anti-bribery, competition law, data privacy, trade sanctions, anti-money laundering, regulatory and quality risk assurance and restrictive trade practices) and ethical conduct;
  - 21.5 reviewing in conjunction with the Audit Committee the Company's whistleblowing, fraud and compliance arrangements, including the adequacy and security for its workforce to raise concerns about possible wrongdoings in financial reporting or other matters; the Company's procedures for detecting fraud; the systems and controls for the prevention of bribery and modern slavery; and the effectiveness of the Company's anti-money laundering systems and controls;
  - 21.6 overseeing, assessing and benchmarking such processes or procedures;
  - 21.7 monitoring and reviewing implementation of and compliance with and enforcement of such policies, processes and procedures, including the impacts on employees, third parties, consumers and communities;
  - 21.8 monitoring and reviewing implementation of and compliance with the Company's Speak Up Policy within the Committee's scope, including receipt and review of any reports;
  - 21.9 monitoring and reviewing the process for risk assessment as regards corporate responsibility (including human rights and product safety), sustainability and compliance matters (including regulatory and quality risk assurance and restrictive trade practices) and ethical conduct;



- 21.10 agreeing targets and key performance indicators for corporate responsibility (including human rights and product safety), sustainability and compliance matters (including regulatory and quality risk assurance and restrictive trade practices) and ethical conduct and reviewing internal and external reports on progress towards the achievement of such targets and indicators;
  - 21.11 championing further integration and inclusion of corporate responsibility (including human rights and product safety), sustainability and compliance matters (including regulatory and quality risk assurance and restrictive trade practices) and ethical conduct into the current and future business activities of the Company in such a way as to build trust and confidence with relevant stakeholders;
  - 21.12 ensuring all policies are in place and working effectively to build an effective Compliance Programme and protect the Group's reputation both internally and externally;
  - 21.13 undertaking any other duties as the Board may request, consistent with the purpose of the Committee; and
  - 21.14 the Committee shall make available its Terms of Reference on the Company's website.
22. As part of its duties, the Committee will receive and review the Company's statement on Modern Slavery and Trafficking published on the Company website, and reports from any management committees in respect of corporate responsibility, sustainability, ethics or compliance (including but not limited to regular reports from regulatory affairs and quality assurance committees or personnel) and investigate and take such action (or direct that such action be taken) or implement such steps as the Committee believes are necessary in relation to any issues raised or reported to it.

#### **H. REPORTING RESPONSIBILITIES**

- 23. The Chairman of the Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 24. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 25. The Chairman of the Committee should seek engagement with Shareholders and other key Stakeholders on significant matters related to the areas of responsibility of the Committee.
- 26. The Committee shall compile a report to Shareholders, for approval by the Board on its work in discharging its duties, responsibilities, activities during the year and any action taken, to be included in the Company's Annual Report and Accounts.
- 27. The Committee shall review and make recommendations to the Board in relation to sustainability issues in the Annual Report.
- 28. The Committee Chairman shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities and responsibilities.

#### **J. INTERFACE WITH THE AUDIT COMMITTEE**

- 29. The Audit Committee has a monitoring function in respect of risk management and internal control systems, especially financial controls, but which also includes the assurance framework established by Management to identify and monitor risks identified by the CRSEC Committee. The Committee will liaise with the Audit Committee as appropriate.