

SUSTAINABILITY

REPORT FOR THE YEAR 2005

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OVER AND ABOVE THE **BENEFITS** OF OUR PRODUCTS IN IMPROVING HYGIENE AND HEALTH, WE'RE INTENT ON DELIVERING THEM IN A **SUSTAINABLE** AND RESPONSIBLE WAY.

OUR PRIORITIES ARE:

ENVIRONMENTAL SUSTAINABILITY

- MITIGATING CLIMATE CHANGE
- A SUSTAINABLE SUPPLY CHAIN
- WASTE REDUCTION, REUSE AND RECYCLING

SOCIAL AND ETHICAL RESPONSIBILITY

- EMPLOYEE HEALTH & SAFETY
- A RESPONSIBLE SUPPLY CHAIN
- LOCAL AND GLOBAL COMMUNITY INVOLVEMENT

CEO'S STATEMENT



Bart Becht

Chief Executive Officer
Reckitt Benckiser plc

**OUR COMMITMENT IS TO
MAKE OUR BUSINESS MORE
SUSTAINABLE AND RESPONSIBLE**

OUR PRODUCTS improve lives by delivering better hygiene and health to millions of people every day - cleaning and disinfecting in the home, and killing bacteria, viruses and pests that spread ill-health and disease in houses, schools and work-places.

The wealth our Company generates benefits society. Employees received £461 million in remuneration in 2005; shareholders saw £562 million in cash paid out in dividends and share buybacks; governments received £235 million in tax and social security; our suppliers received £2.7 billion to sustain businesses and employment.

However all human activities – including our business – have effects that are less positive. Global issues such as climate change, unsustainable resource use and communicable disease threaten our society.

We want a business that operates effectively today - contributing to society through better hygiene and health - with as little environmental, social and ethical cost to the future as possible.

AIMS AND ACHIEVEMENTS

In our 2004 Sustainability Report we stated our aims for 2005 and the next few years. So, what have we done in 2005 towards achieving those aims? Here are some examples.

Environmental sustainability

1. Mitigating climate change

- we reduced our greenhouse gas emissions from manufacturing energy use by 5% in total and 3% per unit of production in 2005. Since 2000, we have reduced both total and per unit of production manufacturing energy use by

WE ARE **PASSIONATE** ABOUT DELIVERING BETTER SOLUTIONS TO CONSUMERS IN HOUSEHOLD CLEANING AND HEALTH & PERSONAL CARE. BETTER SOLUTIONS FOR US MEANS PRODUCTS THAT WORK **BETTER** FOR THE CONSUMER, FOR SOCIETY AND FOR THE PLANET.

19%, and total and per unit of production greenhouse gas emissions (from manufacturing energy use) by 13%

- we established **Trees for Change** in 2005, to make the more than 8 billion products we will produce during 2006 and 2007 carbon-neutral in terms of their manufacture. We are planting more than 2 million trees in over 6 square miles of new forest in British Columbia, Canada

- we commissioned waste heat recovery on the new high efficiency Combined Heat and Power (CHP) energy system at Mira in Italy, which has our highest global energy use, in April 2005

- we were instrumental in establishing the new A.I.S.E. Save Energy and Water project, encouraging dishwasher users to use washing cycles that save energy (and water)

- we moved our Corporate HQ in the UK to a 'green' energy tariff in 2005, making use of renewable energy sources

2. A sustainable supply chain

- after listening to stakeholders' concerns about the sustainability of global palm oil production, we evaluated our use of palm oil and materials containing palm oil, investigated our suppliers, and have now joined the Roundtable on Sustainable Palm Oil

3. Waste reduction, reuse and recycling

- in 2005 we reached our 2010 targets for both total and hazardous waste reuse/recycling, with 69% (target 65%) of our total waste and 48% (target 33%) of our hazardous waste reused or recycled off-site in 2005

- we reduced our hazardous waste per unit of production by 2% in 2005, although total

waste increased by 2% per unit of production due to the introduction of a new production technology which we are still optimising. Overall reductions since 2000 equal 17% for total waste and 42% for hazardous waste, per unit of production

- we funded and assisted in the development of a new international guide to Recyclability by Design for plastic packaging in 2005

- we established three new public plastic packaging recycling schemes during 2005, in South Africa, France and the United States; we aim to have six in operation by the end of 2006

Social and ethical responsibility

4. Employee health & safety

- our lost working day accident rate decreased 25% in 2005, a 77% reduction since 2001

5. A responsible supply chain

- we conducted on-site audits of more than 90% of our third-party product suppliers in Asia in 2005, checking against our Global Manufacturing Standard for working conditions, health & safety and environment

6. Community involvement

- in 2005 our verifiable spend on community programmes increased by 60%, to more than £1.6 million

THE FUTURE

It is what we actually do that measures our Company's and our individual sustainability commitment. Please work with us to prove the strength of that commitment.

BETTER HYGIENE AND HEALTH IMPROVES LIVES

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

"The services offered to the people through the Dettol Surakshit Parivar Program are extremely significant. We are certain that this partnership between the Indian Medical Association and Dettol will go a long way in encouraging good hygiene values and practices in families"

*Dr. Dharam Prakash,
Joint Secretary of Indian
Medical Association*



IMPROVING HYGIENE

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

In some countries, we are working with a number of organisations to advocate good hygiene practices in the home to ensure protection against illness-causing germs.

"My family and I recently had a lot of cleaning to do after Hurricane Rita ripped through our area. My home was not destroyed completely, but mould was everywhere! I used your product, Lysol with Bleach. Much to my surprise...I DID NOT EVEN HAVE TO WIPE!!! My entire kitchen is back to normal! "

US consumer

SUBOXONE AND SUBUTEX

We manufacture and sell treatments to help opiate (e.g. heroin) dependent people manage their disease and gain control over their dependence. The benefit of Suboxone and Subutex is that they can be administered by physicians in their offices, making it possible for patients to live normal lives. A recent study by Yale University School of Medicine found that patients seeking office-based Suboxone treatment were more likely to have jobs, have fewer years of addiction and be new to treatment, while another study found success rates of 85% to 95%.

"I was put on narcotics to manage my pain and became addicted to them. Getting my drug and taking my drug every day was my priority. I was losing everything, so I really needed to decide - am I going to continue with the drugs and just die, or raise my daughter? Suboxone saved my life. About a month ago I celebrated one year clean. I didn't imagine that life could be so good."

US patient

IMPROVING HEALTH

Nurofen for Children is used by millions of parents to relieve high temperature or pain associated with teething, and toothache, earache, sore throats, headache, minor aches and strains, and immunisation. It has been specially developed for babies and children and is suitable for babies from 3 months to children aged 12 years.



OUR PRIMARY PURPOSE

"Mortein is very powerful and will chase away the mosquitoes immediately..."

Housewife in India



"Mortein is like a modern day soldier...strong and brave with modern day weapons to fight pest problems"

Housewife in India

DETECTING PESTS

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

"Nurofen for Children was recommended to me by a friend who has used it when her little boy has suffered a fever after his immunisations. Since then I haven't looked back. Now at the first sign of a high temperature, aches and pains I turn to Nurofen for Children."

*Gretta, mum of 2 1/2 year old twins,
Patrick and Laoise*

"I love your Airwick Freshmatic. I have a rabbit, cat, three dogs, three kids and a husband. Now I do not have to worry about being embarrassed by guests being hit by strong odours as they enter my house."

US consumer

"You have cut my laundry bill in half and saved my electric bill as well for my designer jeans. I love Woolite Dark Laundry."

US consumer

"I want you to know how much I like your Easy-Off Oven Cleaner. I hate cleaning out the oven but this makes it such a breeze. It does a fantastic job."

US consumer

"Easy-Off BAM! Power degreaser has eliminated the grease other products left on some areas. This is a useful product. It's been a miracle worker."

US consumer

MEETING CONSUMERS' NEEDS

Our products can also help improve people's lives in other ways, from saving them time on mundane household chores, to preserving the quality of their clothing or home environment, to increasing the convenience of their use.



OUR FINANCIAL PERFORMANCE IMPROVES LIVES

How does Reckitt Benckiser contribute to increasing economic value?

In 2005 we:

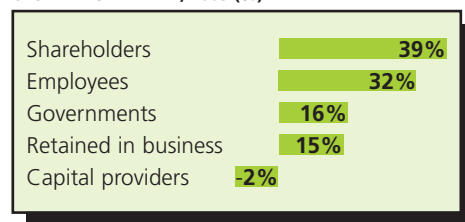
- **provided an income of over £2.7 billion to suppliers of raw and packaging materials and other goods and services**, which helped to sustain their businesses and to provide employment and income for their employees
- **provided in cash £262 million in dividends and £300 million in share buyback to 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 billion in 2005, to over £13.5 billion
- **paid our 20,300 employees £461 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 £235 million to governments in taxes and social security**, in addition to the substantial sales and value added taxes they received from the sale of our products. Government spending includes the provision of a wide variety of social and welfare services and benefits

CASH VALUE ADDED

Cash value added is a measure of monetary distribution from the Company, in terms of cash. It is derived directly from the data provided in the Company's Annual Reports.

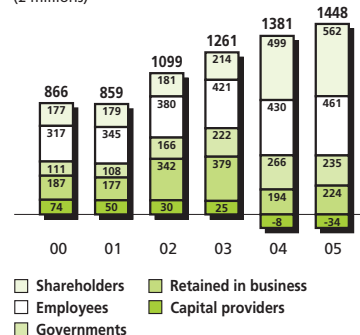
In 2005 our cash value added was £1,448 million; it was distributed to shareholders, employees and governments.

CASH VALUE ADDED, 2005 (%)*



* 2005 cash value added numbers are derived from the numbers reported in the 2005 Annual Report and Financial Statements (prepared in accordance with International Financial Reporting Standards (IFRS)). Following the adoption of IFRS by the Group in 2005, the 2004 cash value added numbers have been restated and are also derived from the numbers reported in the 2005 Annual Report and Financial Statements. The cash value added numbers for 2003 and previous years have not been restated for the adoption of IFRS and are derived from the UK Generally Accepted Accounting Practices numbers reported in the relevant year's Annual Report and Accounts.

DISTRIBUTION OF CASH VALUE ADDED* (£ millions)



TOTAL SHAREHOLDER RETURN (TSR)

TSR is an established measure of the delivery of shareholder value, and includes share price increase (or decrease) and (any) dividend income or share buybacks.

The graphs to the right, from page 10 of our Annual Report and Financial Statements 2005, show that the Company has significantly outperformed both the UK FTSE 100 and its US peer group over the last five years.

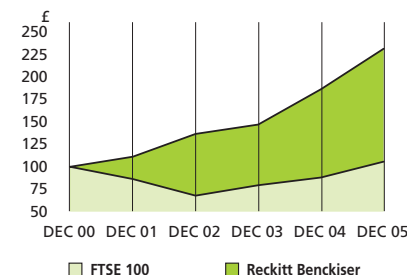
Ultimately, most of our shareholders are the millions of individual members of pension funds and savings schemes that invest in us, whose retirement income is partly determined by our shareholder return.

HISTORICAL TSR PERFORMANCE

Growth in the value of a hypothetical £100 holding over five years

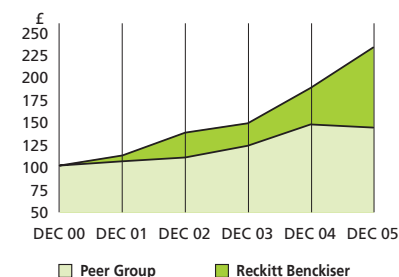
FTSE 100 COMPARISON

based on spot values



INTERNATIONAL PEER GROUP COMPARISON

based on spot values



COMPANY PROFILE AND SUSTAINABILITY PERFORMANCE

What do we do? How do we measure our sustainability performance?



HEALTH & PERSONAL CARE

In Health & Personal Care products, Reckitt Benckiser is the world leader in antiseptics and depilatories and has leading positions in the UK, South Africa and Australia:

- Analgesics** – Nurofen*
- Cold / flu** – Lemsip, Strepsils*, Disprin
- Gastro-Intestinals** – Gaviscon, Senokot, Fybogel
- Medicated Skincare** – Clearasil*, E45*, Lutsine*
- Antiseptics** – Dettol
- Depilatories** – Veet
- Denture Care** – Kukident/Steradent.

*Boots Healthcare International acquisition, 2006



FABRIC CARE

Fabric Care products are present in over 60 countries worldwide, including all major regions. There are five major product groups, all focused on the cleaning and treatment of fabrics:

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

SUSTAINABILITY PERFORMANCE

Every organisation or activity has sustainability impacts; these may be positive or negative and are in fact generally a combination of both.

Identifying sustainability impacts is complex. Identifying 'significant aspects', how our activities materially interact with the environment, society and the economy, is the key.

PERFORMANCE INDICATORS

The performance indicators that we use are determined by:

- independent, external guidance on the indicators that should be used (see the Note on the back cover). For example, we seek to report in line with the Global Reporting

Initiative (GRI) Sustainability Reporting Guidelines (www.globalreporting.org), where appropriate; a GRI Content Index for this report is provided at www.reckittbenckiser.com

- the significant impacts of our operations, which are largely determined by the nature of our industry (i.e. the specific products that we make and our supply chain)
- the indicators that are most practical and add most value across our business and supply chain

OUR ENVIRONMENTAL ASPECTS

Our business has seven significant environmental aspects:

- energy use
- raw material use
- water use
- air emissions
- waste
- water discharges
- reduction and recycling of packaging

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

NB: in North America we also make and sell some food products, such as French's mustard and Frank's Red Hot Sauce.



SURFACE CARE

Reckitt Benckiser's Surface Care products are sold in all major markets and occupy leading positions in North America, Western Europe, Brazil, Australia and South Africa. The division is made up of five product groups:

- Disinfecting** – Lysol, Dettol, Sagrotan, Pine-O-Clean
- Lavatory** – Harpic, Lysol
- General Purpose** – Veja, St. Marc, Cillit Bang, Easy-Off Bam
- Specialty** – Easy-Off Oven, Mop & Glo, Brasso, Lime-A-Way, Destop, Rid-X
- Polishes & Waxes** – Old English, Mr Sheen, Poliflor



DISHWASHING

This category includes all products used in the automatic dishwashing process and in a range of formats, including powder, liquid, gels, double action, PowerBall, 2-in-1 tabs, 4-in-1 tabs and most recently 5-in-1 tabs. Reckitt Benckiser has leading market positions in 37 countries worldwide and is number one in Western and Eastern Europe and number two in North America.

Key brands include: Finish, Calgonit, Electrasol, Jet Dry



HOME CARE

Home Care products are sold in 60 countries worldwide. Air Care is predominantly sold in Western Europe, North America and Australia and New Zealand. Pest Control products are mainly focused in Asia Pacific, Middle and East Africa and Latin America. Home Care products include Air Care, Pest Control and Shoe Care products:

- Air Care** – Air Wick
- Pest Control** – d-Con, Mortein
- Shoe Care** – Nugget, Cherry Blossom

TREES FOR CHANGE

How are we making the more than 8 billion products that will be produced at our manufacturing facilities during 2006 and 2007 carbon neutral in terms of their manufacture?



TREES FOR CHANGE is a major forestation project offsetting two years of the greenhouse gas emissions from our global manufacturing energy use. In one of the largest projects of its kind, we are planting more than two million native species trees on previously deforested land in central and northern British Columbia, Canada.

A MAJOR **FORESTATION** PROJECT PLANTING MORE THAN TWO MILLION TREES IN OVER 6 SQUARE MILES OF NEW FORESTS, ABSORBING IN EXCESS OF **ONE MILLION TONNES OF CO₂**



Ted, one of the planting team, taking delivery of the first 45,000 seedlings

PART OF A PACKAGE OF CLIMATE CHANGE PROGRAMMES

Trees for Change sits alongside a range of other environmental improvement programmes that we are implementing to tackle climate change at source; these other programmes include: reducing the greenhouse gas emissions associated with our manufacturing facilities (see page 10), for example through reductions in our energy use (see page 11); encouraging consumers to reduce their emissions in the use of our products, through the A.I.S.E. Save Energy and Water project (see page 8); minimising packaging materials to reduce the

energy used to manufacture them; optimising our product transportation to minimise its climate change emissions; and encouraging our third-party product suppliers to have environmental management targets and programmes in place (see page 12). In 2005 we shifted our Corporate HQ in the UK to a 'green' energy tariff making use of renewable energy sources.

About 7% of our global manufacturing energy use already comes from renewable sources.

TAKING UP CARBON

In creating over 6 square miles (16 square kilometres) of new forests on previously deforested land, Trees for Change will increase carbon uptake from the atmosphere, absorbing more than one million tonnes of carbon dioxide over the next 80-100 years. This will result in the over eight billion products made in our global manufacturing facilities during 2006 and 2007 becoming carbon neutral in terms of their manufacture. Trees for Change will additionally make a positive contribution to local biodiversity and the protection of native wildlife, while advancing the scientific understanding of carbon sequestration by forestation.

ADVISED BY EXPERTS

The programme is guided by an independent advisory group and has taken advice from forestry and carbon sequestration experts from the University of British Columbia, the Tree Canada Foundation, the Edinburgh Centre for Carbon Management and local independent forestry and forest-carbon consultancies. All land preparation, planting, monitoring and maintenance work is being done by local forestry professionals, working for Reckitt Benckiser Canada.

IMPROVING DIVERSITY

Each forest will comprise a mosaic of several native tree species, pre-existing stands of trees, areas of natural forest re-growth and existing areas of wetland, making a positive contribution to local biodiversity and the protection of native wildlife, in addition to the primary objective of combating climate change.

The locally grown trees are indigenous to the areas in which our new forests are being planted, and include White Spruce, Lodgepole Pine and Interior Douglas-fir. Exactly what trees are planted where is determined by the 'silvicultural prescriptions' for each planting area, which are drawn up by professional silvicultural foresters from British Columbia.

TACKLING CLIMATE CHANGE

WHAT PEOPLE ARE SAYING ABOUT THE PROJECT

"I am very pleased to be involved in a carbon sequestration project of this size and delighted that Reckitt Benckiser has chosen Canada, and BC, for this important initiative" said Brad Seely, Department of Forest Science, University of British Columbia. "Given the project's sheer scale in sequestering more than 1 million tonnes of carbon dioxide, and the monitoring and modelling work supporting it, this project will help to materially advance our scientific understanding of carbon sequestration through forestation."

Jeffrey Monty, President, Tree Canada Foundation, said, "The benefits of this type of initiative are far-reaching and will include improved air quality, protection of native wildlife and enhanced local forest diversity. We encourage other corporations to follow suit and also to seek other ways to minimise their environmental footprint."

WHAT NEXT?

Going forward, we are seeking to source a greater volume of our energy needs from renewable energy sources, alongside continuing our climate change programmes in areas such as energy efficiency and transport optimisation.

TREES FOR CHANGE IS PART OF THE PACKAGE OF PROJECTS THAT WE ARE CURRENTLY UNDERTAKING TO TACKLE CLIMATE CHANGE, INCLUDING: REDUCING OUR OWN EMISSIONS AND ENERGY USE AT SOURCE; ENCOURAGING CONSUMERS TO REDUCE THEIR EMISSIONS IN THE USE OF OUR PRODUCTS; MINIMISING PACKAGING MATERIALS TO REDUCE THE ENERGY USED TO MANUFACTURE THEM; OPTIMISING OUR PRODUCT TRANSPORTATION TO MINIMISE ITS IMPACT



Part of the pilot planting area

Alan and Bob, members of the project team, checking on some of the 45,000 seedlings in the pilot planting area



What kind of trees are we planting?



COMMON NAME White Spruce

SCIENTIFIC NAME *Picea glauca*

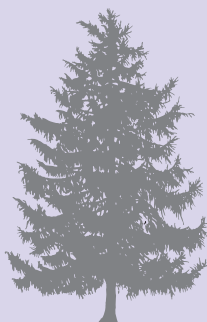
FORM Medium in height (max 40m) and triangular in shape with bushy branches. Can live for over 300 years.

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

LEAF The needles have a single blade, but are not in clusters. They are up to 22mm long and blue-green with whitish lines.

FRUIT The White Spruce bears cylindrical cone-like fruit which is 3-6cm long. The cones fall upon maturity. The scales are thin with end wings.

BARK The outer bark is thin and ash-brown in colour, being smooth when young and scaly when older. When freshly exposed or cut, the inner bark is whitish or silvery.



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 1050m in interior British Columbia. Douglas-fir is widely planted in the UK for timber.

LEAF The needles leave the shoot in all directions, are flat and yellow-green or blue-green.

FRUIT The unusual cone is unique with forked, snake-tongue-like bracts extending from each scale.

BARK The bark is grey-brown in colour and with age becomes very thick.



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.

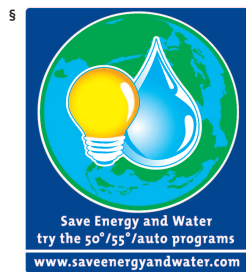
LEAF The needles are in bundles of two and are spirally twisted; 3-7 cm.

FRUIT The cones stay closed and remain on the tree for many years. They are 'serotinous', requiring the heat of a forest fire to break the resin seal on the scales to release the seeds.



SAVE ENERGY AND WATER

How are we encouraging consumers to optimise their use of our products in order to reduce their energy use and greenhouse gas emissions?



THE IDEA IS SIMPLE

Many people use higher temperature programmes on their dishwashers needlessly.

Most dishwashers in people's homes and on the market in Europe today have 50°C or 55°C programmes, often labelled as "eco" programmes, and/or newer self-optimising automatic programmes that can automatically adapt to the load inside the machine.

THERE ARE POTENTIALLY **ENORMOUS SAVINGS** FROM THIS INITIATIVE... WE ESTIMATE THAT HOUSEHOLD EMISSIONS EQUIVALENT TO MORE THAN THE GREENHOUSE GAS EMISSIONS FROM RECKITT BENCKISER'S GLOBAL MANUFACTURING ENERGY USE CAN BE AVOIDED - **EVERY YEAR**

Because our automatic dishwashing (ADW) products work just as well on energy-saving programmes when the load is not unusually dirty consumers can choose either 50°C, 55°C or newer self-optimising washing cycles in most circumstances, and still achieve the great results that they expect.

These washing cycles generally have significantly lower energy and water consumption than higher temperature programmes, due to longer

cycle times allowing more of the cleaning to be done by 'soaking'. Dishwashers do not fill with water, but circulate a relatively small quantity of water which is repeatedly sprayed onto the articles being washed. With longer cycle times, the greater the effect of 'soaking' and the lesser the need for hot water, hence the lower the energy and water consumption required. Some recent work has suggested that the energy and water used by dishwashers can be considerably lower than that of hand dishwashing.

THE MESSAGE IS SIMPLE

This new industry initiative, launched at the A.I.S.E.* General Assembly in Oslo in June 2006, has a very simple message for ADW detergent consumers in Europe: "Save Energy and Water – try the 50°/55°/ auto programs"

THE SAVINGS ARE ENORMOUS!

If just half of the European households using higher temperature dishwashing programmes switched to energy saving cycles, we estimate they could together save over 300,000 tonnes of CO₂ equivalent greenhouse gas emissions every year#. This is more than the greenhouse gas emissions that are attributable to the energy use at all of Reckitt Benckiser's global factories in one year.

CONSUMERS COULD ALSO SAVE UP TO **7,000 MILLION LITRES OF WATER A YEAR**#, ENOUGH FOR OVER 200 MILLION SHOWERS AT MODERATE USE RATES. THE SUSTAINABLE USE OF WATER RESOURCES IS AN INCREASINGLY IMPORTANT ISSUE.

Of course, here what is good for the environment is also good for people's pockets, and reduced energy and water use means lower utility bills for our consumers.

§ all brands that carry this mark are from companies which are committed to the Industry project "Save Energy and Water"

* the International Association for Soaps, Detergents and Maintenance Products www.aise-met.org

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.

TACKLING CLIMATE CHANGE

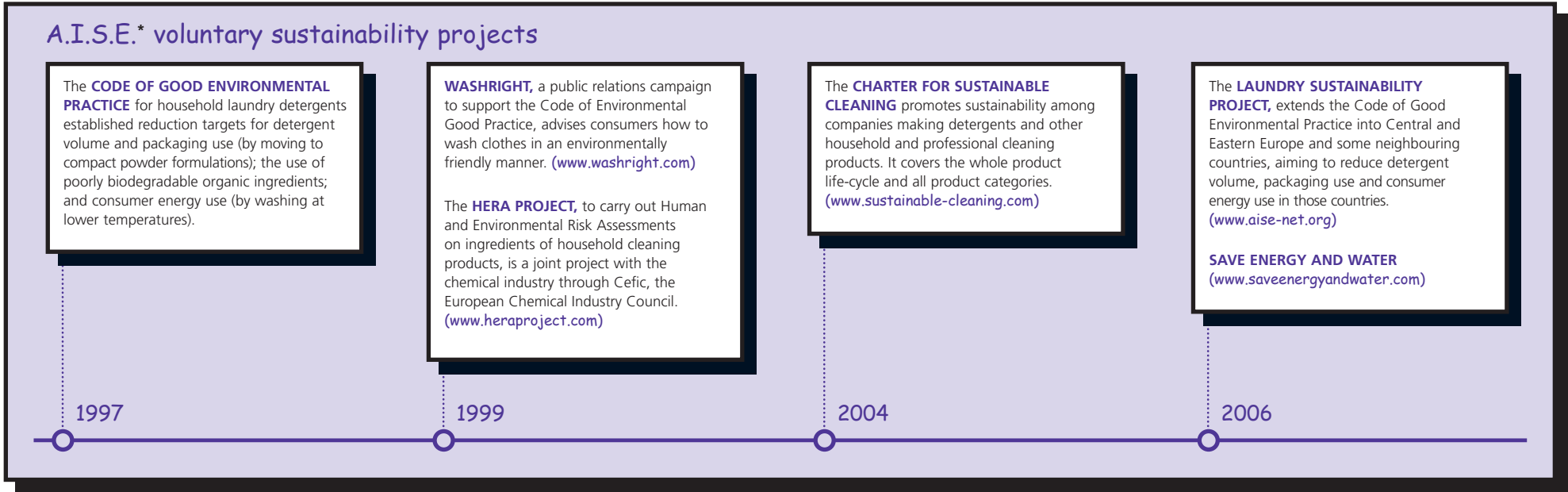
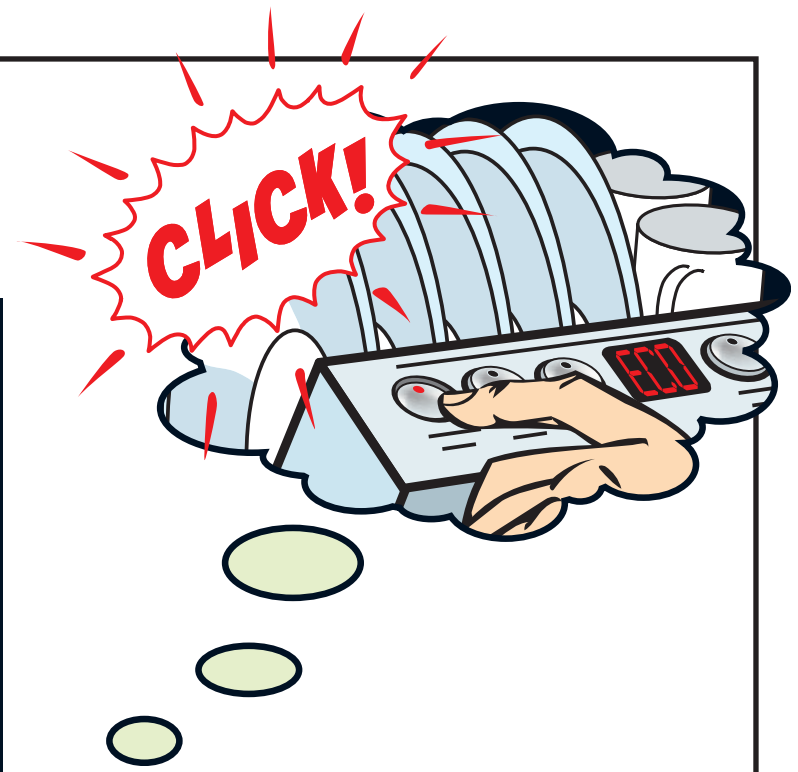
ANOTHER VOLUNTARY INDUSTRY INITIATIVE

Save Energy and Water is a voluntary industry initiative, the latest of an increasing number of such projects that have been developed through the A.I.S.E.* in recent years.

A LIFE CYCLE MANAGEMENT APPROACH

Save Energy and Water is an example of how we apply a life cycle management approach to our sustainability strategy and performance (see page 12). We seek to make our business more sustainable not just where we have direct control such as in our manufacturing facilities, but also by working to improve performance across our supply chain, in our packaging design, with our transport contractors, and in how consumers use our products and dispose of packaging.

In this way we can have a much greater impact. For example, 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 dishwasher tablet came from the consumers' use of their dishwasher. By changing the way consumers use their dishwashers therefore we can significantly improve the sustainability performance of one of our leading products, and - by virtue of being no. 1 in Europe and no. 2 in North America in ADW detergent products - of households in those regions.

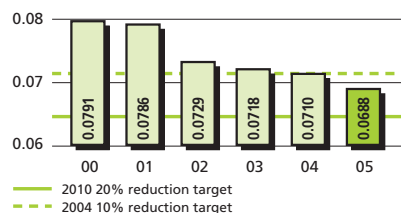


* the International Association for Soaps, Detergents and Maintenance Products

REDUCING EMISSIONS FROM OUR FACILITIES

Climate change is largely caused by CO₂ emissions from energy use. How are we reducing them at our manufacturing 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

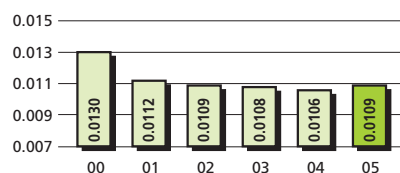
Our manufacturing facility energy use produced greenhouse gas emissions equivalent to 0.069 tonnes of carbon dioxide (CO₂) for every 1,000 Consumer Units (CUs) of production in 2005, and 287,000 tonnes of CO₂ equivalent in total.

During 2005 we reduced emissions of greenhouse gases by 3% per unit of production. Actual emissions were reduced by 5%.

Overall, we have reduced greenhouse gas emissions by 13% per unit of production, and 13% in terms of actual emissions, since 2000.

This has been achieved through continued energy efficiency initiatives at our facilities globally (see Energy use, page 11). We operate energy efficiency programmes at both site and regional level; each month we review actual achievements against these programmes.

TOTAL WASTE AT MANUFACTURING AND R&D FACILITIES (tonnes per '000 CUs)



Key initiatives taken in 2005 included the full commissioning of the new CHP (Combined Heat and Power) plant at Mira in Italy, which is our largest energy using factory worldwide. Waste heat recovery came on-line at Mira's CHP plant in the first half of 2005.

Performance targets

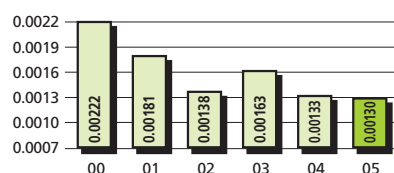
We have a target to reduce greenhouse gas emissions from our manufacturing energy use by 20% by 31st December 2010, per unit of production.

WASTE

We produced 0.011 tonnes of waste for every 1,000 CUs of production in 2005 (including 0.001 tonnes of hazardous waste), and 45,309 tonnes in total (including 5,420 tonnes of hazardous waste).

During 2005 our total waste increased by 2% per unit of production, while our hazardous waste reduced by 2% per unit of production.

HAZARDOUS WASTE AT MANUFACTURING AND R&D FACILITIES (tonnes per '000 CUs)



Actual total waste increased by 1%, whilst actual hazardous waste decreased by 4%. Overall, we have reduced total waste by 17% and hazardous waste by 42% per unit of production, since 2000, and 17% and 42% respectively in terms of actual quantity.

The small increase in total waste per unit of production in 2005 was primarily due to: waste generated in the start-up of a new manufacturing technology at our factory in Poland, all of which was recycled off-site; a small reduction in our in-house production level; and a small increase in external production.

The reduction in hazardous waste was achieved through global waste minimisation programmes and a production mix change in Hungary.

Performance targets

In 2005 we re-used or recycled off-site 69% of our total waste (beating our 2010 target of 65%) and 48% of our hazardous waste (beating our 2010 target of 33%).

We are currently reviewing these targets.

WATER DISCHARGES FROM MANUFACTURING AND R&D FACILITIES (m³ per '000 CUs)



WATER DISCHARGES

We discharged 0.59m³ of water for every 1,000 consumer units (CUs) of production in 2005 and 2.4million m³ in total.

During 2005 our water discharges decreased by 10% per unit of production; actual water discharges decreased by 11%.

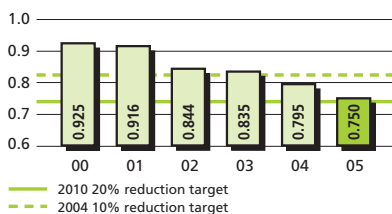
This was largely the result of water efficiency programmes at our manufacturing facilities at Mira in Italy, Dhadka in India, and Granollers in Spain. These were supported by some favourable changes in production mix, as was the case at Shashi Jingzhou in China because of a move away from water-intensive production processes.

Overall, our water discharges have decreased by 5% per unit of production, and 5% in actual terms, since 2000.

REDUCING OUR USE OF MATERIALS AND RESOURCES

How are we managing resource use at our manufacturing and R&D facilities?

ENERGY USE AT MANUFACTURING AND R&D FACILITIES (GJs per '000 CUs)



ENERGY USE

We consumed 0.750 Gigajoules (GJ) of energy for every 1,000 Consumer Units (CUs) of production in 2005, and 3.13 million GJ of energy in total.

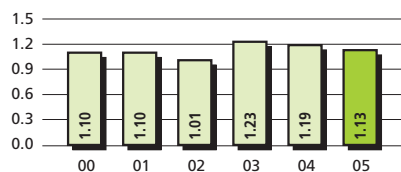
In 2005 we reduced our energy use by 6% per unit of production and by 7% in terms of actual energy used.

Overall, we have reduced our energy use by 19% per unit of production and 19% in terms of actual energy used, since 2000.

Energy reductions were achieved in 2005 due to efficiency projects and programmes at our facilities worldwide, particularly as a result of:

- the new CHP (Combined Heat and Power) plant at Mira factory in Italy, where the waste heat recovery system was commissioned in April 2005
- projects to further optimise the ovens used in mosquito coil manufacturing at our factories in India and Indonesia, along with changes in their production mix and volume.

WATER USE AT MANUFACTURING AND R&D FACILITIES (m³ per '000 CUs)



Performance targets

Our current target is to reduce energy consumption per unit of production by 20% by 2010, compared to 2000.

In 2005 we achieved a 19% reduction in energy consumption per consumer unit, close to our 2010 target.

WATER USE

52% of the water we used in 2005 was released back into water systems (see Water Discharges, page 10). The remaining 48% went into our products, was contained in liquid and solid wastes sent off site, or evaporated from cooling and process systems.

In 2005 we used 1.13m³ of water for every 1,000 CUs of production and 4.7 million m³ in total.

In 2005 we reduced our water use by 5% per unit of production and 7% in terms of actual water used.

PROVINCIAL ENVIRONMENTAL AWARD RECEIVED IN CHINA

In May 2005 our Shashi plant at JingZhou in China was recommended by the HuBei Environment Protection Bureau to enter an audit for the most environmentally friendly companies in the province.

A request to conduct the audit was received at short notice and two days later an external audit was carried out. The facility came out very well and was honoured as one of the top 10 plants in



Environmental and Health & Safety personnel Emily Wu and Anny Han with the award at the Shashi plant. HuBei province and the only plant in JingZhou City to receive this award.

This reduction is primarily a result of strong progress with water efficiency programmes and projects at our manufacturing facilities at Mira in Italy, Dhadka in India, and Granollers in Spain; supported by some favourable changes in production mix, with our Shashi JingZhou factory in China moving away from water-intensive production processes.

Overall, our water use has increased by 3% per unit of production and 2% in terms of actual water used, since 2000.

This is 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 (see Ingredient removal programmes, page 13).

RAW MATERIAL USE

In 2005 our top five raw materials (in terms of quantity) totalled 1.01 million metric tonnes.

TOP FIVE RAW MATERIAL CATEGORIES

Material category	Percentage of raw material use
Salts	46%
Organic matter	19%
Hydrocarbons	8%
Minerals	2%
Acids	2%
Other	23%

REDUCING THE IMPACT OF OUR SUPPLY CHAIN AND PRODUCTS

How do we work with our suppliers and help consumers to address sustainability issues throughout the life cycle of our products?

WE ARE SEEKING TO IMPLEMENT A **LIFE CYCLE MANAGEMENT** APPROACH TO **IMPROVING** OUR SUSTAINABILITY PERFORMANCE

In taking a Life Cycle Management (LCM) approach we look at the impacts associated with our products before we manufacture them and after we sell them, alongside those of our direct operations.

RAW MATERIALS

We buy soap noodles to make Dettol soap. Soap noodles contain a large amount of palm oil, which is a global commodity subject to serious concerns about the sustainability of its production and how increasing demand will be met.

In 2005 we listened to stakeholders' concerns about palm oil, evaluated how palm oil features in our supply chain, looked at our principle palm oil suppliers and have now joined the Roundtable on Sustainable Palm Oil (RSPO). Going forward we will be working with our suppliers to ensure that the RSPO's Principles and Criteria are implemented within our supply chain (www.sustainable-palmoil.org).

PRODUCT PACKAGING

In our previous Environmental Reports and our 2004 Sustainability Report (www.reckittbenckiser.com) we have featured projects and programmes which have made significant reductions in our packaging

use, by optimising packaging components and making specific products such as laundry detergents more compact. These initiatives reduce raw material and energy use in manufacturing packaging, increase the number of products that can be transported on a single truck, reduce the volume of packaging waste households generate and can also make that waste more recyclable.

In 2005 we have funded, through RECOUP (www.recoup.org):

- development of new international guidelines on plastic packaging Recyclability by Design
- three new public recycling schemes in France, the United States and South Africa
- a new journal on plastic packaging recycling, Ecoplastic

PRODUCT USE

In this report we feature a major industry initiative to Save Energy and Water in consumers' use of automatic dishwashing detergents (see pages 8 and 9), based on the fact that most of the energy use associated with one of our dishwashing tablets generally comes from consumers' use of their dishwashers in the home.

TRANSPORT AND LOGISTICS

We use third-party transport contractors to move finished products by road, rail and sea. The main environmental impact of this is associated with the use of fossil fuels to power trucks, trains and ships, which results in the emission of greenhouse gases.

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.

We estimate* that in 2005 our global transport contractors:

- **travelled approximately 204 million kilometres (127 million miles) by road**, contributing about 0.053 tonnes of carbon dioxide equivalent greenhouse gas emissions for every 1,000 Consumer Units (CUs) of production in 2005, and 220,000 tonnes in total
- **transported approximately 916 million tonne-kilometres** (a function of tonnage transported and distance travelled) by container in deep sea ships; contributing approximately 0.0015 tonnes of carbon dioxide equivalents for every 1,000 Consumer Units (CUs) and 6,400 tonnes in total

This data shows an apparent increase in road transportation during 2005, although this is essentially due to inclusion of data from Australia, New Zealand and three Developing Markets countries for the first time in 2005.

The data also shows a decrease in deep sea transport in 2005, which we were anticipating, due to variations in product mix and optimisation of transportation arrangements.

To reduce the environmental impact (and cost) of product transportation, we are working 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
- implementing 'modal shift', moving freight off roads and onto 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 from year to year. So far, every year we have improved our transport data collection process. For 2005 we added road transport data from another five countries for the first time.

SAFE PRODUCTS, QUALITY PRODUCTS

How do we ensure that our products are sourced and manufactured responsibly?

PRODUCT SAFETY

Product safety is 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.

Our Regulatory, Safety & Environmental services group (RSE) is responsible for ensuring the safety and regulatory compliance of our products for their intended use.

For example, RSE maintain and regularly review our Global Ingredient Guidelines (GIGs), which specify materials to be excluded or only used at certain levels in our products, in line with both regulatory requirements and our own (stricter) internal standards.

INGREDIENT REMOVAL PROGRAMMES

In 2005 we continued to progress with projects and programmes which systematically removed specific ingredients from our product formulas and packaging specifications globally.

For example, recent programmes include: the removal of nitro and polycyclic (artificial) musks from fragrances; the replacement of PVC packaging; the replacement of formaldehyde preservatives; and the removal of NPEs (Nonyl Phenol Ethoxylates) and APEs (Alky Phenol Ethoxylates) from fragrances and surfactants.

These programmes are above and beyond regulatory requirements.

INGREDIENT STATUS END 2005	% reduction to date	Number of products remaining	Target completion date
Formaldehyde	95%	<10	End 2006
APEs/NPEs	95%	<10	End 2006
Glycol Ethers*	90%	<10	End 2006

* Monoethylene series

HERA AND REACH

HERA (Human and Environmental Risk Assessment) is a voluntary industry programme of publicly available risk assessments on the ingredients of household cleaning products. Between 1999 and 2005 the HERA project completed comprehensive risk assessments of more than 250 chemical substances, covering more than 90% of the total tonnage of chemicals used in detergent and household and cleaning products in Europe.

REACH is the new EU legislation regarding the Registration, Evaluation and Authorisation of Chemicals. The HERA project (www.heraproject.com) has provided an important contribution to cross-industry preparation for the implementation of REACH.

Reckitt Benckiser continues to provide data and funding for the HERA project, and is preparing to implement REACH when it is finally adopted.

2005 UPDATE ON THE GREEN FILTER

Our Global Ingredient Guidelines (GIGs) specify our global standards for materials to be excluded from our products, or only used at accepted safe levels.

In 2004, following a Group environmental review, we established a GreenFilter to review the environmental profile of the fragrances that we use in our products and see if there was anything we could do to improve them.

So far we have reworked about 250 fragrances to improve their environmental profile, working with the fragrance houses that supply the fragrance products we use.



In one case a product component specification was inadequate, so we improved it; in another, batches of a component from a supplier were re-worked before release to the market, because what was delivered did not match pre-delivery quality samples; and in the third a consumer market test showed that we needed to modify a product's design to improve its performance.

Group, regional and local Quality Assurance functions regularly audit our key suppliers to assure and continuously improve the standards of raw materials, components or finished products that they provide us with.

OUR SUPPLIERS

We proactively engage with our suppliers across a wide range of issues from product quality to regulatory compliance.

Social issues in the supply chain are addressed through our Global Manufacturing Standard (see page 14). Environmental supply chain issues are discussed on page 12 of this report.

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 processes and suppliers throughout the supply chain, so that quality issues are prevented before they arise.

In 2005 we had three quality issues on new product developments, all of which were identified at an early stage.

	Quality issues		
	Consumer recalls	Existing products	New product development
2002	1	16	10
2003	2	10	5
2004	0	1	0
2005	0	0	3

IMPROVING OUR SOCIAL AND ETHICAL PERFORMANCE

How do we address social and ethical issues in our supply chain and within our business?

OUR SUPPLY CHAIN

Our supply chain extends from suppliers of raw and packaging materials to our factories, through a number of third-party manufacturers who make some branded products on our behalf, to suppliers of warehousing and transportation for product distribution to our customers.

GLOBAL MANUFACTURING STANDARD

We use our Global Manufacturing Standard (GMS) to manage social and ethical performance in our supply chain.

This is in addition to the controls provided through our Code of Business Conduct, our systems of quality management (see page 13) and procurement, and the frequent visits from functions such as R&D, Supply, and Engineering Technology across our supply chain. We also carry out a number of Environmental and Health & Safety audits within our supply chain each year.

Launched globally in 2004, the 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 principles:

- No child labour. Limitation of work by young workers

- No forced labour
- A safe and healthy working environment
- Freedom of association
- No discrimination. Equal opportunities and rights
- Reasonable terms and conditions of employment
- Protection of the environment

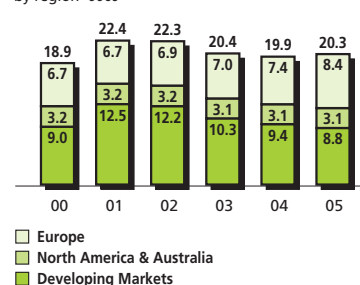
In 2005 we conducted on-site audits of more than 90% of our third-party product suppliers in Asia, against our GMS Implementation Guidelines and using specifically designed checklists. Overall the results were good. The most common area for improvement identified was occupational health & safety. Where we found weaknesses we are working with our suppliers to resolve them.

OUR EMPLOYEES

Reckitt Benckiser is driven by the passion and commitment of its employees.

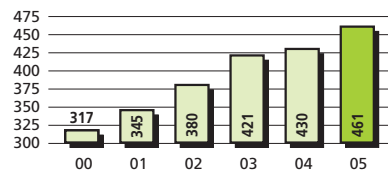
We attract and retain talented individuals, who work together as powerful teams, by going out of our way to encourage, recognise and reward entrepreneurship and achievement.

AVERAGE NUMBER OF PEOPLE EMPLOYED
by region '000s



The average number of people employed by the Group in 2005 was 20,300.

EMPLOYEE REMUNERATION (£ millions)



During 2005, remuneration paid to employees was £461 million.

EMPLOYEE BENEFITS

Benefits provided for employees (in addition to salaries and bonuses) include pension plans; health, accident and disability insurance; annual health checks; and medical care plans.

NATIONALITY/CITIZENSHIP OF SENIOR MANAGEMENT

No. of different nationalities/citizenships	2005
Board (10 people)	6
Executive Committee (9 people)	6
Top 40 (40 people)	13
Top 400 (400 people)	41

Within Reckitt Benckiser:

- our **Code of Business Conduct** ensures that our employees have a clear understanding of the principles and ethical values that we want to uphold (see page 18 of this report)
- our **Whistleblower Helpline** provides employees with 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 actions taken. This process is reported annually to the Board Audit Committee

EQUAL OPPORTUNITIES AND DIVERSITY

Cultural diversity is one of Reckitt Benckiser's strengths; quite simply, it's better for the business.

We go out of our way to bring together individuals of different nationalities and cultures, to drive innovation and provide a competitive edge.

At 31st December 2005 10% of the Company's Board and 16% of our Top 400 senior management were women.

An overview of our arrangements for managing responsibility and sustainability across the business – through our Corporate Responsibility Framework – is provided on page 18.

HEALTH & SAFETY AT WORK

We seek to prevent accidents, injuries and occupational ill health at all locations under our control.

We also seek to ensure that our key suppliers maintain the necessary health & safety arrangements (see page 14).

Managing risk

We maintain an Occupational Health & Safety (H&S) Global Hazard and Risk Assessment which covers our worldwide manufacturing and R&D facilities, to assist in understanding what and where our greatest potential H&S hazards are, so that the required attention can be focused on them.

This attention includes, for example: process specific safety assessments, audits and Group standards; and process hazard and safety training by internal and external experts.

Audits and reviews

In 2005 H&S audits and reviews were conducted in all regions by a combination of local, regional, Group and external auditors against Group, regulatory and 'best practice' requirements.

In 2005 our Group EHS Director conducted EHS reviews across 10 manufacturing facilities in Europe (1), Africa (1) and Asia (8).

PricewaterhouseCoopers LLP undertook a Health & Safety Review of one site in our North America and Australasia (NAA) region, for our Internal Audit department, following-up on their review of six sites across all regions in 2004.

In 2005 we reduced the lost working day accident rate* at our global manufacturing facilities by 25%.

Since 2001 we have reduced the lost working day accident rate* at our global manufacturing facilities by 77%.

Target achieved

Our target was to reduce the LWD IR at our manufacturing facilities to 0.50 or below per 100,000 hours by 31st December 2005; this target was achieved in 2004.

Future target

We aim to reduce the LWD IR at our factories to 0.25 or below per 100,000 hours by 31st December 2010.

We had no fatalities and five severe accidents at Reckitt Benckiser manufacturing facilities in 2005.

These five severe accidents occurred at our manufacturing facilities in the United States, Canada and Columbia and involved predominantly hand injuries e.g. loss of a finger tip.

EMPLOYEE DEVELOPMENT AND TRAINING

Employee 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.

Performance development reviews

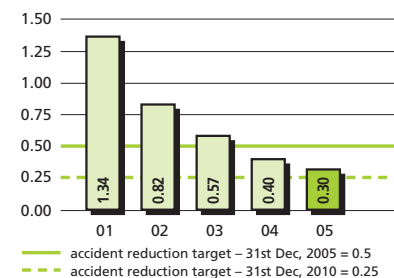
Most employees globally have an annual Performance Development Review (PDR) of some form, which assesses their skills, competences and performance against personal and business objectives, and the potential for a different or more senior role in the future.

Our top 2,500 senior and middle managers use an on-line assessment and feedback system for the PDR process.

In 2005 we expanded and further refined the range of training and development programmes available at a global level. For example, we introduced a new marketing/advertising communications course, specifically designed for those overseeing or developing consumer advertising, to provide correct and consistent messages.

We currently run around 20 different Global Training programmes in the areas of Leadership and People/Project management, Finance, Marketing and Sales.

LOST WORKING DAY ACCIDENT RATE* AT MANUFACTURING FACILITIES per 100,000hrs



FATAL AND SEVERE ACCIDENTS

	Fatalities		
	Employees	Contractors	Severe accidents
2001	(1)#	1	8
2002	0	0	1
2003	0	0	5
2004	0	0	2
2005	0	0	5

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

* 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 in one calendar year, multiplied by 100,000. Commonly referred to as the Lost Working Day Accident (or Incident) Rate (LWD AR / LWD IR).

COMMUNITY - INVESTING WHERE IT'S NEEDED MOST

How do we form partnerships around the world to make a difference to people's lives?

"MSF is extremely pleased to be benefiting from a substantial donation from Reckitt Benckiser again this year. That Reckitt Benckiser is supporting our work with people living with HIV/AIDS shows the company's commitment to assisting those most vulnerable, and their solidarity with our patients. Thank you."

Jean-Michel Piedagnel, Chief Executive, Médecins Sans Frontières

WE SEEK TO USE SOME OF THE WEALTH WE CREATE TO BRING THE **BENEFITS** OF BETTER HEALTH AND HYGIENE THOSE IN PARTICULAR NEED, THROUGH **PARTNERSHIPS** WITH LEADING ORGANISATIONS WORKING IN THIS AREA.

SUPPORTING COMMUNITIES WORLDWIDE

In 2005 financial and product support in excess of £1.6 million (2004: £1 million) was donated by Reckitt Benckiser Group companies to community programmes across the globe. This comprised direct cash contributions of around £1.3 million, and more than £0.3 million of product donations.

In addition, many of our employees willingly donate their own time and skills to support causes and projects in their local communities. Reckitt Benckiser companies are often involved in assisting these personal contributions, through matched funding and/or small-scale donations of time, materials, offices services or products.

GLOBAL PARTNERSHIPS

Save the Children

2005 was the second full year of our global partnership with Save the Children, working towards a common goal of making a difference to the lives of vulnerable children and families with children in some of the world's most deprived areas.

Our 2005 corporate donation to Save the Children was £100,000 and supported three key health projects in Bangladesh, China and India.

Regional and local Save the Children initiatives, carried out in addition to corporate programmes, included: a golf day in the UK with some of our key suppliers, raising £100,000; three product sale days in Germany raising EU 70,000 for programmes in Myanmar and Angola; and on-pack fundraising promotions in Italy.

Médecins Sans Frontières

In 2005, Reckitt Benckiser donated £100,000 to Médecins Sans Frontières (MSF) support programmes in Mozambique and Cambodia. In Mozambique, where 25% of the population is HIV-positive, we helped fund MSF's health centre and mobile outreach clinics in the capital city of Maputo. Through these clinics and centre, MSF provides care to 9,700 HIV/AIDS patients, half of whom receive daily antiretroviral medicines. Another 3,600 pregnant women attend the health centre every year to learn how to prevent transmission of the HIV virus to their unborn children. Reckitt Benckiser is also supporting MSF's HIV/AIDS work in Cambodia.

RESPONSIBILITY

OVERALL, RECKITT BENCKISER AND OUR EMPLOYEES **DONATED** CLOSE TO \$500,000 TO HELP PEOPLE WHOSE FAMILIES AND LIVES HAD BEEN **DEVASTATED** BY HURRICANE KATRINA.

RAPID RESPONSE

Hurricane Katrina

Our response - Reckitt Benckiser contributed US \$50,000 to the American Red Cross and employees contributed US \$33,000, which was doubled through Reckitt Benckiser's match-funding programme, for the Hurricane Katrina Relief Fund. Another US \$15,000 was raised during a one-day "tag sale", using surplus inventory, at our US HQ in Parsippany, New Jersey. In Canada, our colleagues raised almost US \$10,000 – also doubled by Company matched-funding – with their Hurricane Katrina Relief Fund, and another US \$2,500 with a tag sale similar to the one held in the US. Beyond cash donations, Reckitt Benckiser contributed US \$275,000 worth of Lysol wipes, Lysol All Purpose Cleaner, Lysol disinfectant spray, Easy-Off BAM Lime & Grime Cleaner, Clean & Smooth Antibacterial soap and D-con Wedge traps to help with the ongoing clean-up efforts.

Some French's food products were also sent to the area. Additionally, Reckitt Benckiser Pharma Inc. donated US \$50,000 in medical supplies.

Overall, Reckitt Benckiser and our employees donated close to US \$500,000 to help people whose families and lives had been devastated by Hurricane Katrina.

Asian earthquake

Our response - Reckitt Benckiser Pakistan rushed a donation of 4,500 gallons of Dettol to the front line in Islamabad following the disastrous Asian earthquake in 2005. We also provided the Government with over 1.5 million tablets of Disprin, our flagship Analgesic brand, 4 million tablets of Dettol Water Pure to provide clean drinking water, and pharmaceutical products worth Rs 2.5 million.

In addition, management staff at Reckitt Benckiser Pakistan each donated three days' salary, matched in value by the Company, to

"I'm proud that our employees and our company have come together to help these families. Our business is based on the trust and loyalty of our consumers, and this broad relief effort clearly demonstrates how our teamwork, entrepreneurship and commitment have helped us meet their needs, even under the most challenging circumstances."

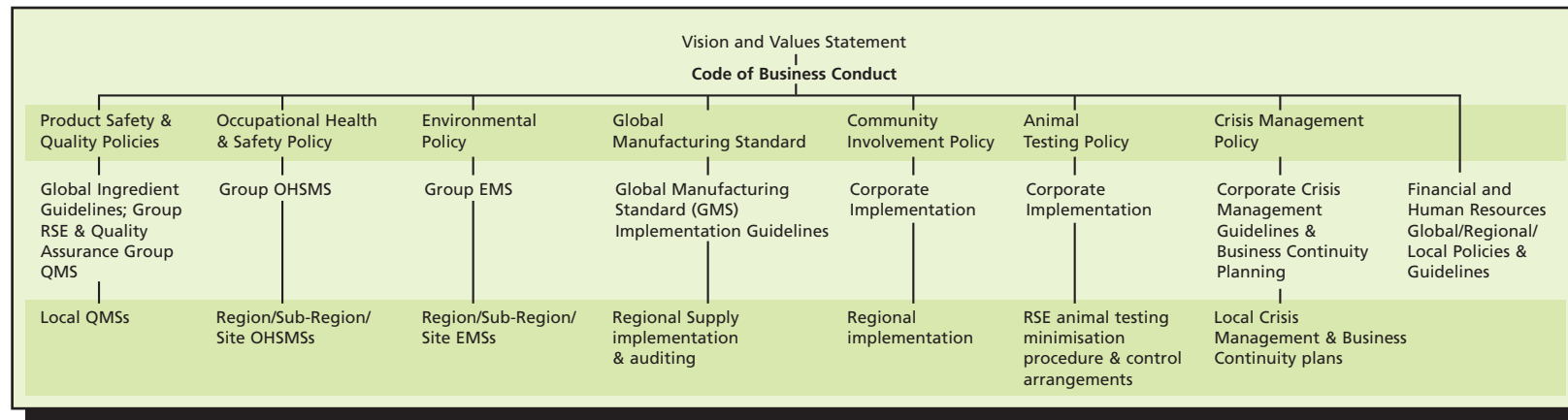
*Javed Ahmed, Executive Vice President,
Reckitt Benckiser North America
and Australia*



HOW WE ENSURE WE ACT SUSTAINABLY AND RESPONSIBLY

How do we manage sustainability and responsibility in our business?

CORPORATE RESPONSIBILITY FRAMEWORK



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

* here and elsewhere in this report 'sustainability' covers social, environmental and ethical (SEE) matters, issues of corporate responsibility (CR) and corporate social responsibility (CSR), and sustainability (see page 22)

GOVERNANCE

Responsibility for sustainability* issues is integrated throughout the Company's management structure.

The Board is responsible for the overall stewardship of the Company, including sustainability. The Chief Executive Officer (CEO) is the Board member with specific responsibility for the Company's sustainability policies and performance.

Corporate responsibility framework

Our Corporate Responsibility Framework (above) comprises our Code of Business Conduct and specific policies, control arrangements and reporting. It defines our ethical values and the Group policies and procedures that govern how we act in conducting the Company's business.

RESPONSIBILITY

The Executive Committee (EC) 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, Investor Relations & Corporate Communications, is Secretary to the EC and is responsible for our community involvement and much of our stakeholder engagement, reporting to the CEO.

Our Environmental and Health & Safety (EHS) Director has a direct reporting line to the CEO and in addition to EHS coordinates other sustainability issues such as standards in our supply chain.

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

We train senior managers worldwide on our Code of Business Conduct and crisis management arrangements.

MANAGEMENT EXAMPLES

Board

The Board periodically considers and takes account of the significance of sustainability issues and their potential risks to the business of the Company. The Board conducts a formal review of the Company's sustainability performance and strategy at least annually (see Annual Report and Financial Statements 2005,

page 4), in addition to considering sustainability issues in other contexts e.g. reputational risk.

Code of Business Conduct

Senior managers in all Group companies are required to annually report and sign-off on compliance with our Code of Business Conduct (CoBC) to Internal Audit and the findings (after any required investigations) are reported to the Board Audit Committee.

In 2005 a two-year review of this CoBC compliance process was completed, through one-to-one interviews with management personnel at various levels in a sample of regions globally. Based on the sample audited, the overall findings were positive. The results of this process were reported to the Chief Financial Officer who is responsible for Internal Audit and is a Board member.

STAKEHOLDERS AND EXTERNAL BENCHMARKING

How do we listen to our stakeholders and benchmark our performance?

ENGAGEMENT AND UNDERSTANDING

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

We talk to our external stakeholders:

- as part of normal, day-to-day business and support activities e.g. working with suppliers on new product development, talking to customers and shareholders
- as part of more specific, periodic programmes, which may or may not be specific to sustainability issues

In 2005, as in previous years, we engaged with all of the six stakeholder groups identified by the UK's Business in the Community (BitC) Corporate Responsibility Index:

- customers and consumers
- financial stakeholders
- government and regulators
- local communities
- non-governmental organisations (NGOs) and media
- suppliers

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.

In 2005 we conducted a specific survey of all employees within our corporate HQ in the UK for the first time. The survey was very successful in not just confirming where we do things very well, but in also identifying areas where we can improve further. We are currently working to ensure that we properly take account of the views expressed and make our Company an even better place in which to work.

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

EXTERNAL BENCHMARKING

We learn a lot from the assessment of and feedback on our performance in external benchmarks. In 2005 we were:

- sector leader in the UK's Business in the Community (BitC) Corporate Responsibility Index and placed 17th (2004: 22nd) out of the top "100 Companies that Count". We were also sector leader and placed in the "Premier League" of companies scoring more than 95% in BitC's Environment Index (www.bitc.org.uk)



CORE STAKEHOLDER GROUPS



- a member of the Dow Jones Sustainability Indexes and of the UK, European and World FTSE4Good indices (www.sustainability-indexes.com; www.ftse.com/ftse4good)



- ranked amongst the leaders of our sector in the Carbon Disclosure Project's assessment of companies' carbon strategies (www.cdproject.net)

CARBON DISCLOSURE PROJECT

INDUSTRY PROGRAMMES

In 2005 we passed the Entrance Check for and formally joined the European detergent industry's Charter for Sustainable Cleaning; see also page 9 of this report (www.sustainable-cleaning.com)



Reckitt Benckiser also undertakes programmes with other trade associations worldwide, such as The Soap and Detergent Association (SDA) in the United States, which in January 2005 formally unveiled its Principles for Sustainable Development (www.cleaning101.com)

* All brands that carry this mark are from companies which are committed to the Industry programme "Charter for Sustainable Cleaning".

OUR ACTUAL ENVIRONMENTAL IMPACT

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

In 2005, the actual environmental impact of our manufacturing and R&D facilities decreased for all performance indicators - between 4 and 11% - except for total waste, which increased by 1%, due to the introduction of a new production technology which we are still optimising.

Between 2000 and 2005, the actual environmental impact of our manufacturing and R&D facilities decreased for all performance indicators - between 5 and 42% - except for water use, which increased by 2%. This small increase in water use since 2000 is largely due to:

- the increased production of water-based liquid detergents and fabric softeners, due to increased consumer demand for these products
- increased levels of process cleaning, to safeguard product quality and consumer health & safety following the move to less potent preservatives in our products (e.g. our move out of formaldehyde, see page 13)

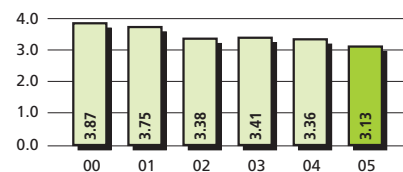
In 2005 our production volume*, in terms of consumer units (CU), decreased by 1.5%; between 2000 and 2005 it was essentially static, decreasing by just 0.4%.

This means that the reductions in our environmental impact during 2005, and between 2000 and 2005, are not due to changes in our internal production volume (which changed very little), but represent actual improvements in the environmental performance of our business.

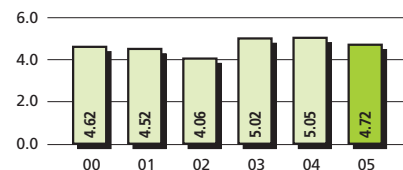
* the environmental performance data in this report relates to our production at Reckitt Benckiser controlled manufacturing facilities, it does not include production volumes at third parties who make some products on our behalf.

MATERIAL AND RESOURCE USE

ENERGY USE AT MANUFACTURING AND R&D FACILITIES (million GJ)



WATER USE AT MANUFACTURING AND R&D FACILITIES (million m³)



REGULATORY COMPLIANCE

Throughout our operations we regard legal compliance as the minimum standard to be achieved. Our clear intention is that legal requirements are surpassed.

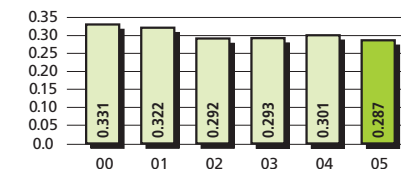
ENVIRONMENTAL PROSECUTIONS AND FINES

	Prosecution	Fine
2001	0	0
2002	0	2
2003	0	2
2004	0	1
2005	0	0*

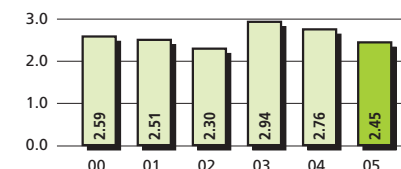
* During 2005 none of the 43 manufacturing or 5 R&D facilities for which we present data in this report received either a prosecution or a fine from an environmental regulator. However, our new factory in Russia - which opened during 2005 and on which we will start reporting environmental data in our 2006 report - did receive a small fine; we have decided it is more transparent to note this fact here. The fine in Russia, of £196, was for the incorrect storage of waste wooden pallets and the discharge of rainwater to a domestic effluent/process wastewater sewer.

EMISSIONS

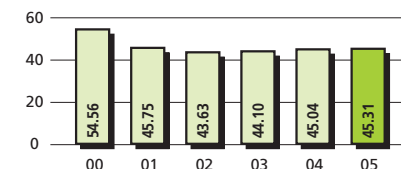
GREENHOUSE GAS EMISSIONS FROM MANUFACTURING ENERGY USE (million tonnes CO₂ equivalents)



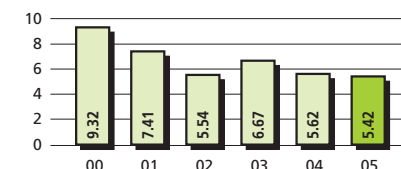
WATER DISCHARGES FROM MANUFACTURING AND R&D FACILITIES (million m³)



TOTAL WASTE AT MANUFACTURING AND R&D FACILITIES ('000 tonnes)



HAZARDOUS WASTE AT MANUFACTURING AND R&D FACILITIES ('000 tonnes)



BASIS OF REPORTING

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

SCOPE AND COMPLETENESS

This report provides data and information for the period 1st January 2005 to 31st December 2005 across all Reckitt Benckiser Group companies, as follows:

- Environmental: the 43 factories and 5 R&D centres over which we had operational control on 31st December 2005 (see table), excluding our new factory in Russia which opened during 2005 and will be included in our 2006 report
- Health & Safety: the 44 factories over which we had operational control during 2005, including our new factory in Russia which opened during 2005
- Social: all Group companies and facilities
- Economic: all Group companies and facilities, excluding Zimbabwe (see Basis of Consolidation on page 17 of our Annual Report 2005, at www.reckittbenckiser.com).

Data on our greenhouse gas emissions were calculated in line with The GHG Protocol Corporate Accounting and Reporting Standard (2004). We have additionally taken account of the global warming potential of methane and nitrous oxide emissions from energy use, in line with the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (1996).

COMPARABILITY AND LIMITATIONS

The comparability of data from year to year is affected by changes in the number of Group facilities, changes in the methodology for determining certain data (e.g. European Union changes in the definition of hazardous waste) and continual improvements in our performance measurement systems. In this report we have made the following improvements in historical data presented in previous reports:

- facility-specific emissions of CO₂ from electricity consumption have been amended for 2000-2003 using updated country-level data provided by the International Energy Agency in 2005. In the absence of 2004 and 2005 country-level data, a five-year average (1999 - 2003) has been used for 2003 and 2004. This change causes the CO₂ emissions previously reported for 2000 - 2004 to reduce slightly
- increases have been made to the volume of total waste previously reported for 2000 - 2004, due to corrections to historical waste volume at Wolcott in the USA
- minor amendments have been made to previous years' water discharges for our facility in Toronto in Canada; this does not affect Group totals, except for a slight reduction in 2002 data previously reported

On 1st February 2006 Reckitt Benckiser completed the acquisition of Boots Healthcare International (BHI), including several manufacturing facilities and a R&D centre, to create a combined £1 billion Health and Personal Care business category. The sustainability data and information in this report, for the year 2005, does not include BHI.

EVOLUTION IN SCOPE OF ENVIRONMENTAL PERFORMANCE DATA PRESENTED IN THIS REPORT

Year	Operational factories providing data (%)	R&D centres providing data (%)	Comments
2005	43 (100%)	5 (100%)	1 factory closed; production moved to other facilities in Indonesia
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

Although we are confident in the overall reliability of the data and information reported, we recognise that some of these data are subject to a degree of uncertainty that relates to, for example:

- potentially different interpretation of reporting guidelines at a local, site level and global, Group level
- inherent limitations in methods and measurement techniques used to determine environmental and health & safety data, including calculations of consumer unit (CU) production levels and working hours at a site level

INDEPENDENT ASSURANCE

URS Verification Limited (URSVL) has provided independent assurance over information and data in this report. For their scope and opinion see page 23.

The economic data disclosed in this report on pages 1 and 4, and the social data on employee numbers and remuneration on page 14, are taken from the Company's Annual Report & Accounts 2001-2005, which are subject to independent audit and are available at: www.reckittbenckiser.com

URSVL and PricewaterhouseCoopers LLP (PwC) provided independent assurance/review of our five previous Sustainability/Environmental Reports, for 2000-2004, which are available at: www.reckittbenckiser.com

GLOSSARY AND CONTACT DETAILS

BIODIVERSITY: biological diversity. The variety of living things; the different plants, animals and micro-organisms, the genes they contain and the ecosystems of which they are a part.

CARBON DIOXIDE (CO₂): a naturally occurring gas, which is also a by-product of burning fossil fuels, biomass burning, land-use changes and industrial processes. It is the principal greenhouse gas being emitted by human activities.

CLIMATE CHANGE: the term commonly used for the human-induced (anthropogenic) changes in the earth's climate that are generally agreed to be presently occurring, largely as a result of fossil fuel use.

Technically, climate change may be defined as a statistically significant variation in either the average state or variability of the climate (the prevailing environmental conditions resulting from the interactions of wind, water, and temperature), persisting for an extended period of time (e.g. decades or longer).

CONSUMERS: the persons who use our products, usually in the home.

CONSUMER UNIT (CU): the normal unit of our products purchased by a consumer (i.e. a single box, bag, bottle etc.).

CORPORATE RESPONSIBILITY: an organisation's responsibility to act in an environmentally, ethically and socially responsible manner in conducting its activities (also known as Corporate Social Responsibility or CSR).

CUSTOMERS: the companies to whom we sell our products.

ECONOMIC: relating to the economy (the system of production, distribution and consumption of goods and services).

ENVIRONMENT: surroundings, including air, water, land, natural resources, flora, fauna, humans and their interactions.

ENVIRONMENTAL ASPECT: an element of an organisation's activities, products or services that can interact with the environment to cause an environmental impact or benefit.

FORESTATION: the conversion of non-forested land to forested land through human activities (e.g. planting or seeding). *Afforestation* is forestation on land that has not been forested for a period of time (e.g. 50 years); *Reforestation* is forestation on land that was forested but that has been converted to non-forested land relatively recently (e.g. within less than 50 years).

GREENHOUSE GASES: gaseous constituents - both natural and human-made - of the Earth's atmosphere that absorb infrared radiation emitted from the Earth's surface, the atmosphere and clouds. By absorbing infrared radiation, these gases trap energy in the Earth's atmosphere and cause the greenhouse effect - the trapping of heat in the lower atmosphere - and so influence the global climate. Water vapour (H₂O), carbon dioxide (CO₂), methane (CH₄), and ozone (N₂O) are the primary greenhouse gases.

HUMAN RIGHTS: the universal rights outlined in the United Nations' Universal Declaration of Human Rights, such as the rights to life, liberty and security of person, equality before the law and freedom of association.

PERFORMANCE: level of benefit or impact, particularly over time.

RISK: uncertainty, including both potential threats and potential opportunities.

SEQUESTRATION: increasing the carbon content of a carbon pool other than the atmosphere, such that more carbon is flowing in to it than out of it over a given time period (i.e. such that it acts as a carbon sink).

SOCIETY: the general population and its institutions, aside from government and business; including individuals, voluntary/religious groups, schools/universities and non-governmental organisations (NGOs).

STAKEHOLDERS: those individuals and groups that affect and/or are affected by the Company and its activities.

STAKEHOLDER ENGAGEMENT: the process of interacting with stakeholder groups.

SUPPLIER(S): third-party suppliers of goods and services.

SUSTAINABILITY: the capacity for continuance in to the long-term future, environmentally, socially and economically. It embodies the concept of balancing short-term and long-term goals and benefits.

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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INDEPENDENT ASSURANCE STATEMENT

OBJECTIVES

URS Verification Ltd (URSVL) has been commissioned by Reckitt Benckiser to provide independent assurance of its Sustainability Report 2005 ("the Report"). Key objectives of the assurance programme included reviewing the:

- Materiality and completeness of the sustainability information reported, including the accuracy of most claims and information;
- Appropriateness and implementation of group systems and processes for sustainability management;
- Robustness of data reporting systems for social and environmental data; and
- Accuracy of safety and environmental data at a sample of sites.

Responsibilities of Reckitt Benckiser Management and the Assurors

The information contained in the Report is the sole responsibility of the Executive Committee of Reckitt Benckiser. This assurance statement represents the independent opinion of URSVL in relation to the Report. URSVL was not involved in the preparation of any material included in this report.

URSVL has carried out this assurance by checking samples of data, information and documents that have been made available on request to URSVL by Reckitt Benckiser. Accordingly, URSVL has not checked or reviewed all of Reckitt Benckiser's data, information and documents that contribute to the Report. This assurance statement provided by URSVL is not intended to be used as advice or as the basis for any decisions, including, without limitation, financial or investment decisions.

APPROACH

URSVL has applied certain principles of the AA1000 Assurance Standard and associated guidance. Assessing responsiveness to stakeholders was not specifically included in the scope of the assessment.

A sampling strategy was adopted which built on last year's assurance programme which comprised interviews with six managers and visits to four sites. The scope of this year's assurance programme comprised:

- Seven interviews with Reckitt Benckiser management personnel at Group, Area, and Operational level covering the company's strategy and approach to the management and control of sustainability issues;
- Reviewing relevant documents, including testing data management tools, checking claims made against requested available evidence; and
- Visits to four manufacturing sites, identified by URSVL as being significant contributors to and regionally representative of Reckitt Benckiser's sustainability footprint; which were Guenes (Spain), Chartres (France), Wolcott (USA), and Shashi JingZhou (China).

Activities undertaken during the site visits included reviewing processes in place for site level data collection, management and reporting; obtaining an overview of some of the key site-level sustainability issues and how they are controlled and managed; reviewing processes for site level assurance of compliance with the Group's Global Manufacturing Standard (GMS); and reviewing internal validation processes for safety and environmental data reported. In addition, detailed verification was undertaken of reported safety, energy consumption and waste disposal data.

OPINION

Reckitt Benckiser continues to implement programmes and initiatives focused on reducing the negative environmental and social impacts of its operations and products. There is clear evidence that Reckitt Benckiser is seeking to influence others in environmental impact thinking and to respond to the expectations of stakeholders.

There has been significant progress in implementing the GMS, particularly in Asia.

Does Reckitt Benckiser understand and report on its key sustainability issues and impacts?

Risk management appears to be an integral part of business decision-making with sustainability issues generally reflected in the programmes in place. Based on management interviews, individuals are aware of the requirement to manage key sustainability issues, within their areas of responsibility. Recent initiatives also demonstrate that Reckitt Benckiser is considering impacts beyond its operational boundaries. While Reckitt Benckiser generally understands its key sustainability risks and challenges, this understanding is not always fully reported. There are opportunities to report more fully on sustainability challenges and how the organisation responds to these.

Does the report provide a complete, fair and balanced representation of Reckitt Benckiser's sustainability performance?

This report fairly reflects Reckitt Benckiser's sustainability programmes and performance. However, increased information on social and ethical issues such as occupational health, bribery and corruption, employee relations, responsible marketing and human rights would enhance the completeness and balance of the report.

Safety and environmental management and performance monitoring within operations is more established resulting in information on performance trends being more accessible. In other areas, less performance data is available and activities and case studies are used to indicate performance. As programmes in these other areas develop, establishing performance indicators and targets will enable more complete disclosure of performance.

Is the data contained in the report accurate?

Processes for environment and safety data collection continue to be expanded and improved. There is a well established validation process for environmental and safety data, at Group level, although site level processes sometimes appeared limited.

Data collection and aggregation processes for reporting safety and energy performance from operations are robust and able to generate accurate data. No significant variances were identified during our assessment in these areas. However, variances in reported waste data were identified, resulting in a material variance in the total waste data reported. The most significant variance was due to the omission of a waste stream at one of the sites visited. Identified variances have been corrected in the reported data set.

SUGGESTIONS FOR IMPROVEMENT

Our feedback report to Reckitt Benckiser's management contains suggestions for the continuous improvement of the company's reporting systems and processes.



Sally Vivian

*For and on behalf of URS Verification Ltd
London, June 2006*

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NOTE

Guidelines we have taken account of in preparing this report include:

- *Environmental Key Performance Indicators – Reporting Guidelines for UK Business*, Department for Environment, Food & Rural Affairs (DEFRA), 2006
- *Reporting Standard 1: Operating & Financial Review (OFR RS1)*, Accounting Standards Board (ASB), 2005
- *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
- *Sustainability Reporting Guidelines*, Global Reporting Initiative (GRI), 2002
- *Health & Safety in Annual Reports*, Health & Safety Commission (HSC), 2001
- *General Guidelines on Environmental Reporting*, Department for Environment, Food & Rural Affairs (DEFRA), 2001
- *Towards a Generally Accepted Framework for Environmental Reporting*, European Federation of Accountants (FEE), 2000
- *AA1000 Framework: standard, guidelines and professional qualification – An exposure draft*, Institute of Social & Ethical Accountability (AccountAbility), 1999
- *ISO 14031 Environmental Performance Evaluation Guidelines*, 1999