



Reckitt
Benckiser

Sustainability Report 2008

CONSUMER LED AND INNOVATIVE!



We believe that sustainability and corporate responsibility are good for business and essential for the world. Where **we outperform** our peers it's because our sustainability strategy and activities complement our business strategy. They share the same focus and strengths. So, just like our products, sustainability at RB is **consumer led**; it sets the pace with **innovation**. And we deliver it with equal ambition and commitment.

For Reckitt Benckiser, sustainability is about:

- the benefits our products and financial performance provide to society; and
- delivering those benefits in a way that continually reduces our impact on the environment, whilst managing our business in a socially and ethically responsible manner

We focus on the following priorities:

Environmental Sustainability

- mitigating climate change
- resource use efficiency and reduction
- water discharge, waste and packaging reduction, re-use and recycling
- a sustainable supply chain

Social and Ethical Responsibility

- product safety
- employee health & safety
- responsible and ethical operations and supply chain
- local and global community involvement

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About this report

This report is for the year ending 31 December 2008 and conforms to the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI); it has been externally assured as meeting the top GRI Application level of A+

In preparing this report we have:

- made reference to the criteria and principles of accountability set out in the AA1000 Assurance Standard (2008)
- used a process aligned to Accountability's 5-Part Materiality Test to confirm our assessment of the most material sustainability issues for our business
- taken into account the evolution of best practice in sustainability reporting



CARBON DISCLOSURE PROJECT

Further information

This report is part of our integrated approach to reporting our total performance, for further information please go to our website:

www.reckittbenckiser.com

If you have any comments or queries on this report or our sustainability performance please contact:

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IT WORKS!

In 2008, RB was both more profitable and more sustainable due to its strategy and people. But we are not complacent, there is a long way to go. However, we are clear that a consumer led and innovative sustainability strategy is good for our business and essential for the world.

Bart Becht CEO

+22%

growth in operating profit, 2008

2008 was our ninth consecutive year of above industry average net revenue and profit growth.

Net revenues grew 25% at actual and 13% at constant exchange rates; net income grew by 19% to £1,120 million.

2008 'cash value added' was £2,037 million (2007 £1,930m); 93% of which (2007 85%) was distributed to employees, shareholders and governments. See page 4.

-5.75%

reduction in Total Carbon Footprint, 2008

Our **Carbon20** programme targets a 20% reduction per dose by 2020 in the Total Carbon Footprint of our global products across their complete lifecycle, versus a 2007 baseline.

In 2008, we achieved an outstanding 5.75% reduction per dose in our global products' Total Carbon Footprint; which means we are substantially ahead of schedule after only the first year. See page 5.

In 2008, we reduced CO₂e emissions from our manufacturing energy use by 7% per unit of production, versus 2007. Since 2000 we have reduced these emissions by 35% per unit of production and by 20% in absolute terms. See page 9.

-19%

reduction in our accident rate, 2008

In 2008, we achieved a 19% reduction in the lost working day accident rate (LWD AR) at our global manufacturing, warehouse and R&D facilities, versus 2007.

Overall, 2008 represented an 87% reduction in accident rate compared to 2001. See page 15.

50,000

lives saved with Save the Children, 2008

Our 2006 – 2008 'Save 150,000 Lives' programme raised £1.5 million to save 150,000 lives in Angola and Tanzania through our global partnership with Save the Children; saving an average of 50,000 lives per year.

Our new 2009 – 2011 **'Do something BIG!'** programme with Save the Children aims to save an average of 100,000 lives per year by encouraging our businesses worldwide to support a child survival programme closer to home as well. See pages 16 & 17.

We see four dimensions to business sustainability:

- **Environment** – operating today with as little adverse impact on the future environment as practical, and working to continually reduce our environmental impact
- **Marketplace** – high quality products that are safe and effective; delivered through business practices and a supply chain that are legal, ethical and socially responsible
- **Workplace** – a working environment that is safe and healthy; employment practices that attract, develop and retain the talented people required to manage and operate our business
- **Community** – returning some of the wealth we create to those who are most in need of help; supporting health, hygiene and social development locally and globally



Bart Becht
CEO
Reckitt Benckiser

CONSUMER LED AND INNOVATIVE

Our sustainability strategy complements and leverages our business strategy and strengths.

We're consumer led: we really listen those who use our products to understand what they want in terms of product performance, value and sustainability...

We see the bigger picture: with our products we look at what consumers are actually seeking to achieve, with sustainability we look across the full lifecycle of our products; working with our suppliers, retail customers and other stakeholders to add more and use less...

We're innovative: driven by our passionate and truly international employees we drive innovation in our products, how we make them, and how we address sustainability...

For us, this is all part of being an increasingly sustainable business that provides **better solutions...**

Our Home Our Planet



Our Home Our Planet is a consumer communication campaign. It gives simple, practical advice on saving energy and resources when using our products; to reduce household climate change emissions and to save some money on household bills.

If a reasonable number of our consumers make these small changes large emissions reductions will be achieved. For example, if all dishwasher users in the UK followed the guidelines on our Finish dishwasher tablets, it would save about 1.28bn kilowatt hours per year of energy versus less efficient ways of using dishwasher detergents. This is the equivalent to taking almost 175,000 cars off the road. The average UK household saving in electricity and water bills by following the advice across all products would be around £95 a year (2008).

Our Home Our Planet started appearing on our products during 2008. It has now been rolled-out to all of our global regions on brands such as Finish, Vanish, Dettol and Harpic.

Vanish Eco Packs



Packaging = 78g
Product = 1kg

Packaging = 18g
Product = 1.1kg

Vanish re-sealable **Eco Packs**, developed in 2008 as part of our Carbon20 programme (see page 5) and launched in early 2009, are:

- **€co-logical:** the improved package / product ratio = 70% less packaging than the original Vanish tub per 100g of powder
- **€co-nomical:** 10% more Vanish powder for the same price, funded by the savings we've made on packaging

Plus, the new Vanish Intelligence formulation has 'intelligent stain seekers' that hunt out and remove tough stains – even at lower washing temperatures that reduce energy usage and electricity bills.

In the current economic climate value is particularly important to consumers, whilst they still expect superior cleaning performance. As a business we firmly believe that saving money, doing things 'better' and reducing climate change emissions are not mutually exclusive, they can and must go together.

Saving 150,000 Lives



Every 3 seconds, a child dies from a preventable disease such as malaria, measles or pneumonia, yet it costs just £10 to save a life. So we set a target of raising £1.5 million to help Save the Children save 150,000 lives in Angola and Tanzania.

We met our target at the end of 2008 and delivered on this ambitious campaign.

As a business, we are committed to delivering performance in everything we do, including social responsibility.

We are one of Save the Children's largest corporate supporters worldwide and are as committed as ever in our support for their tireless work.

See pages 16 and 17 for more information on our partnership with Save the Children and our community involvement activities.

GLOBAL BRANDS, GLOBAL OPERATIONS

17 Powerbrands representing 62% of net revenue. Sales in 180 countries, operations in 60 countries, manufacturing facilities in 30 countries.

Global brands

We have a disproportionate focus on our 17 Powerbrands in delivering consumers and customers better solutions for that short period of time every day that they use our products.

Our Powerbrands are typically global market leaders in categories with strong growth potential and in 2008 comprised 62% of net revenues, up from 40% in 2001.



Household

64% of net revenue

Fabric care – 22% of net revenue

Fabric Treatment, worldwide No.1 – led by *Vanish*
Water Softeners, worldwide No.1 – led by *Calgon*
Garment Care, worldwide No.2 – led by *Woolite*

Surface care – 17% of net revenue

Worldwide No.1 – driven by:
Multipurpose Cleaners, worldwide No.1 – led by *Lysol*, *Dettol* and *Bang*
Lavatory Care, worldwide No.1 – led by *Harpic* and *Lysol*

Home care – 14% of net revenue

Air Care, worldwide No.2 – led by *Air Wick*
Pest Control, worldwide No.2 – led by *Mortein*

Dishwashing – 11% of net revenue

Automatic Dishwashing, worldwide No.1 – led by *Finish*

Health & Personal care

26% of net revenue

Health care

Medicated Sore Throat Relief, worldwide No.1 – led by *Strepsils*
Cough Relief, worldwide No.2 – led by *Mucinex*
Analgesics and Upper Gastro-Intestinal Relief, leading positions in Europe and Australia – led by *Nurofen* and *Gaviscon*

Personal care

Antiseptic Personal Care, worldwide No.1 – led by *Dettol*
Depilatories, worldwide No.1 – led by *Veet*
Acne Treatment, worldwide No.2 – led by *Clearasil*

Food

3% of net revenue

Mustard, worldwide No.1 – led by *French's*

Global operations

Our business is structured as a matrix of:

Three geographical areas:

- **Europe** – including Eastern Europe, the Russian Federation, Turkey and Israel
- **North America & Australia** – including Canada and New Zealand
- **Developing Markets** – Latin America, Africa/Middle East, South Asia and East Asia

Six core functions:

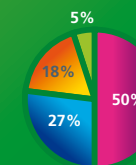
- Category Development (including R&D)
- Global Supply (incl. our factories, warehouses and purchasing function)
- Global Sales
- Information Systems
- Finance
- Human Resources

Key

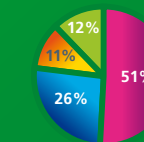


- Europe
- NAA
- Developing Markets
- Pharmaceuticals

Net revenue

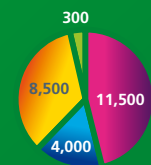


Adjusted operating profit*



*adjusted to exclude the impact of exceptional items and the tax effect thereon, where appropriate

Employees*



*average number of people employed during 2008

OUR ECONOMIC CONTRIBUTION

Employees, shareholders and society benefit from our strong financial performance.

Colin Day Chief Financial Officer



2008 was our ninth consecutive year of above industry average net revenue growth. Net revenues grew 13% at constant and 25% at actual exchange rates; operating profit grew by 22% at constant exchange rates and net income grew by 19% to £1,120m.

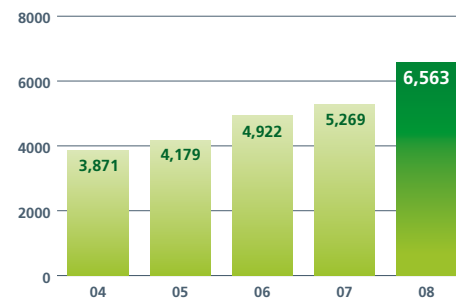
In 2008:

- we provided an income of £4 billion (2007 £3.2b) to suppliers of raw and packaging materials and other goods and services, which helped to sustain their businesses and to provide employment and income for their employees
- we provided £741 million (2007 £658m) in cash to shareholders, comprising £441 million in dividend and £300 million in share buyback

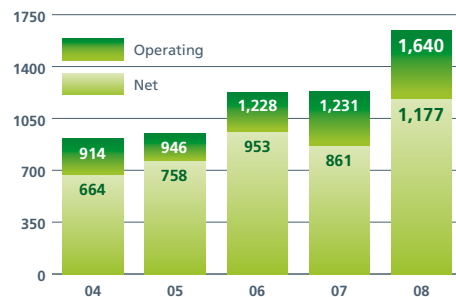
The majority of shareholdings in Reckitt Benckiser represent individual members of pension funds and savings schemes, and through these their retirement income and/or personal wealth

- we paid our 24,300 employees £743 million (2007 23,400 employees paid £644m) in salaries and post-retirement benefits; providing employment and income that also contributes to the local communities and economies in which we are located
- we paid £401 million (2007 £329m) to governments in taxes and social security; in addition to the sales and value added taxes they received from the sale of our products

Net revenues £m



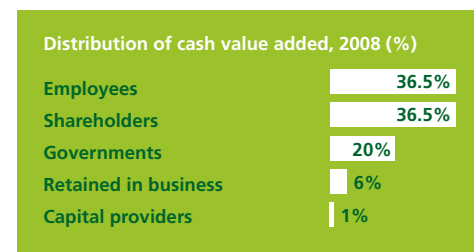
Operating and net cash flow £m



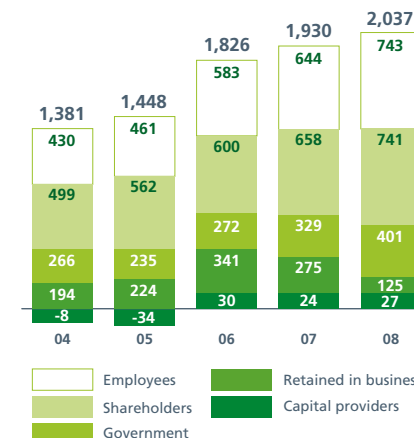
Cash value added

Cash value added is a measure of actual monetary distribution in terms of cash. It is derived directly from the data provided in the Company's Annual Report & Financial Statements 2008.

Our cash value added was £2,037 million in 2008 (2007 £1,930m), 93% of which (2007 85%) was distributed to employees, shareholders and governments.



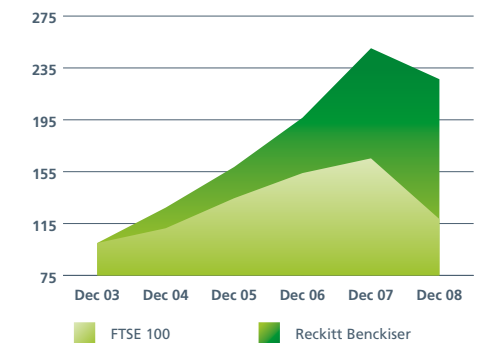
Distribution of cash value added £m



Historical TSR performance

Historical Total Shareholder Return (TSR) shows growth in the value of a hypothetical shareholding of £100 over five years.

FTSE 100 total shareholder return comparison based on spot value £

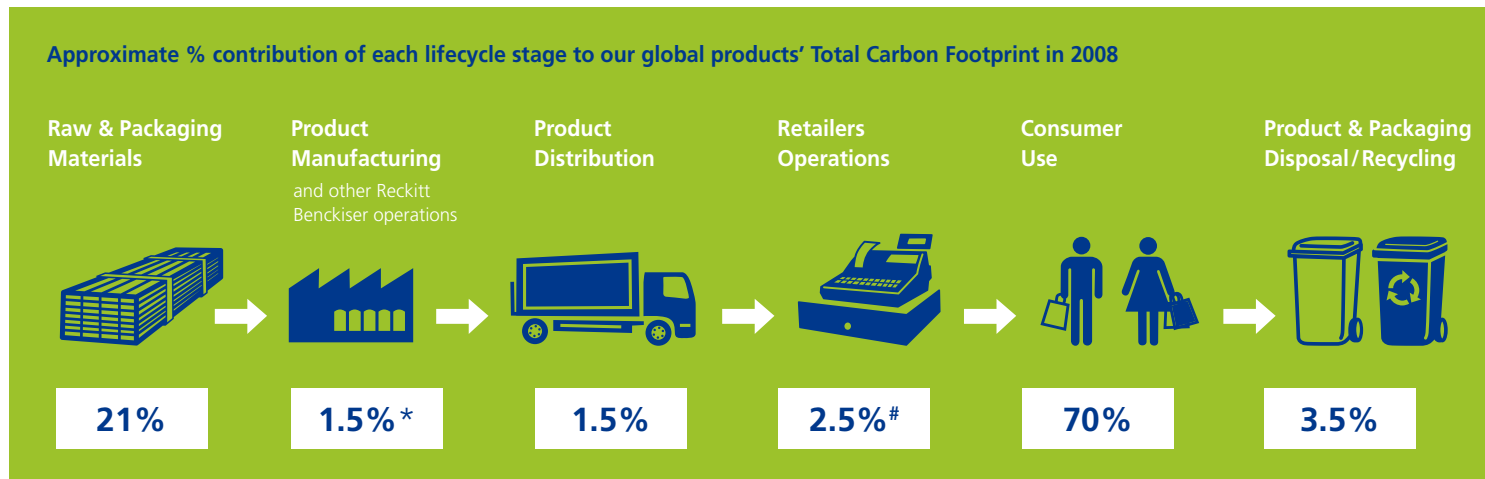


Further information on the Company's financial performance is provided in our Annual Report & Financial Statements 2008, which are available with our latest financial information at: www.reckittbenckiser.com

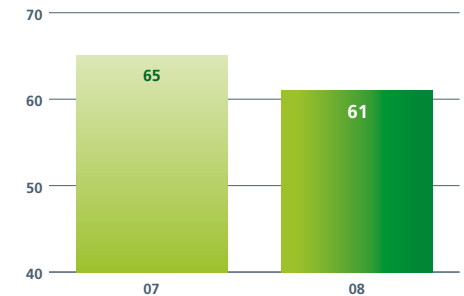
RB'S CLIMATE CHANGE PROGRAMME



Carbon20 is an ambitious, industry-leading programme. Nevertheless, we are substantially ahead of schedule after only the first year.



Greenhouse gas emissions from the Total Carbon Footprint of RB's global products, per Unit Dose* including acquisitions Grammes of CO₂ equivalents



* a Unit Dose is the amount of each individual RB product required to deliver one single occasion of consumer use and is different for every product. For example, one Finish automatic dishwashing tablet for one load of dishwashing, one sachet of Lemsip Cold & Flu, etc. In Lifecycle Assessment (LCA) terminology the Unit Dose is the 'functional unit' of consumer use. The number of Unit Doses per year is not comparable to other measures of sales or production volume used in either our financial or non-financial reporting.

On target – ahead of schedule
Our Carbon20 target is a 20% reduction per unit dose in our global products' Total Carbon Footprint by 2020, against a 2007 baseline. This works out at an average reduction of about 1.5% each year.

In 2008 we achieved an outstanding 5.75% reduction per unit dose in our products' Total Carbon Footprint. This means that after only one year we are already one-quarter of the way towards hitting our 2020 goal.

This great reduction in our products' Total Carbon Footprint was achieved despite the fact that we provided consumers with an additional 27 billion unit doses of our products in 2008 versus 2007, due primarily to growth in our

market share and the acquisition of Adams Respiratory Therapeutics Inc. ('Adams'). This was possible because – despite significant growth in the actual use of our products – our Carbon20 programme enabled us to keep the actual growth in our products Total Carbon Footprint to only 0.9%.

The 'eco-efficiency' (see page 22) of our products' entire lifecycle improved by almost 6% during 2008, in terms of their carbon footprint.

In effect therefore we have started to successfully decouple business growth from our products' climate change impact across their whole lifecycle.

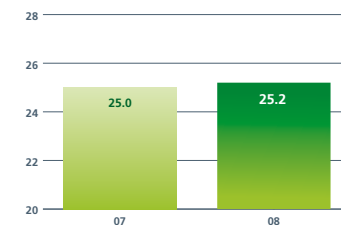
For further information see page 23.

NB: In our 2008 and 2007 Total Carbon Footprint:
* business travel by modes other than air is not included.

the retail operations of our trade customers include substantial emissions associated with refrigeration, although there is minimal refrigeration required by our global products; the above Retailers Operations % contribution is therefore over-stated. Going forward, better data will allow us to remove this over-statement.

We calculate the Total Carbon Footprint of our global products in line with the principles of international standards and guidelines PAS 2050:2008 and the GHG Protocol (see page 23 for details of these and our Methodology, which has been externally assured by Deloitte LLP). Because of several material changes in PAS 2050 between its final draft version (v.3.1 January 2008) and its final version (PAS 2050:2008), our 2008 and recalculated 2007 Total Carbon Footprint reported here are not comparable to the 2007 footprint we reported in our 2007 Sustainability Report.

Greenhouse gas emissions from the Total Carbon Footprint of RB's global products, including acquisitions Million tonnes CO₂ equivalents



RB'S ACTION ON CLIMATE CHANGE



Raw & Packaging Materials

Product Manufacturing and Reckitt Benckiser offices, R&D centres, warehouses and business travel

Product Distribution

Supplier Engagement

In 2008 we took part in the pilot Supply Chain Leadership Collaboration (SCLC) project, having been a member of the pre-pilot in 2007. The project, an initiative of the Carbon Disclosure Project, enabled us to encourage and assist selected suppliers to measure and manage their greenhouse gas emissions. Thereby reducing the 'embedded' carbon in our raw and packaging materials: www.cdproject.net

Raw material CO₂e reductions

During 2008 we progressed a wide range of raw material CO₂e reductions, often as part of our long-running 'Squeeze' cost reduction programme.

For example, to achieve compliance with the Californian Air Resources Board (CARB) Consumer Products Regulatory Program, to reduce the amount of volatile organic compounds (VOCs) in consumer products, we needed to use HFC 152a as a replacement aerosol propellant in some air care products in the United States. However, HFC 152a has a higher global warming potential (GWP) than the propellants we previously used, thereby increasing our products' carbon footprint.

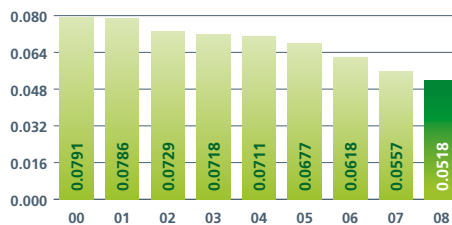
After considerable R&D effort and despite a significant increase in sales of the associated products, in 2008 we:

- reduced the use of HFC152a as a propellant in our aerosol products by 41% in absolute volume, versus 2007
- reduced the total CO₂e emissions during consumer use of our aerosol products by 21% in absolute terms versus 2007, thus avoiding 130,000 tonnes of product CO₂e emissions during 2008

We are now looking at ways to reduce our use of HFC152a (and other aerosol propellants) even further.

Since 2000 we have reduced CO₂e emissions from our manufacturing energy use by 35% per unit of production and by 20% in terms of actual emissions. In 2008, we reduced CO₂e emissions from our manufacturing energy use by 7% per unit of production, versus 2007.

Greenhouse gas emissions from manufacturing energy use tonnes CO₂ equivalents per '000 CUs



Since 1 January 2006, we have been offsetting our remaining manufacturing CO₂e emissions through our Trees for Change project: www.treesforchange.info

Combined Heat and Power (CHP) energy systems

Highly efficient Combined Heat and Power (CHP) energy systems supplied sites using 27% of our global manufacturing energy use in 2008 (and 3 of our 4 largest energy using factories).

In December 2008 we turned on new CHP systems at our Hull and Derby factories in the UK. These will combined avoid c. 4,000 tonnes of CO₂e every year from 2009 onwards, and mean that all three of our UK factories are now supplied by efficient CHP systems.

Our CHP target in 2009 is to commission another two CHP systems amongst our global factories, further reducing our direct greenhouse gas emissions by an additional c. 5,000 tonnes of CO₂e each year.

We are working to reduce emissions from product distribution.

Doubled-decked trailers' = up to 40% CO₂e reduction

For example, a double-decked trailer can carry up to 67% more pallets per load than a comparable single-decked trailer; reducing CO₂e emissions to transport the same volume of product by up to 40% and taking up to one out of every three lorries off the road.



A double-decked trailer

ECR Europe Sustainable Transport Project

In 2008, Reckitt Benckiser took part in the ECR (Efficient Consumer Response) Europe Sustainable Transport Project, working with transport suppliers, other manufacturers, our retail customers and other organisations 'to deliver to consumers whilst minimising environmental impact': www.ecrnet.org

During 2008, the ECR Sustainable Transport project delivered:

- A roadmap listing best practice areas
- A self-assessment tool:
 - to assess maturity in sustainable transport operations
 - to identify opportunities for improvement
- A set of good practice case studies
- Guidance on how to overcome challenges



Working with retail customers

We are increasingly working with our retail customers and other stakeholders to reduce the overall environmental impact of the complete product supply chain.

For example, **during 2008 and 2009, the President of our North American food products business co-chaired, with Tesco's Head of Packaging, a global project furthering the role of packaging in sustainable development.** The cross-industry project team comprises more than fifty organisations globally including retailers, product manufacturers, packaging manufacturers and business associations; supported by a small team of consultants and academics. The project is currently working to develop a common set of metrics for measuring and benchmarking the sustainability of packaging. www.aim.be/sustainable_development_policies.htm

Working with consumers

Our Home Our Planet is RB's pioneering consumer communication programme; it provides simple and practical advice on our products' packaging about small steps consumers can take when using our products to save energy and resources (and therefore money) at home. This will contribute to reducing the Total Carbon Footprint of the products they use. The current economic climate is a great opportunity to communicate this message which both reduces household carbon emissions and household bills: www.ourhome-ourplanet.com

It is important that we all understand saving money and saving the environment need not be mutually exclusive. By adopting a greener approach consumers can also save money. **Our products are now designed to require less energy or to be used in more sparing amounts, ensuring cost savings as well as benefits for the environment.**

Vanish's new Eco Pack

- 70% less packaging per 100g of product
- 10% more product for the same price

Less is more

We are continually re-designing our products and their packaging to provide better consumer solutions whilst reducing resource use and waste.

In 2008, our North American business moved to using the LEAP TS3 spray trigger. It is easier to recycle (all its parts are plastic, there are now no metal parts) and it will use about 300 tonnes less plastic and avoid using about 135 tonnes of metal, every year.

Less resource use, excellent performance, easier recycling and less waste.

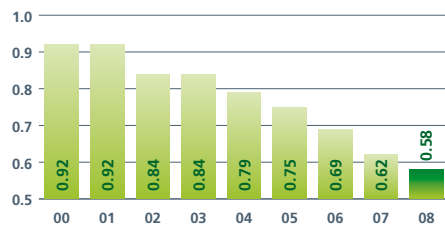
French's mustards' new cap

- gets every last bit out
- avoids about 66 tonnes of plastic per year

REDUCING RESOURCE USE

and increasing our eco-efficiency.

Energy use at manufacturing and R&D facilities
GJs per '000 CUs



Energy use

Overall, we have reduced our energy use by 37% per unit of production and 23% in terms of actual energy used, since 2000.

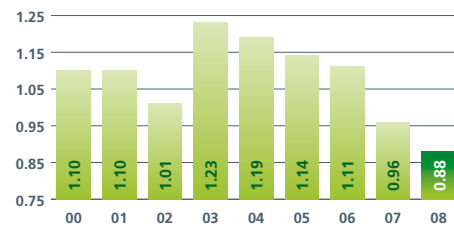
We consumed 0.58 Gigajoules (GJ) of energy for every 1,000 Consumer Units (CUs) of production in 2008, and 2.98 million GJ of energy in total.

In 2008 we reduced our energy use by 7% per unit of production, versus 2007; thus the energy intensity of our operations decreased and their eco-efficiency improved during the year.

Changes in our energy use during 2008, versus 2007, have been heavily influenced by our energy and production efficiency programmes, including: at Klin in Russia, where energy efficiency was improved by 16% per unit of production; and, in the United States, where we transferred production from a relatively energy inefficient facility to a more energy efficient facility and production process. Changes in our manufacturing mix (variation in the relative volume of different products produced) due to the growth of our healthcare business, including the January 2008 acquisition of Adams, have

also contributed to a net reduction in our energy intensity.

Water use at manufacturing and R&D facilities
m³ per '000 CUs



Water use

Overall, since 2000, our water use has decreased by 20% per unit of production and by 3% in terms of actual water used.

45% of the water we used in 2008 was released back into water systems. See Water Discharges, page 9. The remaining 55% went into our products, was contained in liquid and solid waste sent off-site, or evaporated from cooling systems.

In 2008 we used 0.88m³ of water for every 1,000 CUs of production and 4.5 million m³ in total.

In 2008 our water use decreased by 9% per unit of production, versus 2007; thus the water resource intensity of our operations decreased and their eco-efficiency improved during the year. Reductions in our water consumption during 2008 were largely due to:

- Moving the production of a water-intensive process from our former factory in Wolcott,

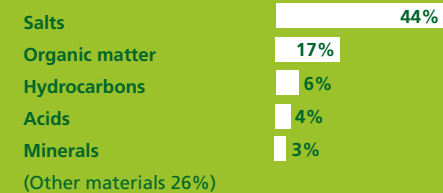
USA, to a more water and energy efficient factory and manufacturing process at our factory in Springfield, USA

- Continued water efficiency and recycling projects across many of our facilities, such as Nowy Dwor in Poland where water efficiency was increased by 7% per unit of production

Raw material use

In 2008 our top five raw materials (in terms of quantity consumed at each manufacturing facility) totalled 0.95 million metric tonnes.

Top five raw material categories 2008
Percentage of raw material use



Environmental data for 2008

It is relevant to our environmental performance data for 2008, as reported on pages 1, 5, 6, 8, 9 and 22, that:

- Data for 2008 includes four new manufacturing facilities and does not include four previously operated manufacturing facilities. See Basis of Reporting, page 24
- Ongoing improvements in our reporting processes at site-level mean some pre-2008 data has been updated, for example, to reflect waste reclassification. These changes did not materially (i.e. not by 5% or more) change Group data, except for: 2005 total waste, 2003 & 07 hazardous waste and 2007 water discharge; in which cases no change was greater than 11% and all but two changes were below 10%

Our environmental commitment

Reckitt Benckiser is committed to running its business in an environmentally sound and increasingly sustainable manner.

We recognise that our processes and products have both direct and indirect environmental impacts and we seek to achieve continuous improvement in our environmental performance with respect to those impacts.

We are committed to using energy and natural resources wisely, eliminating and minimizing waste where practical, and re-using and recycling where it is sensible to do so.

We take a lifecycle management approach to improving our sustainability performance. Our policies and programmes look beyond the activities under our direct control to the impacts of our products across their complete lifecycle. See pages 6 & 7.

Environmental management systems

Our Environmental Policy (www.reckittbenckiser.com) forms the basis of our Group environmental management system (EMS), which focuses on our significant environmental aspects. See page 19.

Environmental management systems (EMSs) implementing our global '5 Key Environmental Items' were in place across all of our manufacturing facilities during 2008.

As at 31 December 2008, 44% of our global manufacturing facilities were externally certified to ISO 14001, the international standard for environmental management systems.

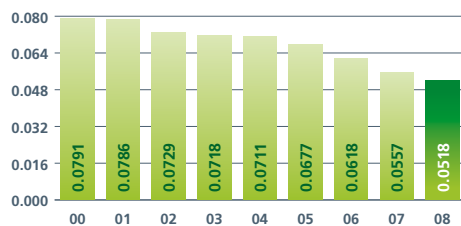
REDUCING EMISSIONS AND WASTE

and increasing our eco-efficiency.

Air emissions

Overall, we have reduced greenhouse gas emissions from manufacturing energy use by 35% per unit of production, and 20% in terms of actual emissions, since 2000.

Greenhouse gas emissions from manufacturing energy use tonnes CO₂ equivalents per '000 CUs



Greenhouse gases (GHGs) arising from our manufacturing facilities energy use are generated both directly on-site, through the combustion of fossil fuels for space, hot water and process heating/cooling, and also indirectly off-site, from our use of electricity.

In 2008 our manufacturing facility energy use produced direct and indirect greenhouse gas emissions equivalent to 0.0518 tonnes of carbon dioxide (CO₂) for every 1,000 Consumer Units (CUs) of production, and 265,000 tonnes of CO₂ equivalent in total.

During 2008 we reduced emissions of greenhouse gases from our manufacturing energy use by 7% per unit of production, versus 2007; thus the GHG intensity of our operations decreased and their eco-efficiency improved during the year.

This decrease is largely a result of:

- Transfer of production from our factories at Medan, Indonesia and Wolcott, USA, which both had oil-fired boiler systems, to other RB sites in Indonesia and the USA
- Installation of a more efficient natural gas boiler system at our factory in Lagos, Nigeria (replacing diesel)
- Outsourcing of energy intensive bottle production from our site in Belle Mead, USA to a specialist bottle manufacturer

Due to the nature of our manufacturing processes, other common industrial air emissions such as SO_x, NO_x and particulates ('dust') are not generally emitted from our manufacturing facilities. Nevertheless, where present, these are at levels below applicable legal requirements.

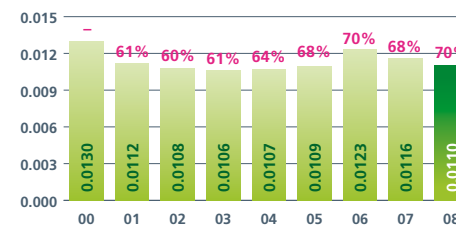
Waste

Our long-term strategy is to continually reduce waste arising from our operations, with a particular focus on hazardous waste, which is generally more difficult to recycle and dispose of.

We produced 0.011 tonnes of waste for every 1,000 CUs of production in 2008. For the first time in 2008 we produced less than 1kg of hazardous waste for every 1,000 CUs, at 0.00089 tonnes of hazardous waste per 1,000 CUs.

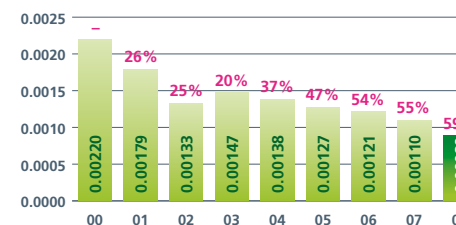
In terms of actual volume this comprised 56,000 tonnes of total waste and 4,500 tonnes of hazardous waste.

Total waste at manufacturing and R&D facilities tonnes per '000 CUs and % recycled



2010 Target = 65% recycled

Hazardous waste at manufacturing and R&D facilities tonnes per '000 CUs and % recycled



2010 Target = 33% recycled

During 2008 our total waste decreased by 5% per unit of production, whilst our hazardous waste reduced by 19% per unit of production, versus 2007. Thus the waste intensity of our operations decreased and their eco-efficiency improved during the year.

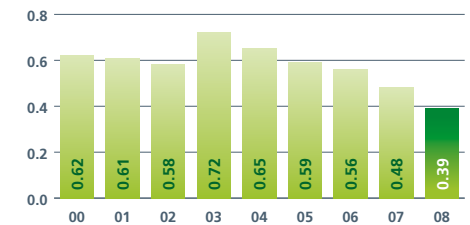
This decrease is largely a result of:

- Waste reduction programmes at several of our factories, including internal recycling and product re-use initiatives at our factories in France and Poland
- Movement of production from older, more

inefficient processes at factories in the United States and Mexico to more efficient factories elsewhere in the United States and Mexico

In 2008 we re-used or recycled off-site 70% of our total waste (considerably beating our 2010 target of 65%) and 59% of our hazardous waste (considerably beating our 2010 target of 33%).

Water discharge from manufacturing and R&D facilities m³ per '000 CUs



Water discharges

In 2008, our water discharges decreased by 18% per unit of production, versus 2007. 45% of the water we used in 2008 was discharged into water systems. The remaining 55% went into our products, was in liquid and solid wastes sent off site, or evaporated from cooling and process systems.

We discharged 0.39 m³ of water for every 1,000 consumer units (CUs) of production in 2008 and 2.0 million m³ in total.

Overall, we have reduced our water discharges by 37% per unit of production and by 23% in absolute terms, since 2000. A large volume of our water use is re-used and recycled on site.

SUSTAINABLE SUPPLY CHAINS

We look at the impacts associated with our products before we manufacture them and after we sell them, as well as those of our direct operations

Sustainable palm oil

Palm oil is a global commodity and widely used, particularly in the food industry. However, palm oil is also subject to concerns about the environmental and social sustainability of its production, and to increasing demand.

Overall Reckitt Benckiser products use less than 0.2% of annual global palm oil production. Soap noodles – which contain a large amount of palm oil – are used in the production of Dettol bar soap in our Developing Markets region, where it plays an important role in personal hygiene.

Reckitt Benckiser is a member of the Roundtable on Sustainable Palm Oil (RSPO), which was established in 2003 to promote the growth and use of sustainable palm oil through co-operation within the supply chain. We fully support a moratorium on any further deforestation associated with the cultivation of palm oil. In addition, we are committed to working with our suppliers and others in the industry to seek the world's major palm oil supplies being drawn from certified, sustainable sources by 2015.

We are currently working with our suppliers and in dialogue with other stakeholders, to ensure that the RSPO's Principles and Criteria are implemented within our supply chain and that the current certification programme proceeds rapidly: www.rspo.org

Product packaging

Our product packaging does an excellent job of securely and safely containing our products. However, it is a very visible source of waste once its contents have been used.

Optimising our product packaging has a number of environmental advantages:

- it reduces the raw materials and energy used in manufacturing packaging
- it reduces the overall size and weight of products requiring transport
- it can make it easier for consumers to recycle, where facilities exist
- it reduces the volume of waste packaging requiring consumer re-use, recycling or disposal

See pages 2 & 7 for information on recent product packaging reduction projects.

Transport & logistics

We use third-party transport contractors to move finished products by road, sea, rail and sometimes by air from manufacturing facilities to distribution centres, and from distribution centres to our trade customers.

Here we report on the transportation of products from our own manufacturing facilities to distribution centres, and transportation of those products – and products made for us by third-party manufacturers – from distribution centres to our trade customers. We do not report here on employee travel.

In 2008* our global transport contractors:

- travelled approximately 300 million kilometres (186 million miles) by road, contributing about 0.0538 tonnes of CO₂ equivalent greenhouse

gas emissions for every 1,000 Consumer Units (CUs) of production in 2008, and 275,000 tonnes in total

- transported approximately 1,377 million tonne-kilometres (a function of tonnage transported and distance travelled) by container in deep sea and smaller ships; contributing approximately 0.0035 tonnes of CO₂ equivalents for every 1,000 Consumer Units (CUs) and 17,900 tonnes in total
- transported approximately 27.8 million tonne-kilometres by rail; contributing approximately 0.0011 tonnes of CO₂ equivalents for every 1,000 consumer units (CUs) and 585 tonnes in total
- transported approximately 26 million tonne-kilometres by air freight; contributing approximately 0.0033 tonnes of CO₂ equivalents for every 1,000 consumer units (CUs) and 17,000 tonnes in total

To reduce the environmental impact (and cost) of product transportation, we are continuing to work with our transport contractors to:

- combine our truck journeys with those of other companies, so that a truck is carrying products on both the outward and return legs of its journey, reducing 'empty running'
- contracting third-parties to combine 'Less than a Truck Load' (LTL) shipments together
- 'modal shift', moving freight off roads to rail, inland waterways and short sea shipping

Supply chain collaboration

In 2007, Reckitt Benckiser joined the pre-pilot Supply Chain Leadership Collaboration (SCLC), an initiative of the Carbon Disclosure Project (CDP).

In 2008, we took part in the pilot project.

In 2009, we are taking part in the 2nd-generation CDP Supply Chain programme.

These collaborations mark a very significant milestone in corporate action to mitigate climate change. By engaging their supply chains in the CDP process, companies will encourage suppliers to measure and manage their greenhouse gas emissions, and ultimately reduce the total carbon footprint of their indirect emissions. For many companies it is the supply chain that makes up the vast majority of their emissions, so this initiative is vital in helping them reduce their total carbon footprint. We look forward to other corporations following and collaborating with CDP.

Paul Dickinson
Chief Executive
Carbon Disclosure Project

* Due to the complexity of global logistics we have to make a number of assumptions when obtaining and collating worldwide transport data; so we do not currently directly compare this data year to year and recognise that we cannot quantify the completeness of this information. However, every year we have improved our transport data collection processes.

RESPONSIBLE SUPPLY CHAINS

Our Global Manufacturing Standard (GMS) mandates minimum requirements regarding employment arrangements, labour standards and health, safety and environmental management, in line with international guidelines, for both the Company and its suppliers.

Our supply chain

Our worldwide supply chain includes thousands of businesses providing us with everything from raw and packaging materials, through logistics and warehousing, to office supplies.

Some of our suppliers are large, multinational companies with substantial business and ethical conduct programmes of their own in place. Whereas smaller, local companies – for example in our Developing Markets region – may not have such formal conduct programmes in place, nevertheless we have found them to be excellent suppliers.

Our supply chain programmes

Our responsible and ethical supply chain programmes are focussed on:

- firstly, third-party manufacturers who make products on our behalf, particularly in our Developing Markets region
- secondly, in our Developing Markets region, suppliers of raw and packaging materials and suppliers of warehousing and transportation services

Progress in 2008

We have continued to assess our suppliers (and ourselves) against our Global Manufacturing Standard (GMS) during 2008, whilst in addition we have been working with other international companies to create a common approach to supplier assessment under the AIM-PROGRESS initiative.

2008 performance

In 2008, we conducted audits of both our own and our suppliers' facilities against our Global Manufacturing Standard (GMS), using both independent, external auditors and our own, internal auditors.

We did not find any critical non-compliance issues such as under-age working; however, we did find a number of instances of non-compliance related to excessive working hours and health & safety standards. We have taken actions to address the issues found, working with our suppliers, and we are now monitoring the situation at those sites.

We use a number of control arrangements to monitor and manage standards of business conduct in our supply chain. Overall, these comprise Group, area and regional monitoring and auditing of our suppliers against:

- our Global Manufacturing Standard
- provisions within our Code of Business Conduct. See pages 15, 18 & 19
- our safety and quality management systems and specifications. See pages 12 & 13

In addition, as part of our normal business activities, our suppliers:

- receive frequent visits from senior and middle managers in our R&D and Supply functions. These individuals provide additional 'eyes and ears' who also report potential issues when they come across them

- may be subject to separate environmental and health & safety (EHS) inspections and audits, where we believe these are necessary

AIM-PROGRESS

In 2008 RB joined AIM-PROGRESS, the European Brands Association Programme for Responsible Sourcing; constituted as a Task Force of AIM and also supported by the Grocery Manufacturers of America (GMA). www.aim.be

The principle purpose of AIM-PROGRESS is to develop common methods to evaluate the social and environmental performance of suppliers across specific groups of goods and services, enabling the mutual recognition of the audit standards deployed by its members.

This will facilitate a process whereby suppliers can confidently share their audit reports on the principle that 'an audit for one is an audit for all', reducing unnecessary duplication and complexity. In turn, this will mean a greater number of suppliers have (more universally accepted) audits in a more efficient and effective manner.

AIM-PROGRESS currently has 21 members, including companies like Cadbury, Coca-Cola, Danone, Diageo, Nestlé, PepsiCo, Procter & Gamble and Unilever.

2009 target

Our 2009 target is to formally submit our Global Manufacturing Standard and audit protocols to the AIM-PROGRESS Mutual Recognition Programme.

Our Global Manufacturing Standard

Our Global Manufacturing Standard (GMS) provides a process of both self-certification and audit against international standards for human rights, working conditions, health & safety and environmental protection.

It covers seven specific, fundamental principles:

- No child labour
Limitation of work by young workers
- No forced labour
- A safe and healthy working environment
- Freedom of association
- No discrimination
Equal opportunities and rights
- Reasonable terms and conditions of employment
- Protection of the environment

The GMS defines the minimum requirements that must be met by all facilities that manufacture, assemble or distribute products on behalf of Reckitt Benckiser Group companies, including both our own and our third party suppliers' facilities. It is a standard part of our contracts with suppliers.

A copy of the Global Manufacturing Standard is available on our corporate web site (www.reckittbenckiser.com); whilst our internal GMS Implementation Guidelines are available on request.

SAFE PRODUCTS, QUALITY PRODUCTS

Product safety and quality are fundamental to our brands, our business and our long-term success. They are also fundamental to our personal and professional integrity, to sound and ethical business practice and to our responsibility as a global leader in quality consumer products.



Product Safety

Our overall approach to product safety is summarised in our Product Safety Policy, available at www.reckittbenckiser.com, which is implemented across all (100%) of our products through a Global Product Safety Programme comprising product safety guidelines, standards and procedures.

Our Product Safety Programme is supported on a day-to-day basis by over 200 people in our worldwide Regulatory, Safety & Environmental (RSE) Services and Regulatory Affairs groups; it is used daily at our Research & Development (R&D) centres and manufacturing facilities globally.

RSE works across all of our business functions and in particular alongside our Category Research & Development (R&D) teams on New Product Developments (NPDs). RSE is responsible for ensuring the safety and regulatory compliance of our products for their intended use across all of their lifecycle stages.

Regulatory Affairs is located with our individual national businesses worldwide, and works alongside them and our global RSE and R&D functions, to ensure that we correctly understand and comply with the many national product regulations that exist.

The Company's long-standing and regularly reviewed arrangements for product safety include our Global Ingredients Guidelines (GIGs), which specify materials to be excluded or only used at certain levels in our products. The GIGs comprise a single point of reference on regulatory requirements, our own (generally

stricter) internal requirements, and specific direction on the use (or the prohibition of use) of materials and ingredients.

Reckitt Benckisers' Global Ingredient Guidelines are generally stricter than regulatory mandates and often compromise industry best practice.

In 2008, RB was recognised by the US Environmental Protection Agency (EPA) as a Champion in the Safer Detergents Stewardship Initiative (SDSI), part of the EPA's Design for the Environment (DfE) Program. Champion is the highest level achievable and recognises that voluntarily RB only uses 'safer surfactants' in its products. 'Safer surfactants' are cleaning agents that break down quickly to non-polluting compounds and help protect aquatic life in both fresh and salt water.

www.epa.gov/dfepubs/projects/formulat/sdsi.htm#sdsichampions

HERA

The HERA (Human and Environmental Risk Assessment) project has made an important contribution to cross-industry preparation for the implementation of REACH. Between 1999 and 2006 the project completed comprehensive risk assessments of more than 250 chemical substances, covering more than 90% of the total volume of raw materials used in detergent and cleaning products in Europe:

www.heraproject.com

REACH

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is the new European chemicals management regime which was formally adopted by the European Union in December 2006 and entered into force on 1 June 2007. As part of a phased programme over the next few years, industry is required to register most substances that are manufactured, imported or used in Europe.

REACH will take many years to be fully implemented and we have put in place a dedicated team to ensure the compliant implementation of future provisions.

For the majority of substances used in our products the responsibility for registration will lie with our suppliers, who manufacture or import those substances. We continue to work closely with our suppliers as REACH is implemented to ensure that our uses are fully considered within the substance registrations required.

On 3 June 2007 the European Chemicals Agency (ECHA) became fully operational, to coordinate the registration, evaluation, authorisation and restriction processes under REACH. The first of these phases, pre-registration, started on 1 June 2008. We have undertaken a significant work programme to ensure that all of the substances used in Reckitt Benckiser products were pre-registered by suppliers or ourselves where appropriate or necessary.

Further information on REACH is available at: http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm

THE A.I.S.E.
AIR FRESHENERS
PRODUCT STEWARDSHIP
PROGRAMME



Reckitt Benckiser has committed to the A.I.S.E.* Air Fresheners Product Stewardship Programme (AFPSP), a voluntary industry initiative which was established in October 2007: www.aise.eu/airfresheners

Companies who sign up to the programme must abide by a set of rules which goes beyond legislative requirements and aims to promote best practice in the responsible manufacturing, consumer communication and use of air fresheners across the EU, Iceland, Norway and Switzerland.

* The International Association for Soaps, Detergents and Maintenance products (www.aise.eu), which represents, among others, members of the European air freshener products industry

All brands that carry this mark are from companies which are committed to the industry programme 'Charter for Sustainable Cleaning'

Ingredient removal programmes

We continue to progress a range of Ingredient Removal Programmes, above and beyond regulatory requirements.

Our objective is to continually improve the environmental and safety profile of our products, by systematically removing specific ingredients from product formulas and packaging/device component specifications, where 'better' alternatives exist. The table (top right) outlines our recent ingredient removal achievements.

We have also established a policy for the use of Triclosan in our products. Triclosan is voluntarily restricted by Reckitt Benckiser to licensed medicinal products, over-the-counter (OTC) pharmaceutical, cosmetic and toiletry products where it is necessary for specific therapeutic activity and provides a clear and demonstrable benefit to the consumer.

Product (and packaging) labelling

Product labelling needs to give consumers clear and easily understood information on how to use (and sometimes dispose of) a product correctly and safely. Labelling packaging is also relevant to its recycling.

Research suggests that the more information placed on labels the less likely consumers are to read it all. Thus a 'risk based approach' – focussing the information provided on what consumers actually need to know for correct and safe product use – is therefore required.

We are increasingly using visual symbols which are more frequently consulted and more easily understood by consumers. To align the industry's safety information and communication, the European detergent industry association A.I.S.E. has developed a set of universal 'safe behaviour tips' and pictograms, as part of its Charter for Sustainable Cleaning, see:

www.sustainable-cleaning.com

PRODUCT QUALITY

Reckitt Benckiser is committed to consistently delivering the highest quality products. We focus on building quality in at the product design stage, and on quality risk

assessments of manufacturing processes and our external supply chain, so that quality issues are prevented before they arise. Our quality management arrangements include Group, Area, Regional and site-level quality assurance functions that oversee and monitor product quality globally. We regularly audit our key suppliers to assure and continuously improve the quality of the raw materials, components or finished products that they supply.

2008 quality performance

2008 was another good year for product quality at Reckitt Benckiser. We had no consumer recalls and a single principal quality issue on one new product that required correction prior to launch in order to make it easier for consumers to use.

2008 quality improvement focus

As part of our Global QA programme we audited our factory in Mexico in April 2008; this audit identified a number of areas for improvement in the site's quality management system. In response the factory assembled a cross-functional team to drive improvements immediately, including: a new training programme; an improved quality risk management programme; and, £164,000 of capital investment.

A follow-up audit conducted in December 2008 showed that improvements had been made beyond the findings of the original audit and that quality risk in all areas was rated as low. Seven areas of best practice were identified during the December audit, in addition to the process of monitoring and reporting progress which itself was seen as 'best in class'.

Customer satisfaction

The best indicator of customer and consumer satisfaction is the fact that our brands are leaders in their markets – that can only happen with repeat consumer satisfaction.

2009 quality targets

Our 2009 target is to have no (zero) consumer recalls and no (zero) other principal quality issues.

Ingredients removed from global product formulas – Q2 2009 Status¹

Ingredient	% reduction to date	Target completion date	Comments
Chlorpyrifos	33% (2 out of 6 products)	end 2009	Registration documents to remove this ingredient from the remaining 4 pest control products were submitted
Boron Compounds	99%	end 2009	Removal / reduction to meet threshold levels established in the European Union
PVC Packaging of Household products	100%	end 2009	Healthcare products are excluded from this target as no viable alternatives have yet been identified for some healthcare applications
Fragrance raw materials:			
– Non-GN	100%	end 2009	
– Geranyl Nitrile (GN)	100%	end 2007	
– Nitro and polycyclic musks	100%	end 2002	
Brominated Flame Retardants	100%	end 2007	
Formaldehyde-donor preservatives	99%	end 2009	Implementaion for last remaining product scheduled for Q3 2009
Formaldehyde	100%	end 2006	
APE's / NPE's	100%	end 2006	
Dichlorvos	100%	end 2006	
Glycol Ethers (Monoethylene series)	100%	end 2006	
Paradichlorobenzene (PDCB)	100%	end 2006	
Red Devil Lye (100% NaOH)	100%	end 2005	

¹ Note: through acquisitions the Company can periodically acquire additional products which contain ingredients previously removed from it's global product formulas; when this happens acquisition-specific ingredient removal programmes are undertaken, to bring those newly acquired products into line with previously completed ingredient removal programmes

Principal quality issues 2002 – 2008 ²

	Consumer recalls	Existing products	New products
2002	1	16	10
2003	2	10	5
2004	0	1	0
2005	0	0	3
2006	0	4	1
2007	0	0	0
2008	0	0	1

Safe behaviour tips



² We define our principal quality issues in two ways: all consumer recalls (the recall of a product from the public) are a principal quality issue by default; also, all other quality issues which exceed pre-defined financial thresholds in terms of the cost of correcting them (e.g. scrapped materials or finished goods) are a principal quality issue. There is no difference between the way we identify and report principal quality issues internally and their reporting here (except that internally we include more detailed information in areas such as cause and corrective and preventative actions).

RESPONSIBILITY IN OUR OPERATIONS

Our employees and employment practices, business conduct, and health & safety at work.

Our people

Our employees are at the heart of our success; a highly capable and talented group of people who drive our business forward, bound together by a common culture to bring our vision and strategy to life. It's us!



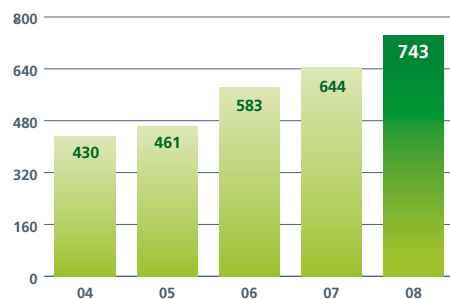
In recent years Reckitt Benckiser has increased its average number of employees, due to acquisitions (e.g. of Adams Respiratory Therapeutics, on 30 January 2008) and due to the overall growth of and further investment in the Company's business.

The average number of people employed by the Group during 2008 was 24,300 (2007 23,400). The regional distribution of our employees is shown on page 3.

Remuneration and benefits

The remuneration paid to employees in recent years has similarly increased in absolute terms, in line with the increased average number of employees and the Company's objective of having a remuneration policy that encourages, reinforces and rewards the delivery of shareholder value. The total remuneration paid to employees in 2008, including Directors, was £743 million (2007 £644m).

Employee remuneration £m



We seek to offer competitive remuneration that reflects both market conditions of the country in which people are based and the abilities and skills they possess.

Benefits provided to employees (in addition to salaries, bonuses and long-term incentives) do vary regionally and nationally, and generally include items such as: pension plans; health, accident and disability insurance; medical care plans; and annual health checks.

Where employees move internationally our International Transfer Policy provides a

framework of support for them and their family, with a range of additional benefits to assist with the challenges of moving to a foreign country, and to compensate for differences in pay and living costs where they exist.

A strong yet diverse culture

We work hard to attract, develop and retain highly capable and talented employees, who can work together to produce outstanding results.

We actively encourage diversity of nationality and international mobility amongst our employees. This contributes to the generation of innovative ideas by applying new and different experiences and viewpoints across our business globally.

Development and training

Development and training is an important part of attracting and motivating talented people. Used appropriately, it assists individuals to achieve their full potential and the Company to maintain its competitive edge.

We provide site-level, regional, area and global training and awareness programmes on functional competencies and personal skills.

For example, in 2008, our Global Training Programme provided 16 short courses in: Leadership (4); Business & Organisation (4); People Management & Development (2); Marketing (3), Sales (2), and Finance (1).

Other training programmes include health & safety, environment, quality and preventative maintenance.

Equal opportunities and diversity

We employ, promote and reward people based on their skills, abilities and achievements.

We seek to encourage, recognise and reward four core internal values:

- Achievement
- Commitment
- Entrepreneurship
- Teamwork

Number of nationalities in senior management¹

at 31 December 2008

Board (9 people)	6
Executive Committee (9 people)	7
Top 40 (39 people)	14
Top 400 (445 people)	46
Global Employees ²	96

Women employed¹

% at 31 December 2008

Board (9 people)	11%
Executive Committee (9 people)	0%
Top 40 (39 people)	8%
Top 400 (445 people)	16%
Global Employees ²	40%

¹ the Top 400 includes the Top 40, the Top 40 includes the Executive Committee

² comprising data for 18,104 global Group employees, which equates to 75% of the average number of people employed by the Group during 2008

Most employees globally have an annual Performance Development Review (PDR) which assesses their skills, ability and performance against personal and business objectives and desired competencies. The PDR process is integrated with how we identify people for further growth and different or more senior roles in the future.

BUSINESS CONDUCT

Our Code of Business Conduct sets out the principles and ethical values we want to uphold and is available at: www.reckittbenckiser.com

Senior management is required by Internal Audit to report and sign-off on compliance status with the Code on an annual basis; the Board Audit Committee monitors the findings of this certification process.

2008 Review & Training

In 2008 we reviewed our Code of Business Conduct, the associated Policies and Guidelines, and how we provide awareness training on these rules globally.

During 2008 all of these ‘House Rules’ were updated and a web-based training package developed and trialed.

In the first six months of 2009 these updated House Rules have been communicated across Reckitt Benckiser globally and individuals in all parts of the business have been through the training process. Our updated policies have been translated and communicated in 20 languages as part of this programme.

Whistleblower Helpline

Our Whistleblower Helpline gives employees a confidential free phone number in each country to provide direct notice, via an external organisation, of any suspected breaches of our Code of Business Conduct. Any reported issues are investigated by Internal Audit and appropriate action taken. This process is reported to the Board Audit Committee.

Human and labour rights

We believe human rights at work are an absolute and universal requirement. In countries where

the Company is present, we aim to support progress on human rights issues in accordance with what can reasonably be expected from a commercial organisation. We subscribe to the principal international standards and guidelines for human rights and working conditions. See page 18.

To protect human and labour rights at work we operate our Code of Business Conduct (see previous column) and Global Manufacturing Standard. See page 11.

Public policy and lobbying

Reckitt Benckiser conducts its public policy and lobbying work through the various industry bodies and trade associations of which it is a member. See page 20.

For example, in December 2008 Reckitt Benckiser – and over 140 other global companies – signed the Poznań Communiqué on Climate Change, calling for an ambitious, international, comprehensive and legally binding United Nations agreement to tackle climate change (www.poznancommuniqué.com). This initiative was led by The Prince of Wales’s Corporate Leaders Group on Climate Change, of which Reckitt Benckiser is a member.

HEALTH & SAFETY AT WORK

We seek to prevent accidents, injuries and occupational ill health at all locations under our control. Our Occupational Health & Safety (OHS) Policy, Objectives, Responsibilities and Control Arrangements are available at: www.reckittbenckiser.com

Our global manufacturing, warehouse and R&D facilities all have health & safety (H&S) committees with employee and management representatives. **All of our manufacturing facilities operate OHS management systems, more than 30% of which are externally certified to OHSAS 18001, an international OHS management system standard.**

We maintain a Global Hazard and Risk Assessment of our worldwide manufacturing, warehouse and R&D facilities, to assist in

understanding what and where hazards and risks exist, so that we can better control them.

Progress in 2008

During 2008, to further reduce OHS hazards and to ensure that higher risk processes and activities are properly controlled and monitored, we developed and rolled-out four new and mandatory Process Safety Standards (PSS’s) covering: Contractor Management; Aerosol Manufacturing; Chlorine Use; and Machine Guarding. Additionally, we continued to embed our mandatory Safety Behaviour Standard throughout our global manufacturing and logistics operations.

Fatalities and severe accidents at manufacturing, warehouse and R&D facilities			
	Employee fatalities	Contractor fatalities	Severe accidents*
2001	(1) [^]	1	8
2002	0	0	1
2003	0	0	5
2004	0	0	2
2005	0	0	5
2006	0	1	5
2007	0	0	2
2008	0	0	2

[^] suspected suicide

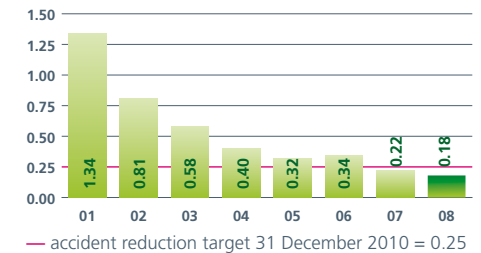
* a severe accident = any permanent disability, incl. loss of sensory or motor dexterity e.g. loss of a finger tip

For 2008, our Group Environmental and Health & Safety (EHS) function conducted H&S audits and assurance at 37% of our global manufacturing facilities. Facility H&S audits / reviews were also conducted by country, regional and area EHS personnel, and by external expert consultants.

Employee health and well-being initiatives implemented during 2008 included:

- HIV/AIDS information programmes at our manufacturing facilities in South Africa, Nigeria, Zimbabwe and Brazil.
- Bowel cancer screening at our manufacturing facility in Australia

Lost working day accident rate (LWD AR)* at manufacturing, warehouse and R&D facilities per 100,000 hours



* the number of accidents in which the affected employee(s) do not return to work the following day, divided by the total number of hours worked by all employees, multiplied by 100,000

In line with ongoing improvements in the scope of data we report: 2007 and 2008 data comprises all Company manufacturing sites, warehouses and R&D centres; 2006 data comprises all manufacturing sites and R&D centres; and, 2001-2005 data comprises all manufacturing sites and the R&D centres co-located at those manufacturing sites.

In 2008, we achieved a 19% reduction in the lost working day accident rate (LWD AR) at our global manufacturing, warehouse and R&D facilities compared to 2007. Overall, 2008 represented an 87% reduction in accident rate compared to 2001.

As of 31st December 2008, 9 (20%) of our global manufacturing facilities were standing at 1 million hours worked each without a lost working day accident.

During 2009 we shall be:

- Rolling-out new Process Safety Standards (PSS’s) on Electrical Safety and Occupational Health
- Seeking external certification of our Group-level OHS management system to OHSAS 18001, an international OHS management system standard.

SAVING CHILDREN'S LIVES

As a business, we are committed to delivering performance in everything we do, including social responsibility. **2006-2008 our partnership with Save the Children saved 150,000 lives.**

In 2008, we gave more than £1.6 million worth of support to community programmes worldwide. Our people gave their time, money and support to projects both globally and in their local area.

Save the Children is a natural choice as our global charity partner as it reflects our passions as a business. Not just because of the impact that their programmes have on health and hygiene, but because the family is central to Save the Children, as it is to many of our products' consumers.

'Save 150,000 Lives' campaign

Every 3 seconds, a child dies from a preventable disease such as malaria, measles or pneumonia, yet it costs just £10 to save a life. **We set a three-year target of raising £1.5 million to help Save the Children save 150,000 lives in Angola and Tanzania by the end of 2008. We delivered on this target.**



"We are continually impressed by RB's fantastic support and commitment and their desire to over-deliver on fundraising targets so that we can reach even more vulnerable children. Their unique 'Save 150,000 Lives' campaign – a simple yet highly effective concept – inspired Save the Children's 'Global Child Survival Campaign', which aims to save the lives of millions of children worldwide who are dying from entirely preventable illnesses."

Jasmine Whitbread
CEO, Save the Children

We've funded major programmes in Angola and Tanzania since 2006

Angola update

RB helps Save the Children to improve the health of children in Huambo, an area devastated by civil war. Not just through direct life-saving measures such as immunisation, anti-malaria drugs and mosquito nets. The programme also works with mothers, promoting breastfeeding, basic hygiene and health; and with medical staff to help them provide better services.

Tanzania update

Our joint programme with Save the Children covers the rural district of Lindi. Its long-term goal is to reduce deaths in babies and children by improving the quality of health care and giving the poorest children access to life-saving services such as vaccinations, mosquito nets and malaria treatment.

FELICIANA'S STORY – a midwife at a health centre in Huambo, Angola

"The dilapidated health system means women here normally deliver at home and only go to hospital if there are problems that the traditional birth attendants can't handle. Unfortunately, it is often too late to save lives. With my training, I can now detect complicated pregnancies and encourage mothers to deliver at the health centre and we have seen a substantial increase in the numbers seeking maternity care."



ZUHURA'S STORY – TANZANIA

Zuhura is a single mother with four children, who can't grow food for herself. She attended a cooking club where she learnt how to prepare protein-rich pre-mix porridge for her malnourished children. Pictured below is Samia, Zuhara's daughter who has recovered from malnutrition.



"I couldn't breastfeed as I didn't get enough food to produce milk, so Shomary suffered from malnutrition, fever and sores. After treatment at the dispensary and the pre-mix porridge, he is now healing and has put on weight."



Do Something BIG!

Our business is driven by a continuous stream of innovations and we bring this same passion for solutions to social responsibility. We want to build on the success of 'Save 150,000 Lives' by having a real impact on even more children's lives around the world. So in 2009, we launched 'Do Something BIG!'.

We are still firmly committed to Save the Children's survival work in Angola and Tanzania – it is as vital as ever. Yet losing a child is devastating wherever you are in the world. So 'Do Something BIG!' goes one step further by encouraging our businesses worldwide to support a child survival programme closer to home as well.

2009-2011 target

In the three-year period 2006-2008 we raised £1.5m to save an average of 50,000 lives each year with Save the Children.

With 'Do Something BIG!' our target is to save an average of 100,000 lives a year with Save the Children.

Children's Emergency Fund

Our strong commitment to the Children's Emergency Fund remains and we have donated £100,000 a year since 2007. The fund allows Save the Children to respond the moment disaster strikes, without having to waste precious time on appeals. It has already saved thousands of families facing crisis such as in the recent earthquakes in Burma and China.

"Thanks to the tremendous continued support and commitment of companies like RB, we are now far more able to respond to emergencies as soon as they happen and reach millions of children and families. RB immediately saw the opportunity and benefit of the CEF, supporting us every year since 2006. Their support has saved so many children's lives and they can rightly be proud of everything we have achieved together."

Gareth Owen
Director of Emergencies, Children's Emergency Fund



Support around the world

In 2008, RB people were as generous as ever with their time and money, which we often matchfunded, and they supported Save the Children and local charities around the world.

In the UK, a group ran in the British 10k for Save the Children. Their target was to raise at least £200 each, which we then matchfunded.

RB Germany ran a Nurofen campaign which asked children to make and decorate paper boats and send them to RB who would make a donation to Save the Children for each one. Last year RB Germany raised over £60,000.

In Spain, RB ran a very simple but effective campaign in 2008 that raised nearly £10,000 for Save the Children. By clicking on an email link, employees could donate from just £1 a month, which we then matchfunded.

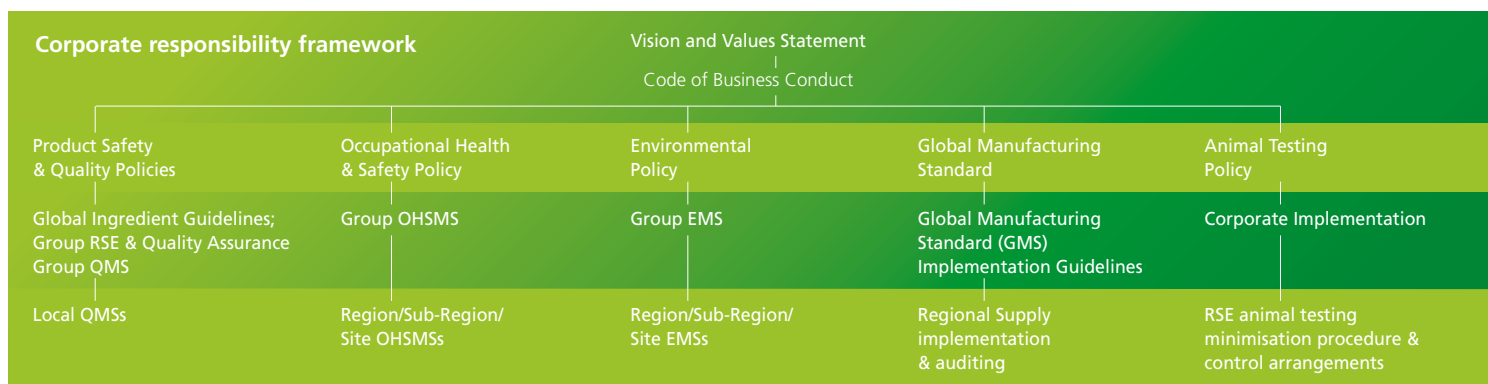


In July 2008, our people at HQ in Slough took part in our first Save the Children week. With the objective of getting everyone motivated and raising funds, the week of fun and competition raised £60,000.



GOVERNANCE AND STRATEGY

How we work.



RSE – Regulatory, Safety & Environmental services group; QMS – Quality Management System; OHSMS – Occupational Health & Safety Management System; EMS – Environmental Management System

International standards and guidelines

We subscribe to a range of International standards and guidelines relating to sustainability and corporate responsibility, including: the United Nations (UN) Declaration of Human Rights: www.un.org, and the International Labour Organisation (ILO) eight Fundamental Conventions: www.ilo.org

These standards and guidelines, along with others such as the social accountability standard SA8000: www.sa-intl.org, are incorporated into the Company's Code of Business Conduct and other elements of our Corporate Responsibility Framework, such as our Global Manufacturing Standard. See page 11.

Corporate responsibility framework

Our Corporate Responsibility Framework (above) comprises our Vision and Values Statement, our Code of Business Conduct, and the core Group policies, control arrangements and reporting arrangements that govern how we conduct our business.

CoBC training and awareness review

During 2008 we established a cross-function team to review our Company's Code of Business Conduct (CoBC) and the effectiveness of its internal communication, training and awareness.

As a result of that review the CoBC itself and a number of its supporting policies were reviewed and updated. A new global training and awareness programme called 'House Rules' – the rules and principals that must be followed in conducting the Company's business – was devised.

This new, web based training and awareness programme was trialed in the UK in Q4 2008 and during the first half of 2009 has been rolled out across Reckitt Benckiser globally.

We have made the updated 'House Rules' policies and training programme available in twenty core languages across our global business, to ensure that employees worldwide receive clear communication and training in this important area.

Governance structures and responsibilities

The Board is responsible for the overall stewardship of the Company, including sustainability and corporate responsibility.

The Chief Executive Officer (CEO) is the Board member with specific responsibility for the Company's sustainability policies and performance.

The Executive Committee is responsible for the day-to-day management of the Company and is chaired by the CEO. Its structure reflects the Company's organisation and its members are responsible for sustainability issues within their respective areas and functions.

Our Global Director of Corporate Communications and Affairs is Secretary to the Executive Committee and is responsible for our community involvement and much of our stakeholder engagement, reporting to the CEO.

Our Vice President (VP) of Sustainability has a direct reporting line to the CEO and coordinates Environment, Health & Safety and several other sustainability matters on a day-to-day basis.

The Research & Development (R&D) function includes the Regulatory, Safety & Environmental (RSE) services group, which is responsible for ensuring that our products meet regulatory requirements and are safe for their intended use.

Our SVP Human Resources (HR) and the global HR function manage our human resources, employee remuneration and benefits, employment practices, organisational development/training and elements of health & safety (e.g stress management).

The Role of the Board

The Board regularly considers and takes account of the significance of environmental, social and governance (ESG) matters and their potential risks to the business of the Company, including reputational risks and the opportunities to enhance value that may arise from an

appropriate response. The Board undertakes a formal review of ESG matters at least annually, which includes a formal review of the Company's performance and strategy, providing oversight to ensure that the Company has in place effective policies, systems and procedures for managing ESG matters and mitigating significant ESG risks. The Board's Audit Committee undertakes regular review of the arrangements for, and effectiveness of, risk management and internal audit, including ESG matters and reputational risks.

The Directors Report on ESG matters and reputational risks, including an assessment of those risks, is provided in our Annual Report & Financial Statements 2008, page 27, available at: www.reckittbenckiser.com

We welcome the views of external parties on ESG matters and have a proactive stakeholder engagement process (see page 20) with employees, shareholders, customers and consumers.

Corporate Governance

Details of our corporate governance arrangements, including Board composition, committee structure, internal control, performance evaluation and details of non-executive and independent Directors and their compensation arrangements are provided on pages 24–35 of our Annual Report & Financial Statements 2008, available at: www.reckittbenckiser.com

Strategy

We believe that we can conduct our business in ways that reduce our overall impact on the environment, while managing our business in a socially and ethically responsible manner.

Identifying sustainability impacts is complex. Everything we all do, in our personal life and at work, has sustainability impacts; these may be positive or negative, environmental, social, or economic, and are generally a combination of some or all of these.

The challenge is to grow our business and develop new, innovative products – maximising our positive impacts – while reducing the

environmental impacts of our business across the complete lifecycle of our products and managing our business in a responsible and ethical manner.

Identifying material issues

In preparing this report we have used a process aligned to Accountability's 5-Part Materiality Test to confirm our assessment of the most material sustainability issues for our business. To do this, we have sought to identify and analyse:

- our 'significant aspects', which are the ways in which our activities, and our suppliers and products, materially interact with the environment, society and the economy. We identify these aspects through our Group environmental and health & safety management systems, through involvement in sector and industry sustainability programmes, and by taking advice from experts
- the Environmental, Social and Governance (ESG) risks that could affect our business. We have comprehensive processes in place to identify and understand financial and non-financial risks: through the day-to-day activities of functions such as Internal Audit, Global Business Intelligence (GBI) and Group Environment and Health & Safety; and through the Board's regular review of ESG matters and reputational risks
- the issues of greatest concern to our stakeholders, identified through our ongoing and specific engagement with key stakeholders. See 'Stakeholder Engagement' page 20
- the issues that society has identified as important, through regulation, legislation, and institutionalised standards such as those in column 1 of page 18
- those issues covered by our existing policies and commitments, such as our Carbon20 programme. See page 5

Areas of potential risk

Our Annual Report & Financial Statements 2008 identify three areas of potential ESG risk, and one environmental matter, which are necessary to an understanding of the business of

the Company:

- **Industry sector and product & consumer safety / regulatory risks** The household products and health & personal care sectors have a number of product and ingredient issues relating to ongoing developments in ingredient regulation and concerns voiced over the potential long-term effects of household chemicals and OTC (over-the-counter) drug ingredients on human health and the environment. For information on how we manage those risks see pages 12 & 13
- **Supply chain risks** Most product and raw material supply chains present a number of potential reputational risks relating to: labour standards; health, safety and environmental standards; raw material sourcing; and the social, ethical and environmental performance of third party manufacturers and other suppliers. For information on how we manage those risks see pages 10 and 11
- **Product quality risks** Failures in product quality controls could potentially lead to damage to the reputation of and trust in the Company's brands. For information on how we manage those risks see page 13
- **Environmental matters** The carbon footprint of our products, and the greenhouse gas (GHG) emissions originating from our direct operations, are increasingly important to stakeholders and as such are important to an understanding of our business. For information on how we manage those matters see pages 5-9

Strategic priorities

The aspects and risks we have identified are common to fast moving consumer goods (FMCG) companies with well-known brands and are essentially determined by our industrial sector (Household Goods and Personal Care) and the products we make and sell.

Our materiality assessment has re-confirmed our sustainability strategy's focus as addressing the most material issues and impacts for our business. Our strategic priorities

therefore remain:

- to achieve continual improvement in our overall environmental performance (Environmental Sustainability), focussing on those issues where we can make a real difference
- to manage our business in a socially and ethically responsible manner (Social & Ethical Responsibility); as detailed on the inside front cover

We report on all of these issues in this report and have management and improvement programmes in place across them all, at Group, regional and/or local levels.

Our significant sustainability aspects

Environmental

- energy use / air emissions and their contribution to climate change
- raw material use and supply chain sustainability
- water use and discharges
- waste and packaging reduction, re-use and recycling
- product use and product / packaging disposal
- indirect supply chain impacts

Social & Ethical

- products which improve hygiene and health
- product safety and quality
- health and safety at work
- employment practices and human rights
- a responsible and ethical supply chain
- community involvement
- ethical business conduct

Economic

- economic value and cash value added generated and shared with employees, shareholders and society
- indirect economic impact

STAKEHOLDER ENGAGEMENT

We proactively engage with our stakeholders to better understand their expectations – we seek to meet those expectations in practical ways.

Our key stakeholder groups are:

Workplace

- Employees
- Employee collective representatives (e.g. workers councils)

Marketplace

- Consumers (the users of our products)
- Customers (the retailers who sell our products to consumers)
- Regulators
- Shareholders and other financial stakeholders
- Suppliers
- Trade associations

Community

- Local communities (communities local to our manufacturing, R&D, office and distribution facilities)
- National and local government
- Non-governmental organisations (NGOs) and consumer organisations
- Civil society

We talk to our stakeholders:

- as part of normal, day-to-day business
- in connection with specific sustainability issues and programmes
- in the ongoing development of our sustainability reporting

For example, in 2008 we worked with our suppliers of raw and packaging materials on:

- day-to-day material procurement and delivery, and on new and existing product developments
- the control of ingredients in line with our Global Ingredient Guidelines (see page 12); and specific sustainability programmes such as Carbon20. See pages 5 and 6
- the Carbon Disclosure Project (CDP) Supply Chain initiative

During 2008, we were particularly active in our engagement with:

- Employees, about their ideas and our programmes to reduce the environmental impact of our business
- Consumers, about how small changes in how they use our products in their homes can add up to large reductions in household climate change emissions (and reduction in their bills!)
- Customers, about what we are doing, and what we can do together, to reduce product packaging and transportation
- NGO's and consumer organisations, regarding their questions on the raw materials we use and how we can drive cross-industry movement to sustainable palm oil. See page 10

The areas of interest arising from our engagement in 2008 were in line with those seen in 2007 and included: maintaining high standards of product safety; the sustainable

sourcing of palm oil; and the potential impacts on and opportunities for our business associated with climate change. These issues and others are addressed in this report, and we continue to talk to our stakeholders about these and the other issues that interest or may affect them.

Employee engagement

During 2008, we undertook employee engagement surveys in North America, Latin America, Europe, Africa & the Middle East, Australia and New Zealand.

Key issues arising from these surveys included that employees like the freedom to make their own decisions and test out new ideas which sets us apart from some large companies, and graduate recruits like the early responsibility available to them; whilst we can sometimes do better in providing greater clarity on career development in the longer term.

Sustainability issues, such as health & safety, are addressed in our regular meetings with the European Workers' Council and in implementation programmes at individual sites.

External Partnerships

We seek where possible to work with others to develop industry-wide solutions to shared challenges. In 2008, our work with external partners included:

- Corporate Leaders Group (CLG) on Climate Change, which in 2008 developed the Poznan Communiqué for the UN Climate Change Negotiations in Poland: www.cpi.cam.ac.uk/bep/clgcc



FTSE4Good



Dow Jones Sustainability Indexes
Member 2009/10



CARBON DISCLOSURE PROJECT

- Roundtable on Sustainable Palm Oil (RSPO) promoting the growth and use of sustainable palm oil: www.rspo.com
- A.I.S.E. (the International Association for Soaps, Detergents and Maintenance Products) in Europe, which coordinates the voluntary Charter for Sustainable Cleaning and the Save Energy & Water project: www.aise.eu
- Soap and Detergent Association (SDA) in the United States, which in June 2008 published a progress report on its commitments under the U.S. Environmental Protection Agency (EPA) high production volume (HPV) chemical programmes: www.cleaning101.com

Benchmarks and awards

In external benchmarks we are:

- a Sustainability Leader in the Dow Jones Sustainability World Index (DJSI World): www.sustainability-indexes.com
- a member of the UK, European and World FTSE4Good Indices: www.ftse.com/ftse4good
- Platinum rated and Sector Leader in the Corporate Responsibility Index of the UK's Business in the Community (BitC): www.bitc.uk
- a performance-leading participant in the Carbon Disclosure Project (CDP) and the CDP Supply Chain project: www.cdproject.net

INTEGRATING AND EMBEDDING

We work hard not only to integrate and embed sustainability into how we manage and conduct our business, but also into how we report on our business and its performance.

Reporting approach and strategy

This report is a key part of our ongoing communication with our stakeholders on our approach to and management of non-financial issues and risks.

We seek to have an open and transparent dialogue with our stakeholders, whilst maintaining our focus on material issues where we can make a real difference which is an integral part of our culture.

This report is primarily aimed at those audiences who have shown most interest in our sustainability management and performance during 2008: our employees, our trade customers, our shareholders/investors, consumers of our products, and advocacy and campaign groups with an interest in the impacts of our products, operations or supply chain.

Reporting standards

We continue to report in line with the Global Reporting Initiative's Sustainability Reporting Guidelines – Version 3.0 (GRI G3):

www.globalreporting.org

A GRI Content Index, providing a navigational tool for those looking for specific information in relation to the GRI's G3 Guidelines and including the indicators that we have not reported on, and a GRI Application Level Table, is provided at:

www.reckittbenckiser.com

In preparing this report, we referenced the criteria and principles of accountability set out in the AA1000 Assurance Standard (2008) and the AA1000 Accountability Principles Standard, produced by AccountAbility. We also took

into account the evolution of best practice in corporate sustainability reporting, and reporting by our industry peers.

This report is part of an integrated approach to reporting our total performance.

Annual Report & Financial Statements 2008 provide – alongside our annual financial reporting:

- on page 19, in line with the Companies Act 2006, information as necessary for an understanding of the development, performance and position of the business of the Company relating to environmental matters (including the impact of the Company's business on the environment), its employees, and social & community issues
- on page 27, in line with the Association of British Insurers (ABI) Guidelines on Responsible Investment Disclosure, information on our management of Environmental, social and governance (ESG) matters and reputational risk



We also publish:

- an Interim Report of our half-year financial results
- quarterly financial results
- regularly updated financial and non-financial information, made available on our corporate website, including a corporate responsibility section which contains our latest external benchmarking results, a library of our policies, and copies of our non-financial reports since 2000

Key Performance Indicators

The Key Performance Indicators (KPIs) that we use in this report are determined by:

- the significant sustainability aspects of our operations. See panel on page 19
- independent, external sources of guidance on the indicators that we should be using to measure and report on those significant sustainability aspects (see below)
- the indicators that are most practical to use and add most value across our business and supply chain

The GRI G3 performance indicators provide our main reference for selecting appropriate KPI's; as an international standard using its indicators provides comparability with other companies.

We also take account of the specific guidance on environmental KPIs for UK companies provided in the British Standard BS EN ISO 14031 (Environmental Performance Evaluation Guidelines), and the Environmental Key



This report is in line with the GRI G3 guidelines and applies a GRI Application Level of A+

Performance Indicators – Reporting Guidelines for UK Business (Department for Environment, Food & Rural Affairs).

With regard to our carbon disclosures, we follow the guidelines for reporting set out in the Greenhouse Gas (GHG) Protocol published by the World Resources Institute and the World Business Council for Sustainable Development, and PAS 2050, a specification for the assessment of the lifecycle greenhouse gas emissions of goods and services published by the British Standards Institute.

Independent assurance

Deloitte LLP has provided independent assurance over selected information and data in this report. See page 25.

The economic data disclosed in this report on pages 2, 4 & 14, and the social data on employee numbers and remuneration on page 14, are taken from the Company's Annual Reports 2001-08, which are themselves subject to independent assurance and are available at:

www.reckittbenckiser.com

All of our eight previous Sustainability/ Environmental Reports, for 2000-07, were also subject to independent assurance/review, and are available at: www.reckittbenckiser.com

OUR ACTUAL ENVIRONMENTAL IMPACT

What is our actual environmental impact, NOT normalised against production volume?

To put these data in context, it is important to note that in 2008 our manufacturing output in terms of consumer units increased by 8% versus 2007 (and between 2000 and 2008 it has increased by 22%).

This means that the **eco-efficiency¹ and resource intensity of our operations has significantly improved both during 2008 and since 2000.**

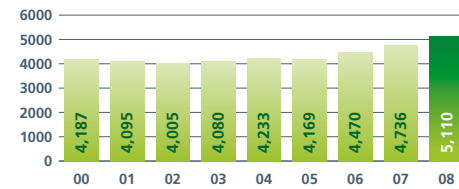
In 2008 (and between 2000 and 2008), the ACTUAL environmental impact of our manufacturing and R&D facilities, NOT normalised against our production volume (which has significantly increased both during 2008 and since 2000) was as follows:

- **energy use – increased by 0.8% vs 2007** (00 – 08: reduced by 23%)
- **water use – reduced by 1% vs 2007** (00 – 08: reduced by 3%)
- **greenhouse gas emissions from manufacturing energy use – increased by 0.4% vs 2007** (00 – 08: reduced by 20%)
- **water discharge – reduced by 11% vs 2007** (00 – 08: reduced by 23%)
- **total waste – increased by 2% vs 2007** (00 – 08: increased by 3%)
- **hazardous waste – reduced by 13% vs 2007** (00 – 08: reduced by 51%)

The reasons for specific trends in these data are summarised on pages 8 & 9 of this report.

Production volume

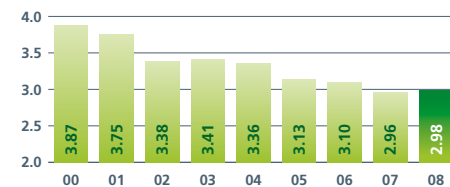
Production volume at Reckitt Benckiser manufacturing facilities* million consumer units (CUs)



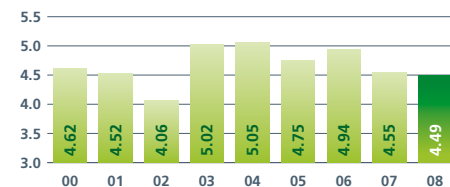
* the environmental performance data on pages 8, 9 and 22 of this report relates to production at Reckitt Benckiser manufacturing facilities (only) i.e. it does not relate to production volumes at third parties who make approximately 15% of our products for us.

Material and resource use

Energy use at manufacturing and R&D facilities million GJ

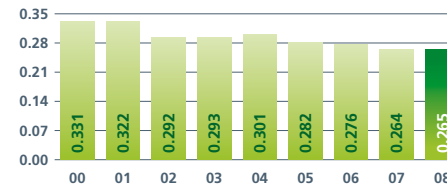


Water use at manufacturing and R&D facilities million m³

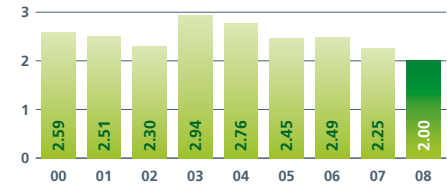


Emissions and Waste

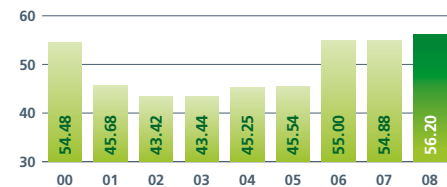
Greenhouse gas emissions from manufacturing energy use million tonnes CO₂ equivalents



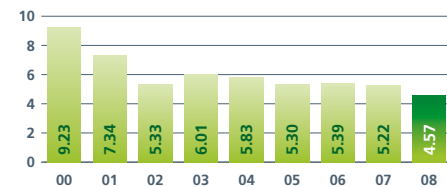
Water discharges from manufacturing and R&D facilities million m³



Total waste at manufacturing and R&D facilities ('000 tonnes)



Hazardous waste at manufacturing and R&D facilities '000 tonnes



Regulatory compliance

Throughout our operations we regard legal compliance as the *minimum* standard to be achieved, as set out in our Code of Business Conduct and our Environmental Policy.

Environmental prosecutions and fines

	Prosecution	Fine
2002	0	2
2003	0	2
2004	0	1
2005	0	1
2006	0	3
2007	0	3
2008	0	2

During 2008 we received two environmental fines at our global manufacturing and R&D facilities, both for exceedances of wastewater discharge quality, comprising:

- £1,655 in Spain
- £1,200 in Brazil

¹ **Eco-efficiency** is the concept of creating more goods and services (value), whilst reducing resource use, emissions and waste (impact). By creating more value with less impact businesses can improve their sustainability whilst also contributing to net income.

Lifecycle issues should not be forgotten when considering eco-efficiency. The total lifecycle impacts of products and services must be reduced, rather than impacts being shifted from one organisation or stage of the lifecycle to another. Reckitt Benckiser's Carbon20 programme ensures that climate change is addressed across the complete lifecycle of our products. See page 5.

OUR TOTAL CARBON FOOTPRINT

What is it? Why is it so important?

In 2007, Reckitt Benckiser launched Carbon20, a major new initiative to reduce our products' Total Carbon Footprint by 20% per unit dose by 2020, against a base year of 2007.

This means we are working to ensure that, by 2020, the average carbon footprint of our global products will be 20% smaller than it was in 2007.

Our 2008 performance against this target is reported on page 5.

But you don't have to take our word for it!

Methodology

Developed and tested in 2007, Reckitt Benckiser's Carbon20 measurement system was built on 6 years experience of measuring and reporting on the greenhouse gas (GHG) emissions of our global manufacturing facilities, R&D centres and finished product transportation.

The Carbon20 measurement system is in line with the principles of the following international standards and guidelines for carbon footprinting:

- PAS 2050:2008 – Specification for the assessment of the lifecycle greenhouse gas emissions of goods and services
- The Greenhouse Gas (GHG) Protocol – the international Corporate Accounting and Reporting Standard issued by the World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD)

Our declaration of how the Carbon20 Methodology is in line with relevant standards

- our 2008 (and 2007 baseline) Total Carbon Footprint has been independently measured by expert environmental consultant URS
- our declaration of how the Carbon20 measurement system Methodology is in line with relevant international standards and guidelines has been independently assured by Deloitte LLP. See page 25

Our approach is unique and different because:

- That word 'Total'. Our creation-to-disposal approach means that we are not just tackling

and guidelines has been independently assured by Deloitte LLP. See page 25. The measurement system identifies carbon and energy-related activities, analyses data and calculates our global products' Total Carbon Footprint based on a mix of primary, secondary and industry data sources.

Refinement of the measurement system since 2007 has occurred and will be ongoing, to continually reduce assumptions and increase the amount of company-specific measured data. However, we are confident that the current measurement system provides us with a good approximation of the Total Carbon Footprint of our global products and accurately identifies the 'shape' of that carbon footprint throughout the lifecycle of our products.

Further information on our Carbon20 Methodology is provided in the Carbon20 Basis of Reporting, at: www.carbon20.info

the easy things under our direct control, like manufacturing energy use or business travel. Instead we are tackling the entire product lifecycle, including the more difficult and much more impacting areas. These include the carbon emissions embedded in the raw and packaging materials provided by our suppliers, and from consumers' use of our products in the home and the disposal / recycling of product packaging. See page 5

- We were the first and remain the only major company (to our current knowledge) to set a target for reducing our products' Total Carbon Footprint!
- We are working in partnership with our global suppliers, trade customers and increasingly with consumers; to find and then implement different ways of doing things that deliver the same innovative solutions to consumers needs whilst also reducing the Total Carbon Footprint associated with our products

We have been measuring our direct carbon footprint since 2000 and have reduced greenhouse gas emissions from our manufacturing energy use by 35% per unit of production since 2000.

What is a Total Carbon Footprint?

The Total Carbon Footprint of our global products is the total amount of carbon dioxide (CO₂) equivalent emissions across their complete lifecycle, from the raw and packaging materials provided by our supply chain – through manufacturing, distribution, retail sale, and consumer purchase and use – right through to

the disposal / recycling of the products and their packaging. See page 5.

"The Total Carbon Footprint includes very important stages such as the supply chain along with consumer use, both of which can play a large part in a company's emissions.

Paul Dickinson
CEO, Carbon Disclosure Project

Why are we doing it?

It's the right thing to do: for the environment; for society; and, for our business. Consumers, trade customers, suppliers and employees increasingly want to work with or buy products from a business that helps them to reduce their own carbon footprint and delivers a real and measurable contribution to tackling climate change (and this is what Carbon20 does!).

Our target does NOT allow offsetting

We have a major carbon offset project called Trees for Change: www.treesforchange.info However, we are NOT counting it (or any other carbon offset) towards our Carbon20 target. This is because – although carbon offsetting does have a part to play in tackling climate change – counting offsetting towards our Carbon20 target would allow us an 'easy way out' if we could not make the real reductions which our target (and climate change) demands.

BASIS OF REPORTING

How the data and information in this report has been put together.

This report provides data and information for the period 1 January 2008 to 31 December 2008 across all Reckitt Benckiser Group companies, as follows:

- **Environment:** the 43 manufacturing facilities and 7 R&D centres over which we had operational control on 31 December 2008
- **Health & Safety:** the 46 manufacturing facilities, 7 R&D centers and 7 warehouses over which we had operational control for one or more months during 2008
- **Social:** all Group companies and facilities as at 31 December 2008, unless explicitly stated
- **Economic:** all Group companies and facilities, for our financial (calendar) year 2008, excluding Zimbabwe (see Basis of Consolidation on page 40 of our Annual Report & Financial Statements 2008)

Greenhouse gas emissions data

Data on greenhouse gas (GHG) emissions from our manufacturing facilities energy use are reported as carbon dioxide equivalents (CO₂e) and calculated in line with The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (World Resources Institute & World Business Council for Sustainable Development, 2004). Direct GHG emissions data (from our on-site use of fossil fuels) additionally include the global warming potential of methane and nitrous oxide emissions, in line with the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006).

Facility-specific GHG emissions from electricity consumption for 2000-03 use the most recent country-level conversion factors that were available from the International Energy Agency at the time of reporting. Facility-specific GHG emissions from electricity consumption for 2004-08 use an average of the last five years of IEA country level data that was available at the time of reporting (i.e. average data from 2002-06 is used for 2008).

Cash value added data

'Cash value added' data (page 4) is derived directly from data provided in the Company's Annual Reports, as follows: Shareholders = dividends paid + shares repurchased; Employees = wages & salaries, incl. annual restricted stock + net pension & post-retirement costs; Governments = tax paid + social security costs charged; Retained in Business = change in net debt resulting from cash flows; Capital Providers = return on investments + servicing of finance.

Data comparability and reliability

In this report we include nationality and gender data for 18,104 Group employees, which equates to 75% of the average number of people employed by the Group during 2008.

As part of compiling this report our Group EHS function conducted site-level assurance of environmental and/or health & safety data for 2008 at 10 (23%) of our manufacturing facilities. Additionally, all data in this report has been reviewed for accuracy and completeness through statistical and non-statistical means.

Evolution in scope of environmental performance data presented in this report			
Year	Operational factories providing data (%)	R&D centres providing data (%)	Comments
2008	43 (100%)	7 (100%)	1 factory acquired with Adams; 3 new factories reporting for the first time; 4 factories closed; 1 R&D centre closed; 1 new R&D centre reporting for the first time
2007	43 (100%)	7 (100%)	2 factories closed; 1 factory acquired; 1 new R&D centre
2006	44 (100%)	6 (100%)	3 factories closed; 1 new factory opened; 2 factories and 1 R&D centre acquired with BHI
2005	43 (100%)	5 (100%)	1 factory closed
2004	44 (100%)	5 (100%)	2 factories closed
2003	46 (100%)	5 (100%)	1 new factory reporting for the first time; 4 factories closed
2002	49 (100%)	5 (100%)	1 factory sold; 2 factories closed
2001	52 (100%)	5 (100%)	all R&D centres included; 1 new factory reporting for the first time; 1 factory closed
2000	52 (100%)	2 (40%)	only R&D centres within factory sites included

Whilst being confident in the overall reliability of the data reported and having well-established reporting procedures and controls in place, we recognise that:

- some of these data may be subject to a degree of uncertainty that relates to: potentially different interpretation of reporting guidelines at a local and global level; and, inherent limitations in some universal methods and measurement techniques used to determine environmental and health & safety data
- comparability of data from year to year may be affected by changes in the number and attributes of Group facilities,

changes in the 'mix' of products sold and continual improvements in our performance measurement systems.

A Consumer Unit (CU) is the normal unit of our products purchased by a consumer i.e. a single box, bag, bottle etc.

On 30 January 2008 RB completed the acquisition of Adams Respiratory Therapeutics, Inc. ('Adams'). The data and information presented in this report includes Adams.

Our Annual Report 2008 records 41 manufacturing facilities in 2008 whereas this Report records 43, because we treat 2 warehouses which have a production line located in them as manufacturing facilities for EHS management purposes.

INDEPENDENT ASSURANCE STATEMENT

Independent assurance report by Deloitte LLP to Reckitt Benckiser Corporate Services Limited on the Reckitt Benckiser Group Sustainability Report for the year 2008 ('the Report')

What we looked at: scope of our work

Reckitt Benckiser Group plc ('Reckitt Benckiser') has engaged us to give limited¹ assurance on:

- 1 Selected sustainability performance data – whether the Group level 2008 sustainability performance indicators listed in the table on the back cover of the Report are not materially misstated;
- 2 Reckitt Benckiser's declarations regarding the application of the Global Reporting Initiative 2006 Sustainability Reporting Guidelines ('the GRI G3 Guidelines') – their declaration on page 21 that they have applied the GRI G3 guidelines at level A+; and
- 3 Reckitt Benckiser's declaration of their Carbon20 Methodology being in line with the principles of Publicly Available Specification (PAS) 2050:2008 and the WBCSD-WRI GHG Protocol ('the GHG Protocol') as stated on page 5, 23 and in the Carbon20 Basis of Reporting at: www.carbon20.info²

Our work is based at Group level only and did not include visiting other Reckitt Benckiser Group operations. We were asked to carry out work to obtain all the information and explanations that we considered necessary to provide sufficient evidence for us to give limited¹ assurance over the subject matters 1, 2 and 3 set out above.

What we found: our assurance opinion

Based on the assurance work performed, nothing has come to our attention causing us to believe that the 2008 selected sustainability performance data and the Global Reporting Initiative (GRI) declarations nor the explanation of how the Carbon20 measurement methodology complies with PAS 2050 and the GHG Protocol are materially misstated.

What we did: assurance process and standards

Our work was carried out by a multi-disciplinary team of sustainability assurance specialists in accordance

with the International Standard on Assurance Engagements 3000 (ISAE 3000).

The work undertaken for the subject matters selected for this engagement consists of:

- 1 Selected sustainability performance data:
 - interviewing the team at Reckitt Benckiser's head office responsible for the data management process, and those with operational responsibility for performance in the areas we are reporting on;
 - analysing and walking through, on a sample basis, the key systems and controls relating to the aggregation, compilation, validation and reporting processes of the selected sustainability indicators at Group level; and
 - reviewing the content of the Report against the findings of our work and making recommendations for improvement where necessary.

Our work did not include assurance of transport and logistics data.

- 2 Declarations regarding the application of the GRI G3 Guidelines:
 - checking that Reckitt Benckiser made publicly available a GRI content index and, for each of the standard disclosures required by the GRI guidance at level A+, that the relevant indicator is provided; and
 - reviewing the approach that had been applied to ensure that the Report provides a reasonable and balanced presentation of the Company's performance during 2008.

Our work did not include specific work for each of the reported indicators (with the exception of the selected sustainability performance data listed on the back cover of this Report). Instead we have re-performed a sample of management's own testing which they carried out to support their self-declaration that they have complied with the GRI G3 Guidelines at level A+.

- 3 Explanations regarding the Carbon20 measurement methodology and measurement tool:

- reviewing the approach taken to develop the Carbon20 measurement tool and its underlying methodology through interviews with management and specifically, analysis of the explanations provided by management with regard to compliance with the standards indicated;
- analysing and walking through on a sample basis, the application of the described methodology into the working measurement tool; and
- checking on a sample basis that assumptions made in the methodology fall within the parameters of the standards indicated, and that the data has been sourced and applied as described in the methodology.

Our work did not consider the appropriateness of assumptions made or include specific work to test the reliability of the source data on which assumptions rely, or the accuracy of calculations made within the measurement tool.

Responsibilities of Directors and independent assurance provider

Reckitt Benckiser's responsibilities

The Directors are responsible for determining Reckitt Benckiser's sustainability objectives, for establishing and maintaining appropriate performance management and internal control systems and for the preparation of the Group Sustainability Report and the information and statements contained within it.

Deloitte's responsibilities, independence and team competencies

Our responsibility is to independently express opinions on the three subject matters specified by Reckitt Benckiser set out above.

We have complied with Deloitte's independence policies, which address and in certain areas exceed

the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants. We confirm to Reckitt Benckiser that we have maintained our independence and objectivity throughout the year, and in particular that there were no events or prohibited services provided which could impair our independence and objectivity. Our report is made solely to Reckitt Benckiser in accordance with our letter of engagement for the purpose of the Directors' governance and stewardship. Our work has been undertaken so that we might state to Reckitt Benckiser Group matters we are required to state to them in this assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Reckitt Benckiser for our work, for this report, or for the conclusions we have formed.

Deloitte LLP

London, United Kingdom
13 October 2009

Footnote 1: The levels of assurance engagement are defined in ISAE 3000. A reasonable level of assurance is similar to the audit of financial statements; a limited level of assurance is similar to the review of a six-monthly interim financial report.

Footnote 2: This report provides no assurance on the maintenance and integrity of Company websites, including controls used to maintain website integrity, and in particular whether any changes may have occurred to the information subsequent to publication. These matters are the responsibility of the Directors of Reckitt Benckiser Group Plc.

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Sustainability performance data in this report assured by Deloitte LLP

See Independent Assurance Statement, page 25.

Environment (2008 data)	Page
• Greenhouse gas emissions from manufacturing energy use (tonnes CO ₂ equivalents per '000 CUs; actual)	1, 6, 9, 22
• Total waste at manufacturing and R&D facilities (tonne per '000 CUs; actual)	9, 22
• Hazardous waste at manufacturing and R&D facilities (tonnes per '000 CUs; actual)	9, 22
• Water discharges from manufacturing and R&D facilities (m ³ per '000 CUs; actual)	9, 22
• Energy use at manufacturing and R&D facilities (GJs per '000 CUs; actual)	8, 22
• Water use at manufacturing and R&D facilities (m ³ per '000 CUs; actual)	8, 22
• Top 5 raw materials used (million metric tonnes)	8
Product quality (2008 data)	
• Number of consumer recalls	13
• Number of principal quality issues for existing products and new products	13
Social performance (2008 data)	
• Average number of people employed by region	3
• Nationalities: of the Company's Board, Executive Committee, 'Top 40' and 'Top 400' senior management and 75% of the average number of total global employees	14
• Gender split: of the Company's Board, Executive Committee, 'Top 40' and 'Top 400' senior management and 75% of the average number of total global employees	14
Health and safety at work (2008 data)	
• Lost Working Day Accident Rate (LWD AR) at manufacturing, R&D and warehouse facilities (per 100,000 hours)	1, 15
• Numbers of fatal and severe accidents	15
Financial performance (2008 data)	
• Cash Value Added (£) (based on figures derived from public, audited accounts)	4