

change it



What is Sustainability for Reckitt Benckiser?

For us, sustainability is about:

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

What are our priorities?

- **Environmental Sustainability**
 - mitigating climate change
 - a sustainable supply chain
 - waste reduction, re-use and recycling
- **Social and Ethical Responsibility**
 - product safety and employee health & safety
 - a responsible supply chain
 - local and global community involvement

find it

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What's on the cover?

Main picture: Our Trees for Change carbon offset project in Canada (www.treesforchange.info)

Top right picture: Installation of a solar hot water renewable energy system at our factory in Iksan, South Korea

Bottom right picture: Helping to Save 100,000 Lives with Save the Children; Fiona Fong, Head of Corporate Communications (www.save100000lives.com)

build it

"A more sustainable business is not just 'better', it is also key in delivering our vision of truly better consumer solutions and long-term shareholder value... it's at the core of what we do."

We want a company that is seen by those both inside and out as making a positive economic, environmental and social contribution.

Our products improve lives by delivering better hygiene and health to millions of people every day – this is our primary purpose (see page 2); by doing it efficiently and effectively we deliver strong financial returns and the social benefits associated with them (see page 5).

Our sustainability challenge is to tackle negative aspects of our business such as the impact our energy use has on climate change. We are making good progress here and in the next twelve months will set ourselves even more challenging goals.



Bart Becht Chief Executive Officer
Reckitt Benckiser plc

What is 'a sustainable business'?

We see four dimensions of business sustainability, in line with the Business in the Community (BitC) model (www.bitc.org.uk):

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

Having had a comprehensive Corporate Responsibility Framework in place for several years now, we increasingly focus on fewer, bigger and better programmes to advance our business's sustainability. These focus areas are outlined on the inside front cover of this report; how we work to achieve them is summarised on pages 20 & 21. I want to mention the results in two key areas.

Progress where it counts

Climate Change Since 2000 we have reduced greenhouse gas emissions from our manufacturing energy use by 22% per unit of production, and by 15% in total. This is a massive reduction.

However, whilst we are very pleased with this progress within Reckitt Benckiser, we are increasingly looking at the lifecycle carbon footprint of our operations, right from the sourcing of raw and packaging materials to consumers use and disposal of our products and their packaging. We call this the Total Carbon Footprint of our business, and our objective is to reduce it by initiatives which work across the whole product lifecycle, from cradle to grave. How we are tackling climate change is explained on page 6.

Saving 100,000 Lives In October 2006, we launched a new programme with Save the Children to Save 100,000 Lives by raising £1 million by the end of 2008. These funds will support Save the Children's work on immunisation and basic health and hygiene infrastructure in some of the most deprived countries, initially Tanzania and Angola. There are more details on page 10.

The Future

We are working hard to better understand and measure our Total Carbon Footprint. Within the next twelve months we shall be working with:

- our employees, to re-engineer the way we do business to reduce carbon emissions, for example by putting more renewable energy sources in place and optimising business travel
- our suppliers and trade customers, to reduce carbon emissions in the total supply chain and further reduce, re-use and recycle packaging
- our consumers, through initiatives to enable them to use our products more efficiently

Meanwhile, we shall continue to talk to our stakeholders and to work across issues such as health & safety and manufacturing standards in our own factories and the wider supply chain, to ensure a responsible and ethical business.

In 2006 we:

- reduced our greenhouse gas (GHG) emissions from manufacturing energy use by 9% per unit of production and 2% in total versus 2005. Since 2000 we have reduced GHG emissions by 22% per unit of production (exceeding our 2010 20% reduction target) and by 15% in total
- reduced our energy use by 8% per unit of production and 1% in total versus 2005. Since 2000 we have reduced our energy use by 25% per unit of production (exceeding our 2010 20% reduction target) and by 20% in total
- increased the percentage of our waste which is recycled to 70% overall and 56% for hazardous waste, exceeding our 2010 targets; although we also saw a 12% increase in total waste per unit of production in 2006 versus 2005, due to high volumes of waste at our new factory in Russia and at the manufacturing facilities we acquired in 2006
- in terms of health & safety at work, we saw a 10% increase in our lost working day accident rate in 2006 versus 2005, due to an increased level of accidents in our Latin American factories. However, we also took action to address this, and in Q1 2007 we achieved a reduction in accident rate of more than 40% versus 2006. Overall, 2006 represented a 75% reduction in accident rate compared to 2001

Our primary purpose

Delivering hygiene and health

We are passionate about delivering better solutions in household cleaning and health & personal care to customers and consumers, wherever they may be.

For almost two centuries Reckitt Benckiser has been providing branded products to improve hygiene and health. Today, our products contribute to improving lives in the 180 countries where they are sold.

Most of our effort goes behind the 18 Power Brands that now represent almost 60% of our business across 5 core product categories. Through continuous product innovation and investment we are developing ever-better solutions.

In February 2006 Reckitt Benckiser completed the purchase of Boots Healthcare International (BHI), strengthening our presence in the over-the-counter (OTC) healthcare market through the addition of world-leading brands including Strepsils, Nurofen and Clearasil.

See page 3 for our product categories

As well as continuous product innovation, we are continuing to roll out our Power Brands into new geographies and markets. Over 80% of our net revenues currently derive from Europe, North America and Australia/New Zealand, but our sales in Developing Markets are growing rapidly.

See page 4 for our global operations

Meeting consumers' needs

Our products meet consumers' needs in a variety of ways, from saving them time on mundane household tasks such as washing the dishes, to preserving the quality of their clothing with non-bleaching stain removal, or simply keeping their home clean in convenient ways.



Improving hygiene

Our world leading antiseptic and disinfecting brands, Dettol and Lysol, help to reduce infection and the spread of communicable diseases in numerous countries, reducing the incidence of sickness and mortality.

For example, Dettol saw overwhelming public demand when SARS (Severe Acute Respiratory Syndrome) hit Asia in 2002/03, and, when used as directed, Lysol disinfectant spray and wipes kill RSV (Respiratory Syncytial Virus) and influenza viruses on hard nonporous surfaces.

www.lysol.com



Deterring pests – preventing disease

Our pest control products help to protect people from diseases, such as malaria or dengue fever carried by mosquitoes. The World Health Organisation estimates that 1.5 - 1.7 million people die every year from malaria, 90% of whom are children under the age of five.

Health & Personal Care
Net revenue £1,234m

25%
of net revenues

Market position

Dettol is the world leader in antiseptics bought for use at home. Veet is the world leader in depilatories. Nurofen is the No.2 Analgesic in Europe. Strepsils is the No.1 sore throat product outside the US. Clearasil is the No.2 anti-acne treatment. Gaviscon is the No.1 UGI (Upper Gastro-Intestinal) brand in Europe.

Key brands **Antiseptics** Dettol **Denture Care** Kukident, Steradent **Analgesics cold/flu** Disprin, Lemsip, Nurofen, Strepsils **Gastro-Intestinals** Gaviscon, Senokot, Fybogel **Personal Care** Clearasil, Veet

Fabric Care
Net revenue £1,194m

24%
of net revenues

Market position

No.1 worldwide in Fabric Treatment and Water Softener categories. No.2 worldwide in Garment Care.

Key brands **Fabric Treatment** Vanish, Spray 'n Wash, Resolve, Napisan **Garment Care** Woolite **Water Softener** Calgon **Fabric Softener** Quanto, Flor **Laundry Detergent** Ava, Sole Colon, Dosa

Surface Care
Net revenue £909m

18%
of net revenues

Market position

No.1 worldwide in Surface Care with leading positions across the five product groups listed below.

Key brands **Disinfectant** Lysol, Dettol, Sagrotan, Pine-O-Clean **Lavatory** Harpic, Lysol **All purpose** Veja, St Marc, Cilit Bang, Easy-Off Bang **Specialty** Easy-Off Oven, Mop & Glo, Brasso, Lime-A-Way, Destop, Rid-X **Polishes & Waxes** Poliflor, Old English, O'Cedar, Mr Sheen

Dishwashing
Net revenue £591m

12%
of net revenues

Market position

No.1 worldwide in Automatic Dishwashing.

Key brands Finish, Calgonit, Electrasol, Jet Dry

Home Care
Net revenue £692m

14%
of net revenues

Market position

No.2 worldwide in Air Care, Shoe Care and Pest Control.

Key brands **Air Care** Air Wick **Pest Control** d-Con, Mortein, Shieldtox, Target, Rodasol, Pif Paf, Tiga Roda **Shoe Care** Nugget, Cherry Blossom



Other Businesses

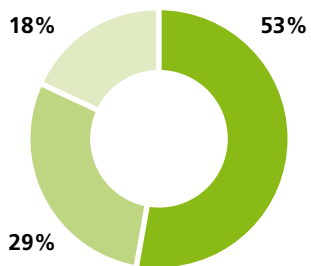
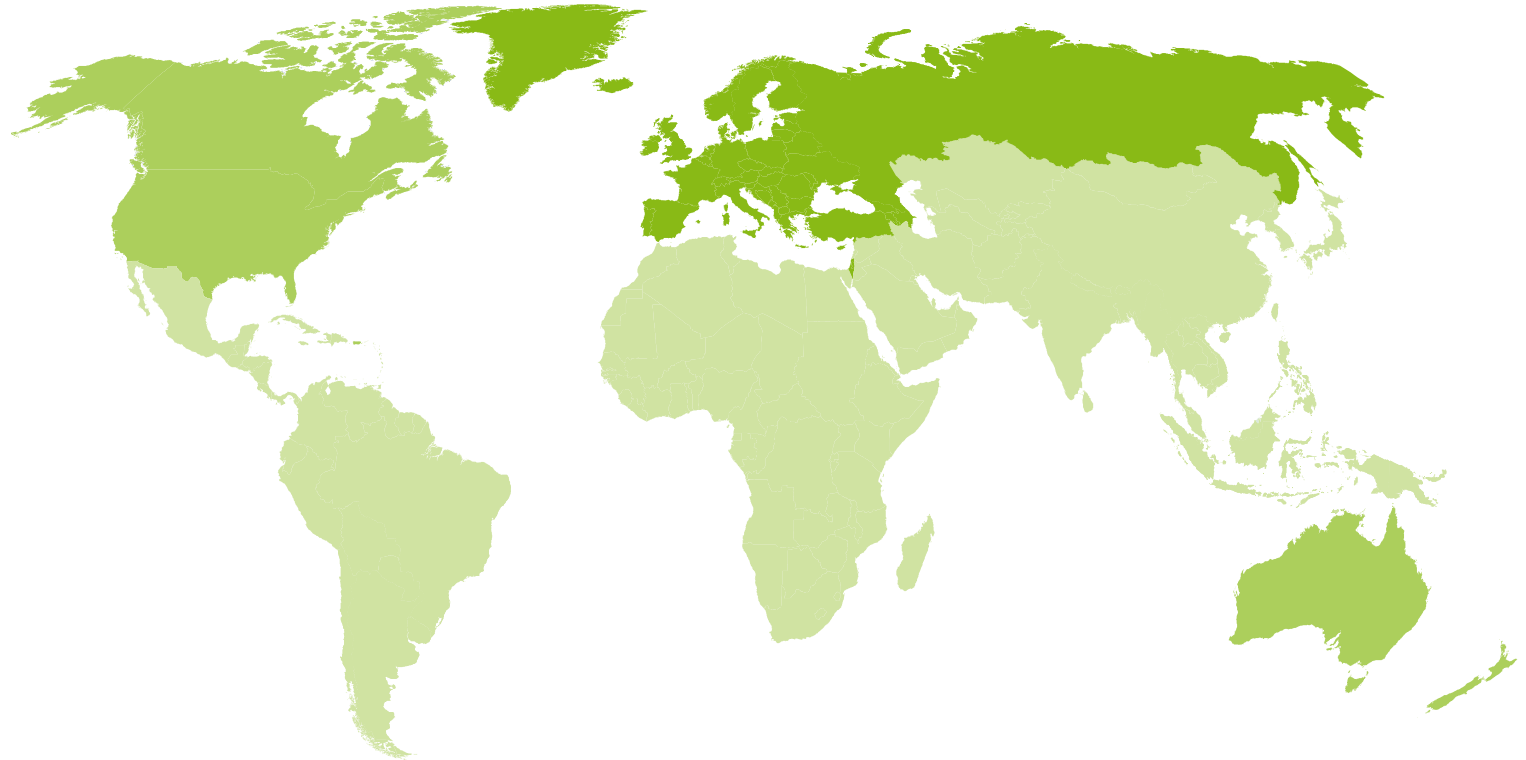
We own a largely North American Food business, the principal brands of which are French's mustard and Frank's Red Hot Sauce; the No.1 mustard and No.2 hot sauce in North America.

BBG is responsible for the development of our Subutex and Suboxone prescription drug business. Both products are forms of Buprenorphine for treatment of opiate (e.g. heroin) dependence.

Global operations

Sales in 180 countries, operations in 60 countries, manufacturing facilities in 31 countries

Our business is structured through a matrix of three geographical areas (Europe, North America & Australia, and Developing Markets) and six core functions (Category Development and Research & Development, Global Supply, Global Sales, Information Systems, Finance and Human Resources).



Breakdown of 2006 net revenue by area

- Europe
- NAA
- Developing Markets

Three geographical areas:

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

	Factories as at 31.12.2006
Europe	17
Asia	10
North America	6
Africa/Middle East	5
Latin America	4
Australia/New Zealand	1

**RECKITT
BENCKISER**



Our financial performance improves lives

We are pleased to report another year of progress and considerable achievement.

Adrian Bellamy Chairman

2006 was another good year for Reckitt Benckiser in terms of financial performance. Our net revenues grew by 7% on a like for like basis and by 18% overall, while adjusted earnings per share rose by 19%.

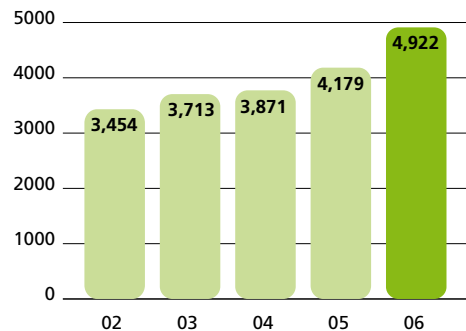
Through our financial performance we generate benefits for employees, shareholders and society, all of whom share in the wealth the Company creates.

In 2006 we:

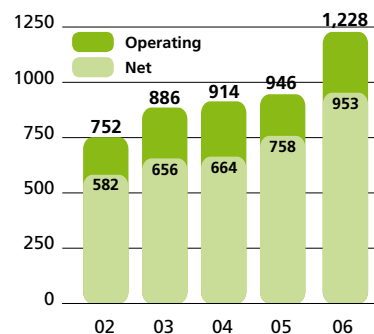
- provided an income of over £2.9 billion to suppliers of raw and packaging materials and other goods and services, which helped to sustain their businesses and to provide employment and income for their employees
- provided in cash £300 million in dividends and £300 million in share buyback to shareholders. 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 increased the market value of the Company by more than £2.5 billion in 2006, to over £16.5 billion

- paid our 21,900 employees £583 million in salaries and post retirement benefits, which contributes to their personal standard of living and in turn contributes to the local economies and communities in which we are located
- paid £272 million 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)



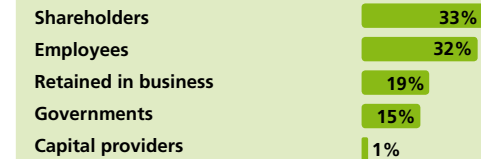
Cash value added

Cash value added is a measure of monetary distribution in terms of cash. It is derived directly from the data provided in the Company's Annual Report & Financial Statements 2006.

Our cash value added was £1,826 million in 2006, 80% of which was distributed to shareholders, employees and governments.

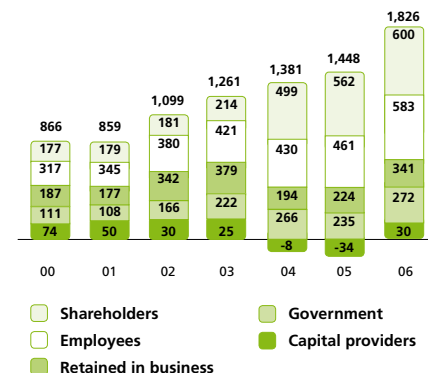
We also spent £1,888 million net cash in 2006 acquiring Boots Healthcare International (BHI).

Distribution of cash value added, 2006 (%)*



* The cash 'retained in business' represents the movement in net debt offset by the cash spent to acquire BHI, which was (net) £1,888 million.

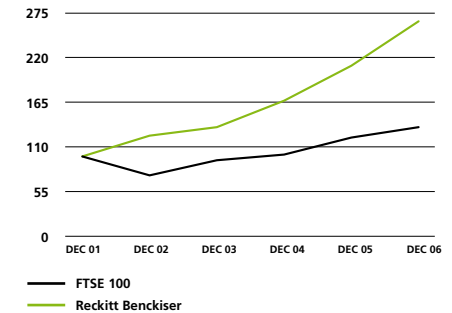
Distribution of cash value added* (£m)



Historical TSR performance

TSR (Total Shareholder Return) shows growth in the value of a hypothetical shareholding of £100 over 5 years.

FTSE 100 TSR comparison based on spot values (£)



Further information on the Company's financial performance is provided in the Shareholders' Review 2006 and Annual Report & Financial Statements 2006, which are available with our latest financial information at www.reckittbenckiser.com.

Tackling climate change

in our business and supply chain

Climate change may be the greatest challenge faced by the environment, society and the economy today. We are committed to tackling it by changing our business for the better, not just in our own activities, but across the whole lifecycle of our products.



We are taking real action to tackle climate change at source: across our own business; with our suppliers; and, in consumers' use of our products. Also, we are offsetting the greenhouse gas emissions from our global manufacturing energy use through our Trees for Change project.

Edward Butt
Vice President, Sustainability

Our Total Carbon Footprint comprises the greenhouse gas emissions across the full lifecycle of our products:

- **Our Business** has a carbon footprint from the energy used at our factories, offices, R&D centres and in business travel
- **Our Business Partners** either: 'pass on' to us embedded carbon in the raw materials, packaging and services we buy from them, including in contracted logistics and

third-party product manufacturing; or 'add' additional carbon when, as distributors and retailers, they distribute and sell our products

- **Our Products' Consumers** add additional carbon when they go shopping for, use and dispose of, our products. However, it's surprising how some of our products, such as automatic dishwashing detergents, can allow consumers to use much less energy (and water) than other alternatives (see green dishwashing, page 9).

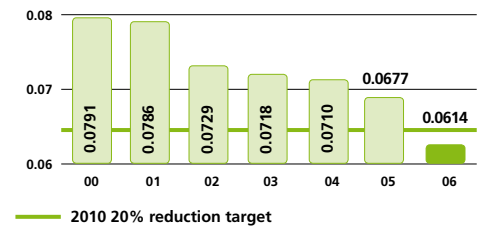
Part of our products' Total Carbon Footprint comes from the energy used in our own business: the factories, offices, R&D centres and business travel that comprise the activities under our direct control.

We are implementing a three-part approach to tackling our direct carbon footprint:

- **Reducing** the amount of energy we use, through energy efficiency measures in our factories and by simply avoiding unnecessary consumption in our offices and business travel
- **Replacing** existing low-efficiency fossil fuel energy sources with highly efficient Combined Heat & Power (CHP) energy systems and renewable energy sources (e.g. solar, wind or biomass power), where possible
- **Renewing** what is left (after Reduction and Replacement), by offsetting the greenhouse gas emissions from our global manufacturing energy use, through our Trees for Change project www.treesforchange.info

As our work to Reduce and Replace our direct carbon footprint achieves results, the extent of offsetting required to make our global manufacturing energy use carbon neutral is decreasing.

Greenhouse Gas Emissions from Manufacturing Energy Use
(tonnes CO₂ equivalents per '000 CUs)



NB: data from two R&D centres located at manufacturing facilities are also included here, across all years

Going forward, we are setting ambitious and stretching objectives to:

- expand even further our internal programmes to reduce energy consumption and increase renewable energy use
- work with our employees, to re-engineer the way we do business to reduce carbon emissions, for example by looking at how, when and where we hold meetings - to optimise business travel
- work with our suppliers and trade customers, to reduce carbon emissions in the total supply chain and further reduce, re-use and recycle packaging. Greenhouse gas emissions from our logistics contractors are reported on page 16
- work with consumers, through initiatives to enable them to use our products more efficiently

Green energy use in Reckitt Benckiser

Typically, up to 60% of the energy used to generate grid electricity from fossil fuels (e.g. coal) is lost as waste heat at the power station, and up to 10% is lost in transmission losses. By using local, highly efficient, Combined Heat & Power (CHP) energy systems these losses can be avoided, saving large volumes of greenhouse gases from being emitted.

In 2005 we commissioned heat recovery on a new carbon-saving CHP energy system at our factory in Mira, Italy; Mira uses the most energy of all our factories globally, comprising 13% of our global manufacturing energy use in 2006. The factories which are placed 2nd and 3rd in terms of manufacturing energy use, comprising 8% each, are Nottingham in the UK and Granollers in Spain. They both also make use of CHP systems.

- About 20% of our 2006 manufacturing energy use came from CHP energy systems
- About 6% of our manufacturing energy use in 2006 came from renewable energy sources, largely through the generation mix of the grid electricity we were supplied with
- Overall therefore, approximately 26% of our 2006 global manufacturing energy use came from high efficiency CHP systems or renewable energy sources
- In 2006 and early 2007 we commissioned solar panel arrays in Italy (solar electric) and South Korea (solar hot water), and a small solar power project in India
- We moved our Corporate head office in the UK to a green electricity tariff on 1st January 2006; so far in 2007 we have also moved to a green electricity tariff at our R&D centre in Montvale, USA

We are very proud that the Iksan factory is playing its part in moving us all towards a more sustainable future. By installing 500 square metres of solar hot-water panels, we are reducing our use of energy derived from fossil fuels.

Jaehyun Seo, Factory Manager, Iksan, South Korea



Picture below:

Part of the 2007 reforestation area, with mounding visible, ready for planting - May 2007

Right hand below picture:

Planting up the 2007 reforestation area - May 2007

Right hand top picture:

Seedlings in the 2007 reforestation area - May 2007



Trees for Change

Launched in 2006, our Trees for Change project offsets the greenhouse gas emissions from our global manufacturing energy use in 2006 and 2007, by planting more than two million trees in over 15 square kilometres of new forests, absorbing over one million tonnes of CO₂ over the next 80 – 100 years. This makes the more than eight billion products we will produce in 2006 and 2007 carbon neutral in terms of their manufacture.

2007 is our first year of main planting for the project, following Pilot Planting in 2006. In May and June 2007 local reforestation contractors planted almost 600,000 native species trees in British Columbia for the Trees for Change project. Latest information is available at: www.treesforchange.info

Which species of tree have we planted?

Common Name White Spruce

Scientific Name *Picea glauca*

Form Medium in height (max 40m) and triangular in shape with bushy branches. Can live for over 300 years.

Distribution Low to mid-elevation forests of northern and coastal British Columbia.

Common Name Interior Douglas-fir

Scientific Name *Pseudotsuga menziesii* var. *glauca*

Form Tall (up to about 55m) with sweeping branches. Can live for over 700 years.

Distribution Valley bottoms and up to about 1,050m in interior British Columbia. Douglas-fir is widely planted in the UK for timber.

Common Name Lodgepole Pine

Scientific Name *Pinus contorta*

Form The Lodgepole Pine is a tall, slender evergreen with a straight trunk. It grows to about 40m high and will survive in habitats that defeat other conifers. Can live for about 250 years.

Distribution Widespread throughout British Columbia, its best growth occurs on well-drained loamy soils.

Tackling climate change in consumers' use of our products



All brands that carry this mark are from companies which are committed to the Industry project Save Energy and Water.

Tackling climate change with our consumers

Research shows that a large part of some of our products Total Carbon Footprint comes from consumers' use of them in the home. However, this also means that a small reduction in energy use, multiplied by millions of consumers, gives a massive reduction in climate change emissions. The page 9 item on 'green dishwashing' shows how consumers can 'save energy and water' with our automatic dishwashing products.



Laundry Sustainability Project

The Code of Good Environmental Practice for household laundry detergents was launched in 1998, establishing targets in three areas: reduced detergent volume and packaging use (by moving to compact powder formulations); reduced use of poorly biodegradable organic ingredients; and lower consumer energy use (by washing at lower temperatures).

In 2006, the Code of Good Environmental Practice was extended to Central and Eastern Europe and some neighbouring countries through the **Laundry Sustainability Project**. This aims to reduce detergent volume, packaging use and consumer energy use in these markets, where the ownership of automatic drum-type domestic washing machines is increasing significantly. It is expected that the campaign will help to reduce the amount of detergent used in Central and Eastern Europe by nearly 200,000 tonnes!



www.aise-net.org

The aim is to reduce a standard washing machine detergent dose by at least 33% in weight and 25% in volume, in these markets.

The leading German consumer testing organisation Stiftung Warentest published a test in February 2007 which concludes that it is more sustainable to use stain removers/pre-treaters such as Vanish on heavy dirt or single stains, rather than to use more laundry detergent and/or higher wash temperatures.

Michael Kashchke
Director Strategic Alliances, Germany



Green dishwashing – 3 steps to success!

A life cycle inventory of a dishwasher tablet, featured in our 2003 Environmental Report (www.reckittbenckiser.com), showed that 89% of the energy use associated with that tablet came from the consumers' use of their dishwasher.

Reckitt Benckiser is no. 1 in Europe and no. 2 in North America in ADW detergent products. By working on initiatives that enable consumers to use our products more efficiently, we can significantly reduce the carbon footprint of some of our leading brands, and of households who make use of them.

1. Generally, use the dishwasher instead of washing dishes by hand Using a dishwasher can be the most energy and water efficient way to wash up! Recent research by Bonn University showed that using an efficient, low temperature dishwasher programme with a fully loaded machine typically uses substantially less water and also less energy than hand dishwashing the same load, whilst also producing a better result.

2. Use low temperature washing cycles The Save Energy and Water project is an industry initiative launched at the A.I.S.E.* General Assembly in Oslo in June 2006 with a very simple message: **"Save Energy and Water – try the 50°/55°/auto programs"**

Many people use higher temperature programmes on their dishwashers needlessly.

Dishwashers do not fill with water (!), but circulate a small quantity of water which is sprayed onto the articles being washed. Energy-saving washing cycles generally have longer cycle times than higher temperature programmes, allowing more of the cleaning to be done by 'soaking', reducing the need for water and reducing the temperature that water needs to be, thus lowering the water and energy consumption required.

Because our automatic dishwashing (ADW) products work just as well at 50 and 55 degrees centigrade when the load is not unusually dirty, consumers can choose energy-saving programmes and still achieve the great results that they expect, whilst saving significant volumes of water and energy.

If half of the European households using higher temperature dishwashing programmes switched to energy saving cycles, they could together save:

- over 300,000 tonnes of CO₂ equivalent greenhouse gas emissions every year[#] (this is more than the emissions from energy use at all of Reckitt Benckiser's global factories in 2006)
- up to 7,000 million litres of water a year[#], that's enough for over 200 million showers at moderate use rates

For more information, go to www.saveenergyandwater.com

3. Buy products from carbon neutral factories Our Trees for Change project (www.treesforchange.info) is unique in the detergent industry; what it means in practice is that all of the products currently manufactured at Reckitt Benckiser factories, which includes our dishwashing detergents, are carbon neutral in terms of manufacturing energy use. Finish and Calgonit are the world's only carbon neutral dishwashing brands... good news for the environment and for our customers!

*A.I.S.E. – the International Association for Soaps, Detergents and Maintenance Products

[#]based on the maximum likely saving which can be achieved, identified from a sample of machines recently on the market in Europe and data on average European dishwasher usage patterns



Adapting to a changing climate

As a result of global warming and climatic change there may be an expansion in the areas affected by diseases such as malaria or dengue fever that are carried by mosquitoes.

Above picture:
Mortein pest control

Reckitt Benckiser is currently the world number 2 in Pest Control, including mosquito deterrents and repellents. We would – unfortunately in social and environmental terms – expect to see increasing demand for our anti-mosquito products when/if changes in mosquito and disease range occur due to climatic change.

Improving hygiene and health in communities



Making life better

We want to make life better for people. Not just with our products, but in the support we give to both our local, and global, communities.

Every year we aim to 'give back' some of the wealth our business creates – over and above its normal distribution to our employees, suppliers, shareholders and governments (see cash value added, page 5) – by helping the areas of society most in need of support.

In 2006, we gave over £1.5 million worth of financial and product support to health and hygiene programmes around the world. The company gave £1 million in cash donations, with the rest in the form of donated products or money given or raised by our employees.

This is just a brief summary of our key community initiatives in 2006. You can find out more about all our community involvement programmes in our annual Community Newsletters, available at www.reckittbenckiser.com



Every three seconds, every day, a child dies due to a lack of basic hygiene and health infrastructure. Reckitt Benckiser has set a target to 'Save 100,000 Lives' with Save the Children by the end of 2008.

Fiona Fong, Head of Corporate Communications



Saving 100,000 Lives

We have been working with Save the Children since 2003 to help improve the lives of children in some of the world's most disadvantaged locations. Our focus in 2006 was the launch of a new campaign to 'Save 100,000 Lives', but since 2003 we have also raised over £1 million through corporate donations, payroll giving, on-pack promotions and hundreds of other local activities and sponsorships.

This money has funded vital education and sanitation projects to improve children's health and hygiene in Bangladesh, Kenya, China, India and Myanmar, as well as helping victims of the Asian Tsunami.

Left picture:
Preventing disease for as little as £10

Below left picture:
Vital training of traditional birth attendants

Below right picture:
Distribution of over 1,000 mosquito nets

The devastating statistic that every three seconds a child needlessly dies prompted us to raise our level of commitment to Save the Children last year by launching our Save 100,000 Lives programme. Our goal is to raise £1 million by 2008 and quite literally save 100,000 lives.

We have already raised over £500,000. Most of the money will go to projects in Angola and Tanzania where there is a critical need for immunisation and basic healthcare.

The programme aims to support Save the Children's work in three areas:

- through direct interventions (vaccinations, anti-malarial drugs, vitamin A supplements and mosquito nets)
- by changing behaviour (making sure that babies are dried at birth to prevent pneumonia and that mothers breastfeed for the first six months)
- via encouraging policy change (such as establishing free primary healthcare for all)



The impact so far in Angola

Save the Children has stated that Angola is the second worst place in the world to be born, with a broken healthcare system and very high infant and maternal mortality rates.

The Save the Children programme, which is centred in areas of the Huambo Province, has already helped to reduce mortality rates and protect children against malaria and other diseases, by giving:

- anti-malaria drugs to 10,000 children
- immunisations to 5,725 children
- mosquito nets to over 1,000 mothers
- vitamin A to prevent blindness in 309 children
- training to traditional birth attendants
- health, hygiene and service training to key community members and health workers.

How we have helped in Tanzania

The biggest killers of the under-fives in Tanzania are malaria, pneumonia and neonatal causes, but nearly 90% of these deaths are preventable. So the focus is to improve the quality of healthcare in two key districts (Singida and Lindi) and to ensure the poorest children have access to it.

Since January 2007, we have supported training to:

- help 3,000 children with malaria
- ensure vaccinations are stored safely
- get more pregnant women to use malaria nets
- help collect accurate data about disease and distributed 1,874 vitamin A supplements. Future training will focus on local communities and the Integrated Management of disease.



Our employees worldwide have continued to use their time, energy and skills in supporting their local communities during 2006. Here a few of the highlights.

Europe

In 2006 Germany's donations helped children's projects in Romania, Poland and Togo, in addition to supporting projects in Germany with events such as sales, raffles and auctions which raised money for children's charities closer to home.

Greece donated products to various local children's charities in 2006, while Italy supported Italian cancer research and Polish children's charities.

The UK raised funds for various overseas and cancer charities during 2006, but focussed its efforts on local children and families in need of assistance. At our Global HQ in Slough, this included women's aid charities, family charities and the air ambulance service. The Dettol Foundation in Swindon continued its support of over 30 local causes. Our Nottingham team restored the garden of a local hospice, while Hull supported many national and local children's charities.

Below picture: A Reckitt Benckiser team restoring the garden of a hospice in Nottingham



Below picture: The Dettol Surakshit Parivar programme in India



North America, Australia and New Zealand

In 2006 our North America HQ supported three major charities promoting good health and hygiene (the Infection Connection exhibit at the Liberty Science Center, the Lysol Family Playroom at a local hospital and sponsorship of the Alliance for Consumer Education) as well as supporting other local charities.

In Australia, employees fundraised for two local charities improving the quality of life for children, while New Zealand supported Westpac Rescue Helicopters and Ronald McDonald charities.

Developing Markets

In India last year, the Dettol Surakshit Parivar programme was launched to promote hygiene and hand washing in key groups. So far, it has educated 900,000 new mothers and 300,000 children and worked with hospitals on first aid and immunisation as well.

We also helped Save the Children with flood relief efforts in Asia and donated 15,000 Mortein coils to fight disease outbreaks.

Childhood only happens once. For some it doesn't happen at all. Reckitt Benckiser's Save 100,000 Lives campaign will have a direct impact on some of the most vulnerable children Save the Children works with.

Jasmine Whitbread, CEO, Save the Children



RB Global Challenge

To help us meet our £1 million target, in October 2007 fifty of our employees from around the world will take part in the company's first ever Global Challenge, undertaking a trek in the Himalayas and visiting a Save the Children project in Calcutta. This will raise money and enable first hand, personal knowledge of the work we are supporting to be taken back to the business worldwide.

Left picture: Sofia with daughter Fatuma waiting at a dispensary, Tanzania

Safe products, quality products

At Reckitt Benckiser, we have long-standing and comprehensive management processes in place to ensure that our products are both suitable and safe for their intended use. Our internal standards and requirements are applied globally and often exceed local regulatory requirements.

Neil Snyder

Global Regulatory, Safety & Environmental (RSE) Services
Director – Household Products



www.heraproject.com

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.

Consumer, environmental and other groups have periodically voiced concerns over the long-term effects of household chemicals on human health and the environment. National, regional and international regulators have sought to address these concerns through the control systems that are in place, and are continually improving these systems, including some major changes such as 'REACH' (see below).

Product Safety

Our overall approach to product safety is summarised in our Product Safety Policy, available at www.reckittbenckiser.com, below which sits a Global Product Safety Programme comprising product safety guidelines, standards, procedures and policies.

Our product safety programme is supported on a day-to-day basis by over 150 people in our worldwide Regulatory, Safety & Environmental (RSE) Services and Regulatory Affairs groups; in addition to its daily use at our Research & Development (R&D) centres and manufacturing facilities globally.

RSE works alongside our Category Research & Development (R&D) teams on all New Product Developments (NPDs), right from the start of the product development process, and is responsible for ensuring the safety and regulatory

compliance of our products for their intended use. 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 wide range of national regulations that exist on issues such as product labelling and ingredients.

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 combine into a single point of reference regulatory requirements, our own (generally stricter) internal requirements, and specific direction on the use (or the prohibition of use) of materials and ingredients.

Between 1999 and 2006 the HERA 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.

Luciano Pizzato

European External Relations Manager

HERA

The HERA (Human and Environmental Risk Assessment) project, established in 1999, is a voluntary industry programme of publicly available risk assessments on ingredients of household cleaning products (www.heraproject.com). HERA has made an important contribution to cross-industry preparation for the implementation of REACH and in 2006 Reckitt Benckiser continued to provide funding for the HERA project.

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 1st 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.

For the majority of substances used in Reckitt Benckiser's 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 the substances used in our products are registered. We are also watching for ingredients which may not be registered (for example because the manufacturer's revenue from a substance may not justify the costs involved in the registration).

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

Ingredient Removal Programmes - 2006 Achievements

Ingredient	% reduction to date	Target completion date	Comments
Dichlorvos	100%	end 2006	-
APEs / NPEs	100%	end 2006	-
Glycol Ethers*	100%	end 2006	-
Formaldehyde	99%	end 2006	1 product with 3 variants remaining, due to technical issues; removal anticipated by end-2007

*Monoethylene series, excluding phenoxyethanol

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 above outlines our ingredient removal achievements in 2006. In recent years we have also removed from our product formulas a range of other ingredients, including nitro and polycyclic musks, dichlorvos and paradichlorobenzene (PDBC).

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, to minimise the environmental impact of a product across its life cycle (see page 16).

Research shows that consumers often do not pay too much attention to product labels and that a 'risk based approach' – focussing the information provided on what consumers actually need to know for correct and safe product use – is therefore required. Reckitt Benckiser and the Household Cleaning and Health & Personal Care industry as a whole works to continually improve the effectiveness of product labelling, so that not only is the correct information provided, but it is provided in a common and easily understandable manner.

We are increasingly seeking to use visual symbols which are more often read and more easily understood by consumers. In an attempt 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 (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.

The principal quality issues seen in 2006 were due to packaging stability/quality (4 issues) and transportation damage (1 issue). We continue to focus attention on packaging, including both its stability/quality and copy approval processes, which ensure that product labelling on packaging is correct and up-to-date.

Safe Behaviour Tips



Keep away from children.



Keep away from eyes. If product gets into eyes rinse thoroughly with water.



Rinse and dry hands after use.



People with sensitive or damaged skin should avoid prolonged contact with the product.



Do not ingest. If product is ingested then seek medical advice.



Do not change container to store contents.



Do not mix with other products.



Ventilate the room after use.

© A.I.S.E.

Principal Quality Issues 2002-2006*

	Quality issues		
	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

* 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).

Our quality management arrangements include Group, Area, Regional and site-level quality assurance functions that oversee and monitor product quality globally. For example, all of our manufacturing facilities have a Quality Manager responsible – with their team – for implementing quality standards, conducting necessary quality control checks and ensuring continuous improvement of quality management. The Site Quality Managers report to the Site Director with a dotted line relationship to the Regional Quality Management Director. We regularly audit our key suppliers to assure and continuously improve the standards of raw materials, components or finished products that they provide us with.

Customer satisfaction

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

Our international consumer 'CARE' system provides information on consumer enquiries, comments and complaints about our products. During 2006 the CARE system was validated for healthcare products, and we started to migrate consumer communication management for the products purchased as part of the BHI (Boots Healthcare International) acquisition of February 2006 into the CARE system.

Our top-level customer complaint performance indicator is the number of 'incidents of serious injury due to defective products'. During 2006 no incidents of serious injury due to defective products were reported to us.

Reducing our use of materials and resources

Our environmental commitment

Reckitt Benckiser is committed to running its business in an environmentally sound and sustainable manner. We recognise that our processes and products have both direct and indirect environmental impacts and seek to achieve continuous improvement in our environmental performance.

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

We increasingly take a life cycle management approach to improving our sustainability performance. Our programmes look beyond the manufacturing activities under our direct control to the impacts of our supply chain (see page 16) and consumers use and disposal of our products and their packaging (see pages 8 & 16).

Environmental management systems

Our Environmental Policy (www.reckittbenckiser.com) forms the basis of our Group environmental management system (EMS), which focusses on our significant environmental aspects (see page 21).

Environmental management systems (EMSs) implementing our global '5 Key Environmental Items' were in place across all of our manufacturing facilities in 2006.

As at 31st December 2006, 39% of our global manufacturing facilities were externally certified to ISO 14001, the international standard for environmental management systems.

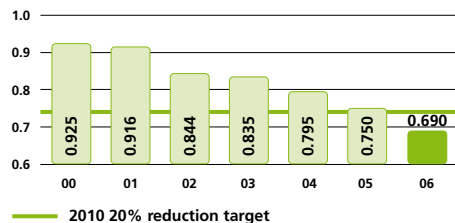
Environmental performance in 2006

It is relevant to our environmental performance in 2006, reported on pages 14, 15 and 23, that:

- 2006 data includes, for the first time, three new manufacturing facilities (in Russia, the UK and Thailand) and one new R&D facility (in the UK) which we opened/acquired in 2006
- 2006 data (only) does not include three previously operated manufacturing facilities (in China, India and the United States) which we closed/sold in 2006

(see basis of reporting, page 24)

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



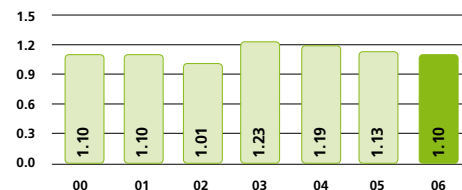
Energy use

We consumed 0.69 Gigajoules (GJ) of energy for every 1,000 Consumer Units (CUs) of production in 2006, and 3.1 million GJ of energy in total. In 2006 we reduced our energy use by 8% per unit of production and by 1% in terms of actual energy used.

Overall, we have reduced our energy use by 25% per unit of production and 20% in terms of actual energy used, since 2000. This means that we have now met our 2010 target to reduce

energy consumption per unit of production by 20%, compared to 2000. In the next twelve months we shall set ourselves an even more challenging goal.

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



Water use

50% of the water we used in 2006 was released back into water systems (see Water Discharges, page 15). The remaining 50% went into our products, was contained in liquid and solid waste sent off site, or evaporated from cooling and process systems.

In 2006 we used 1.1m³ of water for every 1,000 CUs of production and 4.9 million m³ in total.

In 2006 our water use decreased by 3% per unit of production and increased by 4% in terms of actual water used. Overall, since 2000, our water use has decreased by 1% per unit of production and increased by 7% in terms of actual water used.

These variations in our water consumption are largely due to:

- increased production of liquid-based products in response to increased consumer demand for them

- greater use of water for cleaning production equipment, to ensure that product quality is maintained whilst at the same time ending the use of formaldehyde as a preservative in our products
- water efficiency and minimisation projects across many of our facilities, such as the initiative to recycle waste water at our manufacturing facility in Brazil

Raw material use

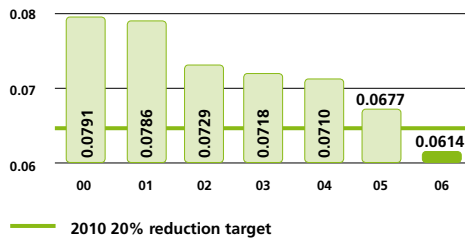
In 2006 our top five raw materials (in terms of quantity consumed at each manufacturing facility) totalled 0.98 million metric tonnes.

Top five raw material categories 2006

Material Category	Percentage of Raw Material Use
Salts	40%
Organic Matter	18%
Hydrocarbons	9%
Acids	2%
Minerals	1%

Reducing emissions from our facilities

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



NB: data from two R&D centres located at manufacturing facilities are also included here, across all years.

Air emissions

Our most significant emission to air is CO₂ resulting from our manufacturing energy use. These emissions are generated both on-site, through the combustion of fossil fuels for space, hot water and process heating, and also off-site from national and regional electricity generation.

Our manufacturing facility energy use produced greenhouse gas emissions equivalent to 0.061 tonnes of carbon dioxide (CO₂) for every 1,000 Consumer Units (CUs) of production in 2006, and 276,000 of CO₂ equivalent in total.

During 2006 we reduced emissions of greenhouse gases from manufacturing energy use by 9% per unit of production.

Actual emissions were reduced by 2%.

Overall, we have reduced greenhouse gas emissions from manufacturing energy use by 22% per unit of production, and 15% in terms of actual emissions, since 2000.

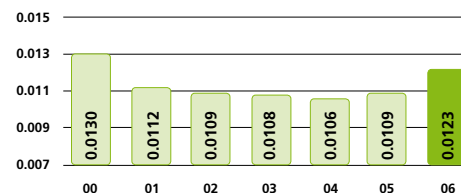
This means that we have now met our 2010 target to reduce greenhouse gas emissions from manufacturing energy use by 20%, compared to 2000. In the next twelve months we shall be setting ourselves an even more challenging goal.

Information on our key initiatives to reduce greenhouse gas emissions from our operations is given on page 6.

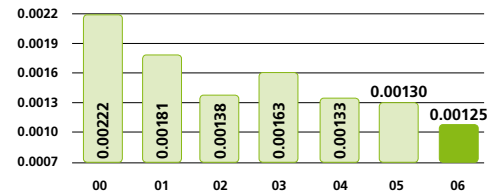
Due to the nature of our manufacturing processes, other common industrial air emissions such as SO_x, NO_x and particulates ('dust') are not generally emitted from our manufacturing facilities. Nevertheless, we work hard to ensure that any air emissions, where present, are well within applicable legal requirements.

In acquiring new manufacturing facilities with BHI (Boots Healthcare International) in 2006 we have taken on cooling equipment which may contain ozone depleting substances (ODSs) as cooling agents. ODS cooling agents are subject to regulatory controls around their purchase, maintenance and disposal. We are currently collating information on the ODSs which are used at our global facilities and shall report on this in our 2007 sustainability report.

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



Hazardous waste at manufacturing and R&D facilities (tonnes per '000 CUs)



Waste

We produced 0.012 tonnes of waste for every 1,000 CUs of production in 2006 (including 0.00125 tonnes of hazardous waste). In total, this comprised 55,000 tonnes of waste (including 5,600 tonnes of hazardous waste).

During 2006 our total waste increased by 12% per unit of production, whilst our hazardous waste reduced by 4% per unit of production.

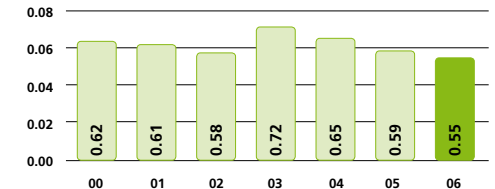
The large non-hazardous waste increase we saw in 2006 was primarily due to: high waste levels at our new manufacturing facility in Russia; as we install, commission and optimise new production processes, comparatively high volumes of waste at the manufacturing facilities we acquired with BHI (Boots Healthcare International), due to the different products and manufacturing processes that these factories have.

In 2006 we re-used or recycled off-site 70% of our total waste (going beyond our 2010 target of 65%) and 56% of our hazardous waste (going beyond our 2010 target of 33%). Part of our improvement in 2006 is attributable to the fact that although our new

Russian and ex-BHI facilities have comparatively high waste levels, large volumes of that waste is re-used or recycled off-site.

With three new facilities in 2006, with equally new volumes and, types of waste; and with two new facilities currently (2007) being commissioned in India; we are now reviewing what new waste re-use and recycling targets are feasible going forward.

Water discharge from manufacturing and R&D facilities (tonnes per '000 CUs)



Water discharges

50% of the water we used in 2006 was released back into water systems. The remaining 50% went into our products, was contained in liquid and solid wastes sent off site, or evaporated from cooling and process systems.

We discharged 0.55 m³ of water for every 1,000 consumer units (CUs) of production in 2006 and 2.5 million m³ in total.

A large volume of our annual water use is re-used and recycled on site within our manufacturing processes. Additionally, 1% of our water discharges were used for the irrigation of green (e.g. garden) areas at our manufacturing and R&D facilities in 2006.

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

Raw material sustainability

Sustainable palm oil

Palm oil is a global commodity – the second largest vegetable oil crop after soy oil – and widely used in many applications, 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 – for example, for use in bio-fuels which can provide a low carbon alternative to fossil fuels.

Soap noodles – which contain a large amount of palm oil – are used in the production of Dettol Soap, which is made and sold in our Developing Markets region, where it plays an important role in personal hygiene.

The Roundtable on Sustainable Palm Oil (RSPO) was established in 2003 as an organisation comprising major users and suppliers of palm oil, and non-governmental organisations (NGOs), to promote the growth and use of sustainable palm oil through co-operation within the supply chain and open dialogue with its stakeholders.

In 2006:

- RSPO issued its Principles and Criteria for Sustainable Palm (www.rspo.org)
- Reckitt Benckiser joined the RSPO
- we reviewed our soap noodle supply chain; confirming that our two global suppliers of soap noodles are both members of – and committed to implementing the Principles and Criteria of – the RSPO

We are currently working with our suppliers to ensure that the RSPO's Principles and Criteria are implemented within our supply chain.

Forest derived materials

We use a few raw materials derived from managed forests and sometimes look at such materials whilst investigating new product developments.

In 2004 we established an internal 'Standard for raw materials derived from forests', mandating that forest derived raw materials which are or may be used in our products only come from forests that are responsibly managed, and defining what qualifies as responsible forest management.

Since 2004 we have sought assurance that this standard is followed by our supply chain, and several site visits have been conducted to assure this. We continue to keep our standards and management process in this area under review.

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

Our previous reports (www.reckittbenckiser.com) have featured projects and programmes which have made significant reductions in our packaging use, both by optimising packaging components and by making specific products such as laundry detergents more compact (see page 8).

In 2006 we have funded, generally through the UK plastic packaging recycling organisation RECOUP (www.recoup.org):

- further development of the new international guidelines on plastic packaging - Recyclability by Design - which were published last year, to incorporate consideration of biodegradable plastics into the guidelines. A revised version of the guidelines will be published during 2007
- the development and installation of new public, plastic packaging recycling schemes; in the UK, United States and Poland

Transport & logistics

We use third-party transport contractors to move finished products by road, rail and sea from our manufacturing facilities to distribution centres, and to transport those products and products made for us by third-party manufacturers from distribution centres to our 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 customers.

In 2006* our global transport contractors:

- travelled approximately 223 million kilometres (139 million miles) by road, contributing about 0.052 tonnes of CO₂ equivalent greenhouse gas emissions for every 1,000 Consumer Units (CUs) of production in 2006, and 236,000 tonnes in total
- transported approximately 201 million tonne-kilometres (a function of tonnage transported and distance travelled) by container in deep sea ships; contributing approximately 0.0003 tonnes of CO₂ equivalents for every 1,000 Consumer Units (CUs) and 1,406 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 from ourselves and different companies together, avoiding partial filling of trucks
- 'modal shift', moving freight off roads to rail, inland waterways and short sea shipping

*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 accuracy of this information. However, every year we have improved our transport data collection processes. For example, relative to 2005, for 2006 we have reported a much lower volume of deep sea transport, which is due to our contractors using more accurate and comprehensive reporting methods for deep sea transport in 2006.

Responsible supply chains

We work hard to ensure that our supply chain demonstrates responsible and ethical business conduct

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. Smaller, local companies – for example in our Developing Markets region – may not have such formal conduct arrangements in place, but which are nevertheless excellent suppliers and can be important both locally and nationally in terms of their economic, environmental and social contribution to sustainable development.

Our supply chain programmes

We focus our responsible and ethical supply chain programmes on key supplier categories, as defined by our evaluation of:

- the nature of our relationship with each supplier category (i.e. what they supply to us and how much involvement we have with their activities)
- the potential risk of responsibility/ethical issues in each supplier category

Currently, 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

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 (see below)
- provisions within our Code of Business Conduct (see chart on page 20)
- our quality management systems and specifications (see page 12)

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 responsibility or ethical 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

Our Global Manufacturing Standard

Developed with expert external advice in 2003, and launched worldwide in 2004, our Global Manufacturing Standard (GMS) provides a process of both self-certification and external 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

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

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2006

- 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.

Self-certified compliance reviews against the GMS are carried out by all third-party manufacturers who make products on our behalf, followed up by external audits of those suppliers located in our Developing Markets region and – on a sample basis – those located in our other regions. These external audits are carried out by our Regional Supply, Quality and EHS functions.

At the end of 2006, more than 90% of third-party manufacturers in our Developing Markets region (East Asia, South Asia, Africa/Middle East and Latin America) had been audited by us against the GMS. Due to the ongoing movement of suppliers into and out of our supply chain each year, we are continually auditing new suppliers to maintain this level of performance.

Where any actual or potential non-compliance is identified, we work with the business concerned to develop improvement plans, and monitor their implementation. To date the issues which we have come across have been associated with environmental and health & safety management, and occasionally working hours. If any required improvements are not made in an appropriate timeframe, we would review our business relationship with the business concerned.

Responsibility in our operations

How do we address social and ethical issues within Reckitt Benckiser



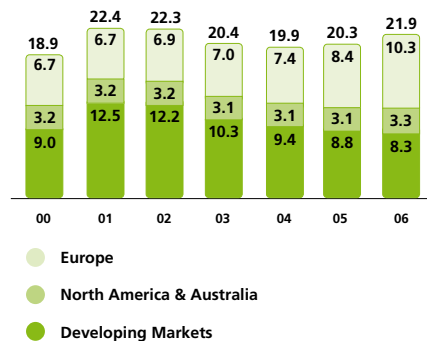
Reckitt Benckiser is driven by the passion and commitment of its employees... the people who work for us are our success.

We work hard to attract, develop and retain highly capable and talented employees, who work together within a unique and enabling culture to produce outstanding results. We go out of our way to encourage, recognise and reward four core internal values:

- Achievement
- Commitment
- Entrepreneurship
- Teamwork

The average number of people employed by the Group during 2006, including Directors, was 21,900.

Average number of people employed by region '000s



We are challenged to think globally but act locally.

David, Sales, Australia

Professionally, international moves broaden your perspective so you are not limited by experience and understanding of only one culture, country or set of consumers.

Aditya, Marketing, India

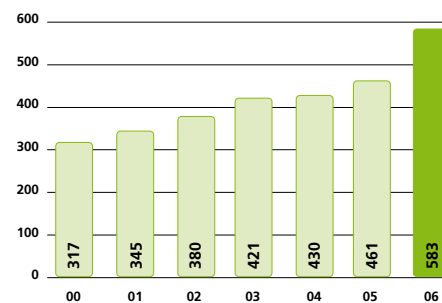
The job itself is far better than I could have expected. All companies say 'You get a real job from day one', but here you really do!

Hella, graduate recruit, Sales, UK

Remuneration and benefits

The total remuneration paid to employees in 2006, including Directors, was £583 million.

Employee remuneration (£ millions)



We seek to offer competitive remuneration that reflects both market conditions of the country in which people are based and the level of skill they possess. Our remuneration system also rewards strong performance through bonus and long-term incentive schemes, in addition to local performance related pay for relevant functions, such as Sales.

Benefits provided to employees (in addition to salaries and bonuses) 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.

Equal opportunities and diversity

Cultural diversity is one of Reckitt Benckiser's greatest strengths; we're not just committed to it, we're passionate about it. Bringing together individuals of different nationalities and cultures into cross-functional teams really drives innovation. Consequently, we strongly encourage international mobility.

We employ, promote and reward people based on their skills, abilities and achievements. We seek to employ and promote those individuals with the best balance of competency, potential, and fit with a position's requirements and Reckitt Benckiser's unique culture – where appropriate positions exist.

Number of nationalities in senior management

	Number of nationalities 31.12.2006
Board (10 people)	6
Executive Committee (9 people)	8
'Top 40' (41 people)	15
'Top 400' (434 people)	47

% women in senior management

	% women 31.12.2006
Board (10 people)	10%
Executive Committee (9 people)	0%
'Top 40' (41 people)	2%
'Top 400' (434 people)	15%

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 both internally and externally. Examples include health & safety, environmental management, quality management, preventative maintenance, and people management.

In 2006 our Global Training Programme provided short courses in: Leadership (2); Business & Organisation and People Management & Development (10), Finance (1), Marketing (3) and Sales (2).

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 also feeds into how we identify people for further growth and their potential for a different or more senior role in the future. Our top 2,500 senior and middle managers – in addition to many other employees – use an on-line assessment and feedback system for the PDR process.

Business conduct

Our Code of Business Conduct ([available at: www.reckittbenckiser.com](http://www.reckittbenckiser.com)) ensures that our employees have a clear understanding of the principles and ethical values that we want to uphold.

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.

We have previously trained our regional, national and functional management teams worldwide on our Code of Business Conduct and crisis management arrangements. In 2006 we provided

follow-up and refresher training in Latin America and Asia.

Our **Whistleblower Helpline** gives employees a confidential freephone 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 annually to the Board Audit Committee.

Internal Audit comprises a global team responsible for assessing, monitoring and auditing financial and non-financial risks to the business of the Company. Full details of the Company's internal control and risk management arrangements are provided in the Annual Report & Financial Statements 2006 (see pages 6, 7 & 13 – 15), available at www.reckittbenckiser.com

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 reasonably can be expected from a commercial organisation. We subscribe to the principal international standards and guidelines for human and labour rights (page 20).

To protect human and labour rights at work we operate our Code of Business Conduct (see business conduct in previous column) and Global Manufacturing Standard (see page 17).

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 22).

Lobbying activities in 2006 included:

- the European detergents industries' Save Energy and Water project; the project Task Force was chaired by our Group Environmental Director, who officially launched the project at the A.I.S.E. General Assembly in June 2006 www.saveenergyandwater.com

- the work of the Corporate Leaders Group on Climate Change, which on 6th June 2006 wrote a second letter to the UK Prime Minister, offering further support in taking bold steps to prevent climate change www.cpi.cam.ac.uk/bep/clgcc

Health and safety at work

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

More than 75% of the Company's workforce are represented on joint employee and management H&S committees and 44% of our manufacturing facilities are externally certified to OHSAS 18001, the international OHS management system standard.

We maintain an OHS Global Hazard and Risk Assessment which covers all of our worldwide manufacturing and R&D facilities individually, to assist in understanding what and where our greatest potential OHS hazards are, so that the required attention can be focused on them.

Fatalities and severe accidents – manufacturing 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

*suspected suicide

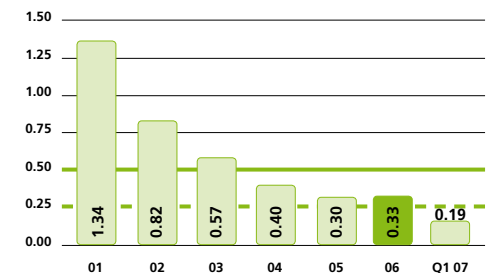
NB: severe accident = permanent disability, incl. loss of sensory or motor dexterity e.g. loss of a finger tip

In 2006, Group EHS audits and reviews were conducted at 32% of our global manufacturing facilities. In addition site audits/reviews were also conducted by local, regional and area EHS personnel and external expert consultants.

On 12th December 2006 we had the first reported fatality at a Company facility since 2001, when a specialist roofing contractor fell through a skylight he was replacing at our factory in Argentina. Our understanding is that all appropriate H&S control arrangements were in place (e.g. Method Statement & Risk Assessment, Permit to Work at Height and regular inspection of the activity), but that the individual was not connected to the fall-arrestment line at the time of the accident.

Working at Height is one of our mandatory 'H&S 7 Key Items' and all sites have to use a Permit to Work system and associated control arrangements when work at height is undertaken.

Lost working day accident rate* at manufacturing and R&D facilities per 100,000hrs



— accident reduction target – 31st Dec. 2005 = 0.5
 - - - accident reduction target – 31st Dec. 2010 = 0.25

* a function of: 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 2006 we saw a 10% increase in our lost working day accident rate (LWD AR), due primarily a number of accidents in our Latin American factories. However, we took action in 2006 to address this issue and in Q1 (January, February & March) 2007 we achieved a reduction in our LWD AR of more than 40% versus 2006.

Overall, 2006 represented a 75% reduction in accident rate compared to 2001.

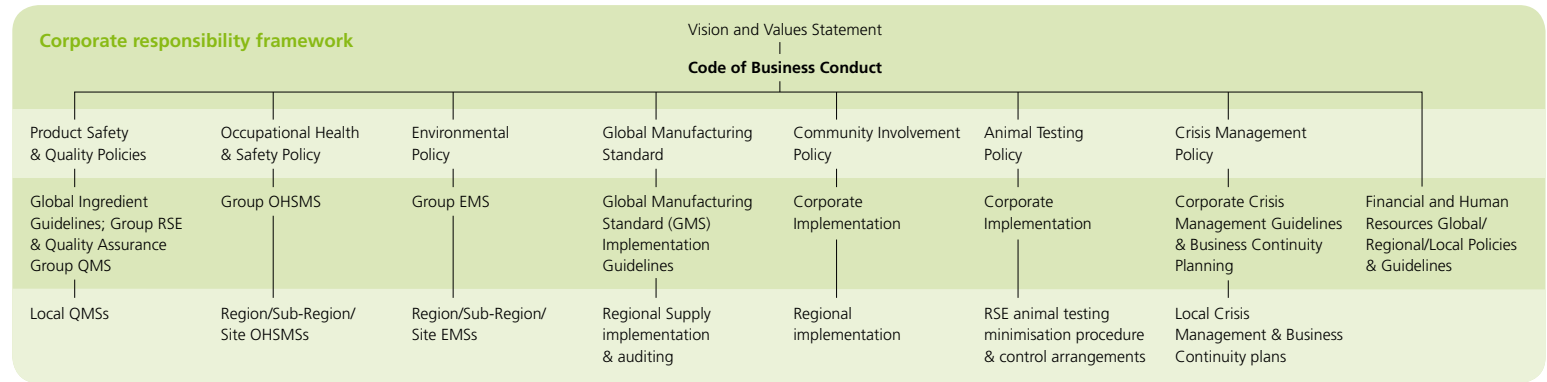
Governance, responsibility and strategy

International standards and guidelines

International standards and guidelines relating to sustainability and corporate responsibility to which Reckitt Benckiser subscribes include:

- the United Nations (UN) Declaration of Human Rights (www.un.org)
- the United Nations (UN) Convention on the Rights of the Child (www.un.org)
- the International Labour Organisation (ILO) eight Fundamental Conventions (www.ilo.org)
- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (www.oecd.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 17).



RSE Regulatory, Safety & Environmental services group
 QMS Quality Management System

OHSMS Occupational Health & Safety Management System
 EMS Environmental Management System

Corporate responsibility framework

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

Further information on the content of these policies and control arrangements, and the programmes and procedures associated with them, is provided throughout this report; copies of the policies themselves are available at: www.reckittbenckiser.com

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 Senior Vice President (SVP), Investor Relations & Corporate Communications, 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), 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 and the global HR function manage our human resources, employee remuneration and benefits, employment practices and organisational development/training.

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 2006 (page 14), available at: www.reckittbenckiser.com

The Association of British Insurers (ABI) has stated that our Annual Report 2006 makes "Full Disclosure" on environmental, social and governance matters, in line with their February 2007 Guidelines on Responsible Investment Disclosure.

Elizabeth Richardson
Company Secretary

Key areas of internal control and performance, including compliance with our Code of Business Conduct (see page 19), are independently reviewed and assured by both internal and external organisations, including Internal Audit, and their findings regularly reported to senior management, the CEO, the Board Audit Committee and the Board.

We welcome the views of external parties on ESG matters and have a proactive stakeholder engagement process (see page 22) 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 12–22 of our Annual Report & Financial Statements 2006 (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 and understanding impacts

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.

At Reckitt Benckiser, we begin by identifying 'significant aspects' (the ways in which our activities, and those of our suppliers and products, materially interact with the environment, society and the economy). Our significant sustainability aspects are listed on the right hand side of the page.

Identifying and understanding risks

We have comprehensive processes 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 Environmental, Social and Governance (ESG) matters and reputational risks. Our Annual Report & Financial Statements 2006 identify three areas of potential ESG and reputational risk identified by the Board:

- potential industry sector/product safety risks: regarding which the Company has comprehensive management processes in place to ensure that its products are both suitable and safe for their intended use
- potential supply chain risks: including labour standards; health, safety and environmental standards; raw material sourcing; and the

social, ethical and environmental performance of third-party manufacturers and suppliers

- potential product quality risks: for which the Company has comprehensive quality management processes and procedures, including Group, regional and site-level quality functions

Strategy and priorities

These aspects and risks 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.

The challenge to us and our peers 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.

Overall, it is on issues of improving the environmental sustainability of our products and processes that we believe we can make the greatest contribution and on which we focus.

Our sustainability strategy and focus is therefore:

- to achieve continual improvement in our overall environmental performance (Environmental Sustainability), focussing on those issues where we can make a real difference, namely:
 - mitigating climate change
 - a sustainable supply chain
 - waste reduction, re-use and recycling
- to manage our business in a socially and ethically responsible manner (Social & Ethical Responsibility), with a focus on:
 - product safety and employee health & safety
 - a responsible supply chain
 - local and global community involvement.

Our significant sustainability aspects

Environmental

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

Social & Ethical

- products which improve hygiene and health
- product quality and safety
- 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 impacts

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

Stakeholders and external benchmarking

By proactively engaging with our stakeholders we can better understand their expectations, and better determine how we can best meet those expectations in practical ways

We carry out regular reviews of our stakeholder engagement activity and its findings, in order to identify and act on material issues.

External stakeholders

We talk to our external stakeholders as part of normal, day-to-day business (e.g. working with suppliers on new product development, talking to customers and shareholders), in connection with specific sustainability initiatives, and in the ongoing development of our non-financial reporting.

For example, during 2006 we were particularly active in our engagement with local communities, NGOs, employees, customers, consumers and suppliers on issues of sustainability and corporate responsibility.

Areas of interest arising from our engagement in 2006 included; our maintaining high standards of product safety (e.g. through the implementation of REACH, see page 12); the sustainable sourcing of palm oil (see page 16); and the potential impacts on and opportunities for our business associated with climate change (see page 8). All these issues 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

Since the Company's formation in 1999 we have undertaken a range of culture surveys to understand employee views about how the Company is run and organised, and to determine how satisfied employees are and where they think we can make improvements.

These surveys are conducted anonymously through expert third parties, to ensure that the feedback received is both frank and confidential.

Sustainability issues, such as health & safety, are included in our regular meetings with the European Workers' Council and other employee representatives.

Working with trade associations and other groups

Our work with trade associations and other groups in 2006 included:

- **A.I.S.E. (the International Association for Soaps, Detergents and Maintenance Products)** in Europe e.g. Charter for Sustainable Cleaning and the Save Energy & Water project (www.aise.net).
- **Soap and Detergent Association (SDA)** in the United States, which in January 2005 formally unveiled its Principles for Sustainable Development (www.cleaning101.com).
- **Corporate Leaders Group (CLG) on Climate Change**, which brings together business leaders from major UK and international companies who believe that there is an urgent need to develop new and longer-term policies for tackling climate change (www.cpi.cam.ac.uk/bep/clgcc).
- **Roundtable on Sustainable Palm Oil (RSPO)** promoting the growth and use of sustainable palm oil (www.rspo.com).

Key stakeholder groups

Community

- Government
- Local communities
- Non-governmental organisations (NGOs) and consumer organisations
- Society

Workplace

- Employees

Marketplace

- Consumers
- Customers
- Regulators
- Shareholders and other financial stakeholders
- Suppliers
- Trade associations

External Benchmarking & Awards

We learn a lot from taking part in, and the feedback on our performance received from, external benchmarks.

In 2006 external benchmarks we were:

- a 'Sustainability Leader' in both the World and European (STOXX) Dow Jones Sustainability Index www.sustainability-indexes.com
- a member of the UK, European and World FTSE4Good Indices www.ftse.com/ftse4good
- 'Platinum' rated (scoring more than 95%) and Sector Leader in both the Corporate Responsibility Index and Environment Index of the UK's Business in the Community (BitC). Additionally, we were identified as being in the 'Global Top 10' of the '100 Companies that Count' in BitC's Corporate Responsibility Index www.bitc.uk
- a participant in the Carbon Disclosure Project www.cdproject.net



Our actual environmental impact

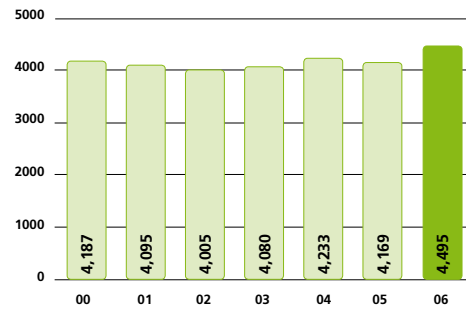
What is our actual environmental impact, not normalised against production volume?

In 2006 (and between 2000 and 2006), the actual environmental impact of our manufacturing and R&D facilities, not normalised against production volume, was as follows:

- **energy use – reduced by 1%**
(00 – 06: reduced by 20%)
- **water use – increased by 4%**
(00 – 06: increased by 7%)
- **greenhouse gas emissions from manufacturing energy use – reduced by 2%**
(00 – 06: reduced by 15%)
- **water discharges – increased by 1%**
(00 – 06: reduced by 5%)
- **total waste – increased by 21%**
(00 – 06: increased by 1%)
- **hazardous waste – increased by 3.7%**
(00 – 06: reduced by 40%)

However, to put these data in context, they need to be examined in the light of the 8% increase in production volume in 2006, and the 7% overall increase in production volume 2000 – 06. The reasons for specific variances in these data are summarised on pages 14 and 15 on this report.

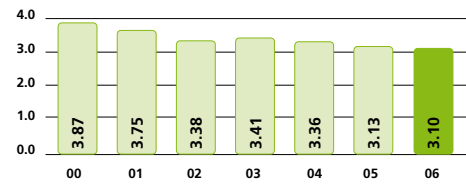
Production volume at Reckitt Benckiser manufacturing facilities* (million consumer units (CUs))



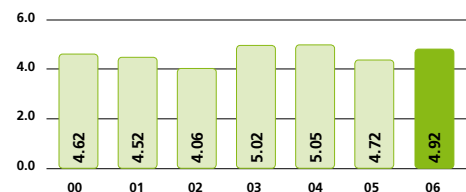
* the environmental performance data in this report relates to our production at Reckitt Benckiser controlled manufacturing facilities, it does not include production volumes at third parties who make approximately 20% of our products for us

Material and resource use

Energy use at manufacturing and R&D facilities (million GJ)

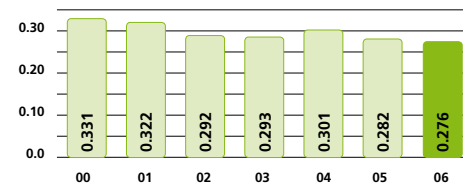


Water use at manufacturing and R&D facilities (million m³)

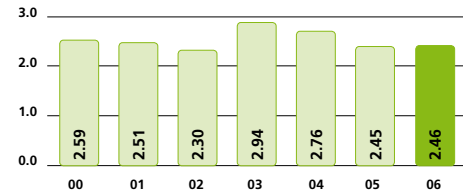


Emissions

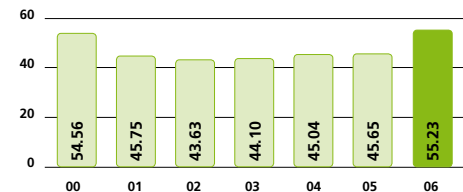
Greenhouse gas emissions from manufacturing energy use (million tonnes CO₂ equivalents)



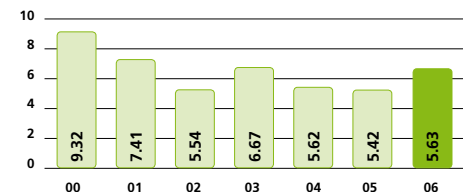
Water discharges from manufacturing and R&D facilities (million m³)



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; this is set out in our Code of Business Conduct and our Environmental Policy. Our clear intention is that legal requirements are surpassed.

Environmental prosecutions and fines

	Prosecution	Fine
2001	0	0
2002	0	2
2003	0	2
2004	0	1
2005	0	1
2006	0	3

During 2006 we received three environmental fines at our global manufacturing and R&D facilities, comprising: £1,490 in Russia, in connection with waste storage, wastewater storage and unapproved earthworks; £1,084 in the United States for wastewater discharges on two days at one factory having a lower than required pH level; and, £1,400 in Portugal for incorrect completion of waste transfer documents.

Basis of reporting

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

This report provides data and information for the period 1st January 2006 to 31st December 2006 across all Reckitt Benckiser Group companies, as follows:

- **Environmental:** the 44 manufacturing facilities and 6 R&D centres over which we had operational control on 31st December 2006, including the UK and Thailand facilities which we acquired with BHI (Boots Healthcare International) on 1st February 2006 (see table); unless otherwise stated
- **Health & Safety:** the 47 manufacturing facilities and 6 R&D centres over which we had operational control for one or more months in 2006, including those which we acquired with BHI
- **Social:** all Group companies and facilities
- **Economic:** all Group companies and facilities, excluding Zimbabwe (see Basis of Consolidation on page 24 of our Annual Report 2006)

Greenhouse gas emissions data

Data on greenhouse gas (GHG) emissions from 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 (1996).

Facility-specific GHG emissions from electricity consumption for 2000-04 use country-level conversion factors provided by the International Energy Agency in 2006; in the absence of 2005-06 country-level conversion factors, a five-year average (2000-04) has been used for 2005 and 2006 conversion factors.

Cash value added data

'Cash value added' is used by a number of companies in their non-financial reporting; however it does not have an independently established or universally agreed specification or methodology. We undertook a development process in 2003-04 before we first reported on cash value added, including external benchmarking and internal discussion to CEO level; since then we have used a single and consistent methodology to calculate cash value added.

Our cash value added (page 5) is derived directly from data provided in the Company's Annual Reports, as follows: Shareholders = dividends paid + shares repurchased; Employees = wages & salaries + net pension & post-retirement costs (includes annual restricted stock); 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 limitations

Comparability of data from year to year may be affected by changes in the number and attributes of Group facilities, changes in the methodology for determining certain data 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 1st February 2006 Reckitt Benckiser completed the acquisition of Boots Healthcare International (BHI), including brands, manufacturing facilities and a R&D centre. The data and information in this report for the year 2006 includes BHI.

Evolution in scope of environmental performance data presented in this report

Year	Operational factories providing data (%)	R&D centres providing data (%)	Comments
2006	44 (100%)	6 (100%)	3 factories closed; 1 new factory opened; and 2 new 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

* Facilities acquired with BHI comprised 3 factories (Nottingham, UK; Bangplée, Thailand; Reinbeck, Germany) and 1 R&D centre (Nottingham, UK). The Reinbeck facility in Germany operates as a separate business unit (Herma) from a single site, including manufacturing, sales and R&D functions, and is not included in the Environmental data in this report; it is included in the Health & Safety, Social and Economic data in this report.

In this report: we include health & safety results from our 6 global R&D centres for the first time, in 2006 and Q1 2007 data; and, the 2006 total waste data excludes 4,157 tonnes of waste from the scrapping of a production run, recalled from warehouses to our factory, which had been supplied with plastic bottles which leaked.

Although we are confident in the overall reliability of the data reported, 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 methods and measurement techniques used to determine environmental and health & safety data (e.g. site level calculations of consumer unit (CU) production levels and working hours).

Independent assurance

Deloitte & Touche LLP (Deloitte) has provided independent assurance over selected information and data in this report (see page 27).

The economic data disclosed in this report on pages 3, 4 and 5, and the social data on employee numbers and remuneration on pages 18 and 19, are taken from the Company's Annual Reports 2001-06, which are subject to independent assurance and are available at: www.reckittbenckiser.com

All of our six previous Sustainability/ Environmental Reports, for 2000-05, were subject to external independent assurance/review, and are available at: www.reckittbenckiser.com

Other reporting documents and contact details

This report is part of an integrated approach to reporting our total performance on an annual basis
Our family of reports – all available at www.reckittbenckiser.com – are outlined below

Reporting strategy

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

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 21)
- the indicators that are most practical to use and add most value across our business and supply chain
- independent, external guidance on the indicators that we should be using, from international guidelines and benchmarks (see note on back cover)

This report is aimed at those audiences who have shown most interest in our sustainability performance: our employees, our trade customers, our shareholders/investors, consumers of our products, and NGOs (non-governmental organisations).

Other reporting documents



Annual Report & Financial Statements 2006
see pages 14 and 15 for information on our management of environmental, social and governance (ESG) matters and reputational risk, in line with the Association of British Insurers (ABI) Guidelines on Responsible Investment Disclosure



Shareholders' Review & Summary Financial Statement 2006 see page 9, Sustainability



Community Involvement Newsletter 2007

We also publish:

- an Interim Report of our half-year financial results
- quarterly financial results
- a four page excerpt of this Sustainability Report, which is sent to shareholders with our Interim Report
- 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

Contact details

For further information on Reckitt Benckiser please visit our web site at:
www.reckittbenckiser.com

If you have any comments or queries on this report, please contact:

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GRI content index

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



We continue to report in line with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) and other relevant standards and guidelines (see note on back cover).

This **GRI Content Index** provides a navigational tool for those looking for specific information in relation to the GRI's G3 guidelines (www.globalreporting.org).

A GRI Application Level Table and a more detailed GRI Content Index, including the indicators that we have not reported on, is provided at www.reckittbenckiser.com

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EN3, EN5, EN6 Reducing energy use	Tackling Climate Change	6
EN16, EN18 Reducing greenhouse gas emissions	Tackling Climate Change	6
EN19, EN20 Significant air emissions, including NOx, SO2 and ozone-depleting substances	Reducing Emissions from Our Facilities	15
EN21, EN 10 Water discharged, recycled and re-used	Reducing Emissions from Our Facilities	15
EN22, EN 24 Waste and hazardous waste	Reducing Emissions from Our Facilities	15
EN26 Environmental impacts of products	Tackling Climate Change; Sustainable Supply Chains	6, 14
EN28 Environmental fines	Our Actual Environmental Performance	23
EN29 Environmental impacts of transport	Sustainable Supply Chains	17
Social – Labour Performance Indicators		
LA1, LA13 Workforce profile and diversity	Social Responsibility in Our Operations	18
LA3 Employee benefits	Social Responsibility in Our Operations	18
LA6, LA7 Health & safety data	Social Responsibility in Our Operations	19
LA8 Programmes to address serious diseases	Improving Hygiene & Health in Communities	10
LA10, LA12 Training, performance review and career development	Social Responsibility in Our Operations	18
Social – Human Rights Performance Indicators		
HR2 Human rights screening of suppliers	Responsible Supply Chains	17
HR5, HR6, HR7 Managing human rights risk in operations	Social Responsibility in Our Operations	18
Social – Society Performance Indicators		
SO1 Impact on communities	Improving Hygiene & Health in Communities	10
SO5 Public policy positions	Stakeholders and External Benchmarking	22
Social - Product Responsibility Performance Indicators		
PR1, PR3 Product health and safety assessment, information and labelling	Safe Products, Quality Products	12, 13
PR5 Customer satisfaction	Safe Products, Quality Products	12, 13

Independent assurance statement



Independent assurance report by Deloitte & Touche LLP to Reckitt Benckiser Plc on the Group Sustainability Report for the year 2006

What we looked at: scope of our work

Reckitt Benckiser Plc ('Reckitt Benckiser') has engaged us to give assurance on:

1. Selected sustainability performance data – Whether the sustainability performance indicators listed in the table below are not materially misstated; and

2. Reckitt Benckiser's declarations regarding the application of the Global Reporting Initiative 2006 Sustainability Reporting Guidelines ('the GRI guidelines') – their self-declaration on page 26 that they have applied the GRI guidelines at level B+.

Our work is based at Group level only and did not include visiting other Reckitt Benckiser 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 limited assurance over the subject matters 1 and 2 set out above.

What we found: our assurance opinion

In our opinion, we are not aware of anything that causes us to believe that the selected sustainability performance data and Global Reporting Initiative declarations set out above are materially misstated.

What we did: assurance process and standards

Our work was carried out by a multi-disciplinary team of sustainable development 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 gathering and collation process, and those with operational responsibility for performance in the areas we are reporting on;

Understanding, analysing and walking through, on a sample basis, the key

structures, systems, processes, procedures and controls relating to the collation, aggregation, validation and reporting processes of the selected sustainability data; reviewing the content of the Group Sustainability Report 2006 against the findings of our work and making recommendations for improvement where necessary.

2. Declarations regarding the application of GRI reporting guidelines:

Checking that the Group Sustainability Report 2006 included a GRI content index and, for each of the standard disclosures required by the GRI guidance at level B+, that the relevant indicator is provided; and reviewed their approach to ensuring that the report provides a reasonable and balanced presentation of performance.

Our work did not include specific work for each of the reported indicators (with the exception of the selected sustainability performance data listed above). Instead we have reperformed a sample of management's own testing which they carried out to support their self-declaration that they have complied with the GRI guidelines at level B+.

Responsibilities of Directors and independent assurance provider

Reckitt Benckiser's responsibilities

The Directors are responsible for determining Reckitt Benckiser's sustainable development 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 two subject matters specified by Reckitt Benckiser set out above.

We 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 have confirmed 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 those matters we are required to state to them in this 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 & Touche LLP
London, United Kingdom, 12 July 2007

Sustainability performance data assured	
Environment (2006 data)	Page number
1. Greenhouse gas emissions from manufacturing energy use (tonnes CO2 equivalents per '000 CUs)	1, 6 & 15
2. Total waste at manufacturing and R&D facilities (tonne per '000 CUs)	1 & 15
3. Hazardous waste at manufacturing and R&D facilities (tonnes per '000 CUs)	1 & 15
4. Water discharges from manufacturing and R&D facilities (m ³ per '000 CUs)	1 & 15
5. Energy use at manufacturing and R&D facilities (GJs per '000 CUs)	1 & 14
6. Water use at manufacturing and R&D facilities (m ³ per '000 CUs)	1 & 14
7. Top 5 raw materials used (million metric tonnes)	1 & 14
Product quality (2006 data)	
1. Number of consumer recalls	13
2. Number of principal quality issues for existing products and new products	13
Social performance (2006 data)	
1. Average number of people employed by region	18
2. Nationalities of senior management	19
3. Gender split for the Company's Board, Executive Committee, Top 40 and Top 400 senior management	19
Health and safety at work (2006 and Q1 2007 data)	
1. Lost working day accident rate at manufacturing and R&D facilities (per 100,000 hours)	1 & 19
2. Numbers of fatal and severe accidents	19
Financial performance (2006 data)	
1. Cash Value Added (£) (based on figures derived from public, audited accounts)	5

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Note

Standards and guidelines we have taken account of in preparing this report include:

- *Guidelines on Responsible Investment Disclosure*, Association of British Insurers (ABI), 2007
- *Sustainability Reporting Guidelines – Version 3.0*, Global Reporting Initiative (GRI), 2006
- *Companies Act 2006*
- *Environmental Key Performance Indicators – Reporting Guidelines for UK Business*, Department for Environment, Food & Rural Affairs (DEFRA), 2006
- *Risk & Opportunity: Best Practice in Non-financial Reporting*, Sustainability, 2004
- *AA1000 Assurance Standard, Institute of Social & Ethical Accountability (AccountAbility)*, 2003
- *Indicators that Count: social and environmental indicators, a model for reporting impact*, Business in the Community (BitC), 2003
- *Health & Safety in Annual Reports*, Health & Safety Commission (HSC), 2001
- *BS EN ISO 14031 Environmental Performance Evaluation Guidelines*, 1999