

What drives you mad, drives us...

Germs, infectious diseases, pests,
poor hygiene, dirty water.

Sustainability Report 2004

**RECKITT
BENCKISER**

...to deliver better solutions

Our vision is to deliver better solutions in household cleaning and in health and personal care. In pursuing that vision we improve people's lives. Our products improve hygiene and health – cleaning, disinfecting, controlling pests, preventing infection – and we work relentlessly to make them even better. Our employment provides a safe and secure workplace for our people. Our success creates wealth enriching the lives of employees, suppliers, shareholders and society at large.

We're committed to improving lives today at even less cost to the future. We're intent on pursuing our vision sustainably and responsibly, by reducing the environmental cost of what we do and recognising our responsibilities to society in the way we do business. How are we doing this? Read on...



The story behind the cover photograph

In June 2004 Bangladesh was struck by extensive floods. More than 33 million people were affected and two-thirds of the country was submerged. Additional heavy rainfall in September 2004 made the continuation of relief efforts imperative.

Reckitt Benckiser's support enabled Save the Children to continue working at 20 severely hit slums around the capital Dhaka and the neighbouring city of Narayangonj.

The projects focussed on:

- provision of safe water, hygienic latrines and mosquito control
- medical care for flood related diseases

whilst also helping with disease prevention via health education.

www.savethechildren.net

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Sustainable growth – A statement from our CEO

*Reckitt Benckiser improves people's lives through better hygiene and health.
Our sustainability commitment is to do this with even less cost to the future.*



Our business and our passion

We're passionate about delivering better solutions to consumers in the areas of household cleaning and in health and personal care. We also believe that our business has a much bigger social role than this – our products improve people's lives and the wealth we generate benefits society.

Every day our products touch millions of lives. A family or school in America that uses Lysol disinfectant to kill germs is helping to prevent infection, giving children fewer days off school. A household in India that cleans with Dettol improves hygiene, reduces disease and increases quality of life. Mortein pest control products allow an uninterrupted night's sleep and guard against diseases borne by mosquitoes. Dishes cleaned with Finish, Calgonit or Electrasol are more hygienic. Lavatories treated with Harpic or Lysol are cleaner and safer for all the family. Suboxone and Subutex help to treat drug addiction.

Our sense of purpose in delivering better hygiene and health solutions to consumers lies at the heart of what we do. We understand that our business will only be sustainable if we improve the lives of all involved.

That extends to nearly 20,000 people worldwide who work for Reckitt Benckiser, sharing in the wealth that the business creates. In 2004 that meant £416 million in remuneration.

To our shareholders in 2004 it meant £499 million in cash paid out in dividends and share buy backs, and

an increase in the value of the enterprise of over £2 billion.

To society as a whole, it meant £266 million paid in tax and social security, £2.4 billion paid to suppliers sustaining other businesses and employment, and £1 million put straight back into society where it is most needed through our community involvement programs.

Sustainability and responsibility

We do recognise that our business has side effects that may not be so positive. Our commitment is to make our business more sustainable and responsible. By this we mean a business that operates effectively today with as little environmental, social and ethical cost to the future as possible.

Priorities

We have clear priorities in our sustainability and responsibility strategy, focusing on those areas where we can have most impact on the most serious issues.

1 Environmental sustainability

- **Climate change** To date our focus has been on reducing the global warming emissions from our energy use in product manufacturing; since 2000, we have reduced our global warming emissions by 11% per unit of production
- **Waste reduction and recycling** Since 2000 we have reduced our total waste by 21% and hazardous waste by 40%, per unit of production. In 2004 we launched a three-part project to encourage plastic packaging recycling internationally

2 Social and ethical responsibility

- **Health & safety of employees** Our incident rate of lost working day accidents has decreased by 70% since 2001
- **Responsibility in our supply chain** Responsible behaviour in our supply chain can have a multiplier effect in terms of improving responsibility

(and sustainability) performance. In 2004 we launched a Global Manufacturing Standard (GMS), clearly defining supply chain requirements in terms of working conditions, health & safety and environmental management

- **Community involvement** We focus our community involvement towards those whom our products would not normally touch, addressing health and hygiene and HIV/Aids

The future

Global issues such as climate change, sustainable resources and HIV/Aids threaten whole societies. We are working intensively today to see where we can do more as a business to make a positive contribution. We expect to be launching some major initiatives in the next 12 months.

Our aims for 2005 and the next few years include:

- expand our work on climate change in terms of consumers' use of our products and our own direct impacts
- increase the potential for consumer recycling of our own (and others') plastic packaging
- continuing improvements in employees health and safety
- further encourage and ensure social and environmental responsibility in our supply chain
- providing more support to those who do not generally benefit from our products

That is our sustainability commitment. I hope that all readers of this report will seek to contribute to what is both a challenge and an opportunity.

Bart Becht
Chief Executive Officer
Reckitt Benckiser plc

Better solutions improve lives

How do our products contribute to a better society?

Better hygiene leads to better health which means improved lives.

Our product portfolio contributes to improving lives in the 180 countries where we sell those products today. Our focus on household cleaning, where we are the world's number one company (excluding laundry detergents), and on health and personal care, where we are a major player in antiseptics, disinfectants and in over the counter medicines, means that we make a major contribution to hygiene and health in the world.

Our product categories

Surface Care (20% of net revenues). We are world number one in surface cleaning thanks to our leadership in disinfectant cleaners with brands Lysol and Dettol and in lavatory cleaners with Harpic and Lysol. We also have a major position in multipurpose cleaning thanks in part due to Cillit Bang and Easy-Off Bang, newly introduced power cleaners.

Fabric Care (28% of net revenues). We are number one worldwide in fabric treatment with Vanish and Spray'nWash, and in water softeners with Calgon. We are major players in fine fabric detergent with the world number one brand Woolite.

Dishwashing (14% of net revenues). We are world number one in automatic dishwashing products with Finish and Calgonit in Europe and Developing Markets, and Electrasol and Jet Dry in North America.

Home Care (15% of net revenues). We are number two worldwide in air care, with Airwick, and in Pest Control, with Mortein and dCon.

Health & Personal Care (15% of net revenues). We are world number one in antiseptics with Dettol personal care range, and in Depilatories with Veet.

Our healthcare portfolio includes market leading brands such as:

- Gaviscon, which treats heartburn and indigestion including an important role in the treatment of gastric reflux in young babies
- Lemsip, the market leader in cold and flu treatments in the UK
- Suboxone and Subutex, leaders in the treatment of opiate addiction

Food (6% of net revenues). French's is North America's favourite yellow mustard. Frank's Red Hot and Cattleman's BBQ are also leading North American brands.

So how in practice does this portfolio contribute to improving lives?

Better hygiene

Dettol and Lysol help to reduce infection and the spread of communicable diseases, reducing the incidence of sickness and mortality.



"We use these [Lysol] products to not only clean up, but also for universal precautions of infection control."

Ambulatory Clinic Manager,
Visiting Nurse Service, USA

Most of our product portfolio promotes better hygiene, in the kitchen, the bathroom, clothes washing or in the dishwasher. It is the heart of what we do as a Company.

Proper cleaning and disinfection, combined with a conscientious regimen of regular and proper hand washing, can help keep all healthcare and home environments healthier, even in situations of great concern.

"The day I got discharged [from hospital], I was very happy. The first thing I did when I got home was to wash my clothes with Dettol. I've been to two medical follow-ups and I'm fine."

SARS survivor, Singapore



"Why I have chosen Dettol is because it is good if we have got wounded or scraped. With Dettol these wounds or scrapes get healed."

Consumer focus group, India

Protection against disease

The World Health Organisation estimates there to be 1.5 to 1.7 million deaths each year from malaria, about 90% in children under 5 years of age.



Mortein is our main pest control brand. We also own dCon the leading rodenticide in North America, and a number of regional or local brands such as Tiga Roda in Indonesia, SBP in Brazil and Pif Paf in China. These products help to reduce the incidence of diseases carried by mosquitoes, such as malaria or dengue-fever, by proving effective deterrents to mosquitoes or by killing them if they penetrate into the home.

Better solutions improve lives continued

“For the past six months, I’ve started using the 6 corner Mortein coil. Now mosquitoes don’t trouble us. The kids are happy and diseases don’t come near us.”

Villager in a consumer focus group, India

We supply mosquito coils and mats, vapourisers and ‘knock-down’ sprays to Africa, Asia and Latin America to tackle these risks and give consumers a better life.

Solving consumers’ problems

“I just wanted to express my appreciation for your product Electrasol 2in1 gelpacs. I have tried other products for my automatic dishwasher, some cheaper and some more expensive, but none works as well as Electrasol. I never have to use anything else – no pre-washing, no soaking, always does the job right first time.”

US Consumer testimonial



Improving lives is not just about better hygiene or health, it is also about saving time on mundane tasks, to free more time for better things. Our passion is about better solutions to help consumers with those mundane tasks. Every improvement in our products is a step forward for consumers, improving cleaning performance or reducing the inconvenience of the task.

Our product improvements can also have other benefits. Our mono-dose automatic dishwashing formats (tablets and gelpacs) deliver a single measured dose containing exactly the right amount of detergent to clean a machine load of dishes. This prevents

overdosing, which is an inefficient use of resources and could result in more waste chemicals being washed into the environment.

So product improvements can provide both better and more convenient consumer solutions. And these better solutions can also save money and reduce stress.



“I don’t write to companies about their products, but I am making an exception. I bought a bottle of the Spray’nWash dual action and I can’t say enough good things about it. I have tried many stain removal products but nothing like this. Now, if I get a stain, I don’t worry about it. I know the clothing is not ruined. I’m sure you hear a lot of the negative from customers and I just want to say thank you very much. This is a great product.”

US Consumer testimonial



“I have recently (in the past week) been diagnosed with a genetic blood-clotting disorder and have been placed on daily blood thinning medication. As such I am no longer able to use a razor blade. I have been

searching for a product that works well without irritation; and I found the new razorless kit. I’m in love! This product is absolutely fantastic! It works great, doesn’t irritate my very sensitive skin, and doesn’t smell offensive. Not to mention it’s so quick and easy! I would like to say thank you for helping me solve a very difficult problem.”

US Consumer testimonial

Case study – Subutex & Suboxone

We make and sell, in Europe, North America and Australia, a pharmaceutical product to help opiate (e.g. heroin) dependent patients overcome their addiction.

The product’s unique characteristics include a ‘ceiling’ on heroin-like effects that can result in positive safety features, making it easier for family doctors to use and therefore making treatment more accessible to patients.

“I cannot begin to thank Reckitt Benckiser ... [although] companies speak of social responsibility, few have taken a stand to offer solutions for those suffering from the horrendous addictions of heroin abuse. You have had a tremendous impact on my family... you have made treatment available on a much broader scale for people trying to break this death grip. Our son is one of those.”

Consumer’s letter, USA

The wealth we create improves lives

How does Reckitt Benckiser contribute to increasing economic value?

In 2004 we:

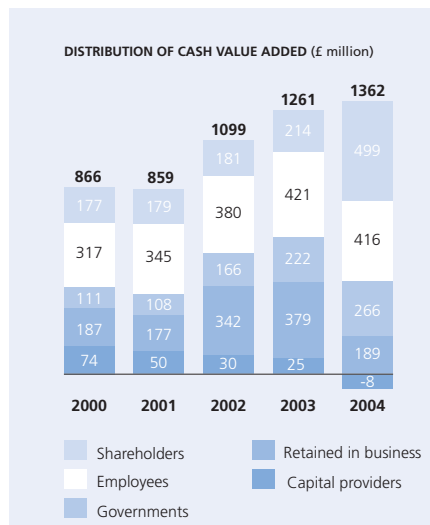
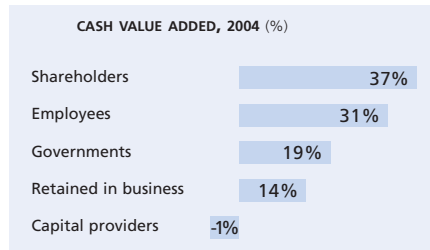
- provided an income of over £2.4 billion to suppliers of raw and packaging materials and other goods and services, which helped to sustain their businesses and to provide employment and income for their employees
- provided in cash £216 million in dividends and £283 million in share buyback to shareholders. We also increased the market value of the Company by over £2 billion, to £11.5 billion. 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
- paid our 19,900 employees £416 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 £266 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 financial measure of monetary distribution from the Company, in terms of cash.

It is derived directly from the data provided in the Company's Annual Report & Accounts.

In 2004 our cash value added was £1,362 million; it was distributed to shareholders, employees and governments.



Total shareholder return (TSR)

TSR represents the growth (or decline) in the value of shares in a company.

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

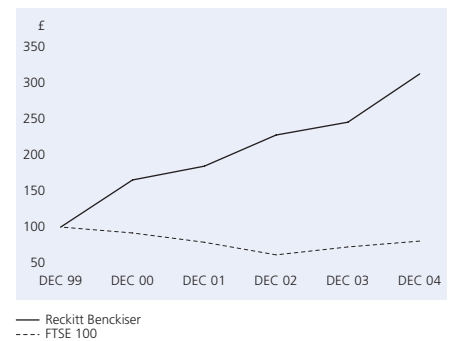
The graphs below, from page 27 of our Annual Report & Accounts 2004, show that the Company has significantly outperformed both the UK FTSE 100 and its US peer group over the last five years.

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.

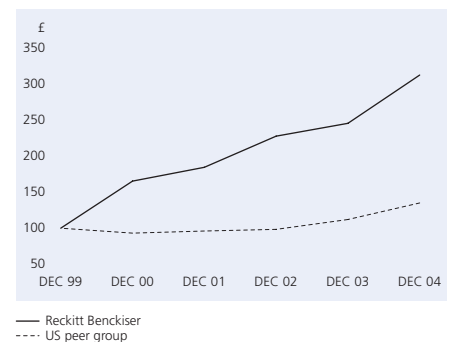
Historical TSR performance

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

FTSE 100 comparison based on spot values



United States peer group comparison based on spot values



Making us more sustainable

What are our impacts, how do we measure them and what are we doing about them?

Our impacts

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

Direct and indirect impacts

Direct impacts are those caused directly by our activities and over which Group companies have management control e.g. energy use at our manufacturing facilities; the number of accidents at work.

Indirect impacts are caused indirectly by our activities and Group companies do not have management control over them, although we can and do seek to identify, understand and improve those that are significant and over which we can have a material influence e.g. the impacts of our suppliers; how consumers use and dispose of/recycle our products and their packaging.

Identifying our sustainability impacts

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

In 2004 we undertook a new cross-functional review of our Group **Environmental Aspects**, re-evaluating those which may have significant environmental impacts. We previously carried out an extensive environmental review like this in 2001, and we continually update our environmental aspects evaluation throughout the year.

As a result of our 2004 environmental review we will launch several significant new **Environmental Improvement Programmes** in 2005 which we will report on publicly over the next 12 months.

Our 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 page 18). For example, we seek to report in line with the Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines* (www.globalreporting.org); 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 direct and indirect impacts have 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 either a Group, regional or site level.

Case study – CHP at Mira, Italy

Combined Heat and Power (CHP) is a fuel-efficient energy technology that, unlike conventional forms of power generation, puts to use the by-product heat that is normally wasted.

Mira factory in Italy is the largest user of energy in Reckitt Benckiser. It consumed 17% of our global manufacturing energy use in 2004 to make household detergents.

In November 2004 a CHP plant, based around an 8MW gas turbine, was commissioned at Mira. Full waste heat recovery came on-line early in 2005.

Our most energy intensive factory is now using a very fuel-efficient energy technology. CHP is acknowledged as playing an important part in reducing the CO₂ emissions that contribute to global warming.

Case study – Water in Brazil

In March 2004 our factory at Sao Paulo in Brazil started recycling its cooling water, and in April 2005 recycling of process wastewater was also begun. Overall the project is now recycling around 140 m³ (246,000 pints) of water each day.

Sao Paulo was our second greatest user of water in 2004, although due to this project it will be a much smaller water user in 2005.

The environmental advantage is that Sao Paulo will be reducing its annual water consumption and water discharges by about 48,000 m³ (84 million pints).

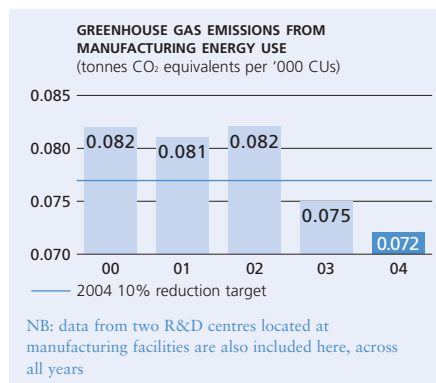
Economically the investment costs will have been paid back within two years, after which the project will be saving us money.

Reducing emissions from our facilities

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

Air emissions

Our manufacturing facility energy use produced greenhouse gas emissions equivalent to 0.072 tonnes of carbon dioxide (CO₂) for every 1,000 Consumer Units (CUs) of production in 2004, and 306,500 tonnes of CO₂ equivalent in total.



During 2004 we reduced emissions of greenhouse gases by 3.5% per unit of production. Actual emissions stayed essentially static.

Overall, we have reduced greenhouse gas emissions by 11% per unit of production, and 10% in terms of actual emissions, since 2000.

This has been achieved through global energy efficiency programmes (see Energy Use, page 7), including initiatives such as the new CHP plant built at Mira in Italy during 2004 (see Mira case study on page 5).

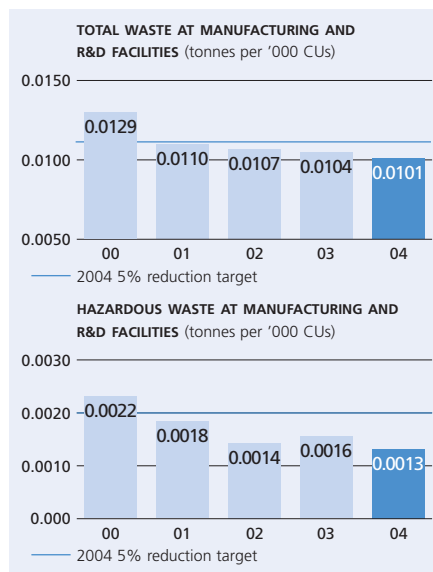
Performance targets

We have beaten our target of a 10% reduction in greenhouse gas emissions per unit of production from manufacturing energy use by 31st December 2004, achieving an 11% reduction.

Our new target is a 20% reduction per unit of production by 31st December 2010.

Waste

We produced 0.010 tonnes of waste for every 1,000 CUs of production in 2004 (incl 0.001 tonnes of hazardous waste), and 42,800 tonnes in total (including 5,600 tonnes of hazardous waste).



During 2004 we reduced total waste by 3% and hazardous waste by 19% per unit of production. Actual total waste increased marginally by 1%, whilst actual hazardous waste decreased by 16%.

Overall, we have reduced total waste by 21% and hazardous waste by 40% per unit of production, since 2000; and 20% and 40% respectively in terms of actual quantity.

This has been achieved by waste minimisation programmes such as the returnable packaging initiative at Toronto, Canada in 2004.

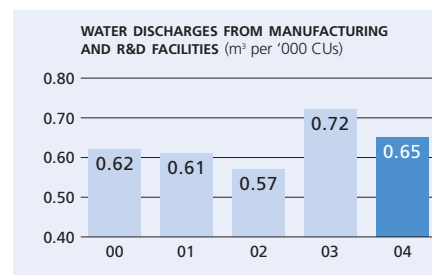
Performance targets

In 2003 we set ourselves a target to re-use or recycle off-site 65% of our total waste, and 33% of hazardous waste, by 31st December 2010.

In 2004 we re-used or recycled 62% of our total waste and 35% of our hazardous waste. We are working to further understand the opportunities here before reviewing this target for hazardous waste in 2006.

Water discharges

We discharged 0.65m³ of water for every 1,000 CUs of production in 2004 and 2.7million m³ in total.



During 2004 our water discharges decreased by 10% per unit of production; actual water discharges decreased by 6%.

This was largely the result of water efficiency initiatives and changes in production mix at our factories in Europe, particularly at Mira in Italy.

Overall, water discharges have increased by 5% per unit of production, and 6% in actual terms, since 2000. This has been largely caused by greater use of water for cleaning production equipment, due to reductions in the potency of the preservatives we put in our products. The result is that our products are better for the environment, but we have had to discharge more wastewater. We are working to address this although our wastewater discharges are strictly monitored to ensure that they are better than, or at a minimum comply with, regulatory requirements.

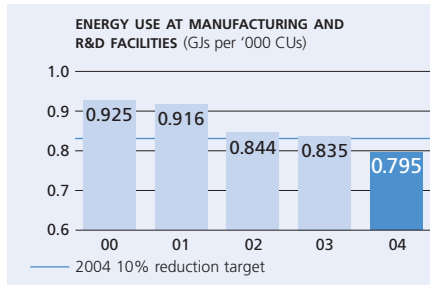
NB: we have revised water use data across all years, to exclude cooling water use at Mira in Italy. This water is taken from the local canal, used in clean cooling systems, and discharged back into the canal. The cooling water discharged back into the canal is visibly cleaner than the water we take out, because we clean it before using it.

Reducing use of material and resources in our facilities

The world's resources are limited. How are we managing our consumption?

Energy use

We consumed 0.795 Gigajoules (GJ) of energy for every 1,000 Consumer Units (CUs) of production in 2004, and 3.36 million GJ of energy in total.



In 2004 we reduced our energy use by 5% per unit of production and by 1% in terms of actual energy used.

Overall, we have reduced energy use by 14% per unit of production and 13% in terms of actual energy used, since 2000.

Energy use reductions in 2004 have been achieved through efficiency programmes at facilities worldwide, including strong performance at our factories in Granollers, Spain and Shashi Jingzhou, China.

A more efficient boiler at Cileungsi factory in Indonesia gave significant reductions; whilst our North American R&D centre at Montvale, USA reduced energy use by 11% in 2004, largely through new energy efficient drives on air conditioning chillers.

Performance target

We have beaten our target of a 10% reduction in energy consumption per unit of production by 31st December 2004, achieving a 14% reduction.

Our new target is a 20% reduction in energy consumption per unit of production by 2010, although we hope to achieve this before then.

Raw material use

In 2004 our top-five raw materials (in terms of quantity) totalled 1.05 million metric tonnes.

Top five raw material categories

Material Category	Percentage of raw material use
Salts	36%
Organic matter	27%
Hydrocarbons	8%
Minerals	3%
Acids	2%
Other	24%

Case study – the GreenFilter™

The two predecessors of Reckitt Benckiser, Reckitt & Colman and Benckiser, operated strict policies regarding the safety of the materials used to make their products. In Reckitt & Colman these policies were assembled into the GreenFilter™ in 1998.

Following Reckitt Benckiser's formation in 1999, our **Global Ingredient Guidelines (GIGs)** were established. The GIGs specify our global standards for materials to be excluded or only used at accepted safe levels (see page 10).

Since well before 1999 we have operated formal **Ingredient Removal Programmes**, systematically removing ingredients from product formulations and PVC from packaging. This is over and above legal requirements.

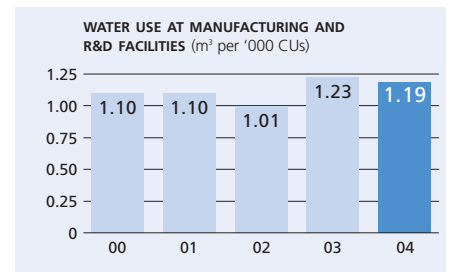
In November 2004, following our latest environmental aspects review (see page 5), we:

- re-established the **GreenFilter™**, this time to seek more environmentally sustainable alternatives to the materials that we use, starting with fragrances
- established a **Standard for raw materials derived from forests**, to assure that our products and packaging do not contain materials harvested from forests in an unsustainable manner

Water use

54% of the water we used in 2004 was released back into water systems (see Water Discharges, page 6). The remaining 46% went into our products, was contained in liquid and solid wastes sent off site, or evaporated from cooling and process systems.

In 2004 we used 1.19m³ of water for every 1,000 CUs of production and 5.1 million m³ in total.



In 2004 we reduced our water use by 3% per unit of production; actual water use increased slightly by 0.6% due to increased production levels.

Our R&D centre in Montvale, USA reduced water use by 46% in 2004, largely due to installing new air conditioning chillers.

Overall, water use has increased by 8% per unit of production and 9% 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, and greater use of water for cleaning production equipment (see page 6). For example, the liquid laundry detergent market grew by 80% in Italy and 125% in Spain between 1997 and 2001.

NB: we have revised water use data across all years, to exclude cooling water use at Mira in Italy. This water is taken from the local canal, used in clean cooling systems, and discharged back into the canal. The cooling water discharged back into the canal is visibly cleaner than the water we take out, because we clean it before using it.

Reducing the impact of our supply chain beyond our facilities *What else are we doing on environmental impact?*

Packaging

Packaging is used to contain, protect and transport our products.

We work hard to minimise packaging as far as possible and constantly have a number of projects in place doing just that (see case studies, page 9).

Many of our products use plastic packaging. In 2004 we donated a significant amount of money and time to support three new initiatives, specifically designed for us to address international barriers to the recycling of plastic packaging:

- development of international 'Design for Recycling' Guidelines
- capital support to recycling schemes in Europe, North America and Africa
- an international journal to stimulate improvements in plastics recycling systems and infrastructure

Work on these projects is ongoing, project managed by RECOUP (the UK plastic packaging recycling advisory body).

Transport and logistics

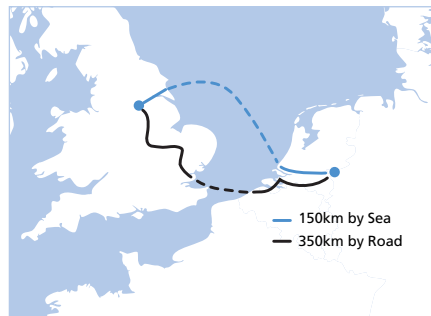
We use transport contractors to move finished products by road, rail and sea from manufacturing facilities to distribution centres and from there to our customers.

The environmental impacts of this are mostly associated with the use of fossil fuels to power trucks, trains and ships, which results in the emission of greenhouse gases.

In 2004 our global transport contractors:

- travelled approximately 189 million kilometres (117 million miles) by road contributing about 0.048 tonnes of carbon dioxide equivalent for every 1,000 consumer units (CUs) of production in 2004 and 203,000 tonnes in total
- transported approximately 1,412 million tonne-kilometres (a function of tonnage transported and distance

travelled) by container in deep sea ships; contributing approximately 0.0023 tonnes of carbon dioxide equivalents for every 1,000 Consumer units (CUs) and 9,900 tonnes in total



Practicing modal shift: moving products from our UK factories to the Netherlands by short sea transport is 200km shorter than transporting them by road, plus ships produce significantly less greenhouse gas emissions per tonne of product transported than trucks

Actions we and our transport contractors take to reduce environmental impacts include:

- combining 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, to reduce 'empty running'
- contracting a third-party to combine 'Less than a Truck Load' (LTL) shipments from different companies together
- implementing 'modal shift', moving freight off roads and onto rail, inland waterways and short sea. In 2004 about 7,000 shipments were moved from road to rail in the United States

NB: Due to the high complexity of global logistics we have to make a number of assumptions when obtaining and collating worldwide transport data; because of this we do not currently directly compare this data from year to year, because every year we are improving the process that we use to obtain it. For 2004 we used actual transport data from all regions, whereas in previous years we have calculated data for some regions, as a function of their net revenue (i.e. sales). This represents a significant improvement in the accuracy of this data.

Land use and biodiversity

The total land area occupied by our manufacturing and R&D facilities in 2004 was 3,760 km² (1,450 square miles); of which 25% comprised hard standing (roads and parking), 37%

green areas (gardens and grass) and 25% buildings.

In 2004 our three factories in India planted several hundred trees within their site boundaries to improve the local visual environment and provide some off-set of the sites' greenhouse gas emissions from energy use as the trees grow. For example, **Hosur in India has planted 1,590 trees within the site boundary since 2001**, so there are now over 6,200 trees at Hosur.

Suppliers and contractors

One of our objectives is to integrate environmental issues into our relationships with key suppliers.

In 2004 we:

- rolled-out worldwide a new Global Manufacturing Standard (see case study, page 10) which includes minimum standards of environmental protection and management. More than 80% by spend of our third-party manufacturers (external suppliers who make products on our behalf) have already self-certified their compliance status with these environmental standards. 94% of these suppliers reported full compliance with our environmental requirements, 2% a non-compliance with one or more of those requirements and 4% an uncertainty. We are currently working with these suppliers to bring them all into full compliance and remove any uncertainties; our objective is to achieve this by 31st December 2005. During 2005 we are also conducting external audits to gain assurance that suppliers self-assessment of their compliance status is correct
- established a new *Standard for raw materials derived from forests*, to assure that our products and packaging do not contain materials harvested from forests in an unsustainable manner

Reducing the impact of our products in consumers hands

How do we help our consumers to reduce their environmental impact?

We are seeking to implement a life cycle management (LCM) approach to our products and processes.

By looking at the environmental impacts associated with our products *before* we manufacture them and *after* we sell them, alongside those from our direct operations, we aim to achieve continuous improvement in product environmental sustainability.

Material and component use

The environmental impacts of product use and disposal are closely connected with their design and the materials which comprise them.

We use Global Ingredient Guidelines (GIGs) and Ingredient Removal Programmes (see case study, page 7 and Product Safety, page 10) to control the ingredients and materials from which our products and their packaging are made.

Our Regulatory, Safety & Environmental services group (RSE) reviews products throughout their design and development, to ensure that they are safe to use as intended and their environmental impacts considered.

Product environmental review

In 2004 we developed a new and additional Product Environmental Review process for our top NPDs (New Product Developments).

This looks more closely at the environmental aspects associated with each product from a Life Cycle Management (LCM) perspective.

During 2005 we shall be using this new review process to help us reduce the environmental impacts of our products across their life cycle, as we develop them.

Case study – Trigger TS3

We sell about 100 million bottles of liquid cleaners with a spray trigger each year. Spray triggers allow consumers to apply products directly onto the area that requires cleaning in a controlled manner, reducing product use and waste.

We developed the lightweight TS3 trigger together with our partner Guala and introduced it in 2004. Now we are using just 8 components, replacing the TS2 trigger that had 14 components.

The TS3 trigger design:

- reduced the quantity of plastic in each trigger, totalling about 38,000 kilograms per year
- avoids the use of about 266,000 kilograms of metal per year, also making it easier for the triggers to be recycled



So the new TS3 trigger has reduced resource use in manufacturing, reduced the waste generated by consumers and made the recycling of that waste easier.

Case study – Granollers regular fabric softener

In 2004 we introduced the RUB (Real Uni-Bottle) 2.5 litre regular fabric softener product at our factory in Granollers, Spain.

We only made two changes: reducing the bottle size from 3 litres to 2.5 litres and increasing the product's concentration, so that the new 2.5 litre bottle gave the same number of product doses as the old 3 litre bottle.

Because we have increased the product's concentration, significant environmental benefits have been achieved.

For every 36 doses of regular fabric softener now produced at Granollers, up to 0.5 litres less water is used to make them and 15 grams less plastic packaging is required to contain them.

In 2004 we produced around 5.25 million bottles of the new RUB 2.5 litre fabric softener at Granollers, which means that we also:

- reduced water use during manufacture by up to 2,625,000 litres (4.6 million pints)
- saved almost 79 tonnes of plastic that would otherwise have been used for packaging and in turn become post-consumer waste
- reduced product transportation (and accompanying fuel use, traffic volume and air emissions) by about 150 truck loads

Safe products, quality products

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

Product safety

We believe that 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 (see case study, page 7).

Ingredient removal programmes

A number of specific ingredients are being systematically removed from our product formulas and packaging specifications globally. Recent programmes include: the removal of nitro and polycyclic (artificial) musks from fragrances; the replacement of PVC packaging, resulting in the avoidance of 1.3 million kg of PVC packaging since 2001; the replacement of formaldehyde preservatives; and the removal of NPEs (Nonyl Phenol Ethoxylates) and APEs (Alky Phenol Ethoxylates) from fragrances and surfactants.

Ingredient	% reduction to date	Number of products remaining	Target completion date
Formaldehyde	>90%	<20	End 2006
APEs/NPEs	>90%	<10	End 2006
Glycol Ethers*	90%	<10	End 2006

* Monoethylene series

These programmes are above and beyond regulatory requirements.

HERA project

The HERA (Human and Environmental Risk Assessment) project, established in 1999, is a

voluntary industry programme of publicly available risk assessments on the ingredients of household cleaning products (www.heraproject.com). We continue to provide baseline data and funding for HERA.

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.

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

In 2004 we had one quality issue, regarding leaks from the plug/cap of a toilet bowl cleaner. This issue did not affect customers or consumers.

Group, regional and local Quality Assurance functions regularly audit our key suppliers, to assure and continuously improve the standards of finished products, raw materials and components 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 case study on this page). We are particularly focussed on suppliers that undertake the manufacturing or packing of products on behalf of Reckitt Benckiser Group companies.

Environmental supply chain issues are discussed on page 8.

Case study – Global Manufacturing Standard

In 2004 we launched our first Global Manufacturing Standard (GMS). It is based on international standards such as SA8000 (which covers all widely-accepted international labour rights) and specifies seven 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

We have always considered these things to be essential requirements in our supply chain and taken them for granted within our factories. However, despite taking firm action when issues in these areas have emerged, we have not previously had a systematic process to define, assure, audit and report on compliance (i.e. as we have had with our Code of Business Conduct).

Our GMS Implementation Guidelines specify in detail, in the form of a checklist, exactly what is required to comply with the standard.

To date we have:

- received self-audit compliance statements by more than 80% by value of our third-party manufactures (and 100% of our own factories)
- worked with suppliers in several countries to help them to achieve compliance with our requirements (e.g. regarding employment rules and health & safety arrangements)
- undertaken external audits of third-party manufactures in South Asia and East Asia

Improving our social performance at work

What are we doing to improve our own social performance?

Our employees

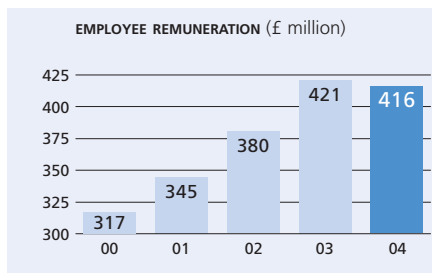
Reckitt Benckiser is driven by the passion and commitment of its employees.

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.

The average number of people employed by the Group in 2004, including Directors, was 19,900.



During 2004, remuneration paid to employees, including Directors, was £416 million.



Employee benefits

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

Human rights at work

We view human rights at work as an absolute and universal requirement.

We seek to ensure that our products, and the materials and components which comprise them, are produced by a supply chain exhibiting good terms and conditions of employment and respect for human rights.

Within Reckitt Benckiser:

- our **Code of Business Conduct** (see the case study to the right) ensures that our employees have a clear understanding of the principles and ethical values that we want to uphold
- 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

Within our supply chain:

- 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 (see the case study on page 10)

Equal opportunities and diversity

Cultural diversity is one of Reckitt Benckiser's strengths. We go out of our way to bring together individuals of different nationalities and cultures, to drive innovation and provide a competitive edge. Quite simply, it's better for the business.

Nationalities in senior management

No. of different nationalities	2004
Board (10 people)	5
Executive Committee (9 people)	6
Top 40 (40 people; exc. EC)	12
Top 400 (400 people; exc. T40 & EC)	40

At 31st December 2004 20% of the Company's Board and 15% of our Top 400 senior management were women.

Case study – our Code of Business Conduct (CoBC)

Reckitt Benckiser has a Group Code of Business Conduct (and Group Crisis Management Policy and Guidelines). These are regularly reviewed and the CoBC was last updated and globally communicated in 2004.

Since 2001 we have undertaken combined Group Crisis Management & CoBC training programmes for General Managers and other senior executives globally, including awareness of Company policies and group exercises.

In 2004 we further developed this training programme to strengthen its content regarding corporate responsibility, based around our updated CoBC.

In 2005 we are providing CoBC and Crisis Management training in Latin America, Africa and Asia, and to our global R&D senior management team.

Improving our social performance at work continued

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 necessary health & safety arrangements (see Global Manufacturing Standard, page 10).

Managing risk

In 2004 we further improved our Occupational Health & Safety (H&S) Global Hazard and Risk Assessment, which was first established in 2003.

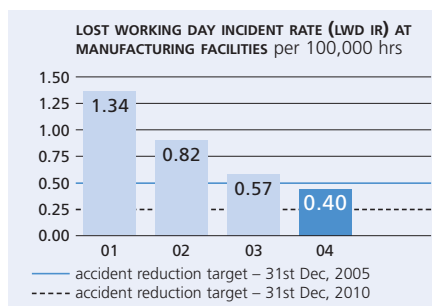
We use this tool, which covers our worldwide manufacturing and R&D facilities, to assist in understanding what and where our greatest potential H&S hazards are, so that the required attention can be focussed upon them.

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

Audits and reviews

In 2004 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.

For example: our European H&S Coordinator audited 11 of our 14 factories in Europe; the Group EHS Director reviewed six sites, in Europe, Africa and Asia; EHS compliance audits were conducted at two sites in India by an independent consultant; and PricewaterhouseCoopers LLP undertook a Group Health & Safety Review for Internal Audit, including audits of six sites.



In 2004 we reduced LWD (lost working day) accidents at our global manufacturing facilities by 30%.

Since 2001 we have reduced LWD accidents at our global manufacturing facilities by 70%.

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.

Fatal and severe accidents

year	fatalities		severe accidents
	employees	contractors	
2001	(1)*	1	8
2002	0	0	1
2003	0	0	5
2004	0	0	2

*suspected suicide

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

We had no fatalities and two severe accidents at Reckitt Benckiser manufacturing facilities in 2004.

These two severe accidents, at our manufacturing facilities in Portugal and Mexico, both involved hand injuries.

We have communicated details of how these accidents occurred to our facilities globally, to try and ensure that similar accidents cannot happen elsewhere.

* NB: in preparing this report we undertook work to further assure the integrity of H&S data from our global facilities. As a result of this work we have restated LWD IR data and severe accident data for 2001 and 2002.

Employee development and training

Ongoing development of our people is important to us, to maintain our competitive edge and to allow individuals to achieve their full potential.

Performance development reviews

Most employees have an annual Performance Development Review (PDR) that assess their skills and competences 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 system for the PDR process.

In 2004 we:

- expanded and further refined the range of training and development programmes available to our 2,500 senior and middle managers
- completed the global roll-out of, and started re-training on Corporate Responsibility/Code of Business Conduct/Crisis Management skills.

We now run 20 different Global Training programmes for managers. These programmes provide the development of skills required in managers current roles and/or to prepare them for their future roles.

Community – investing where it's most needed

How do we join forces around the world to make a difference to people's lives?

In 2004 Reckitt Benckiser and its employees joined forces with charitable organisations worldwide to make a real difference to people's lives.

These community involvement activities included:

- direct financial assistance of around £1 million
- significant donations of products to provide immediate assistance with hygiene and health
- giving of employee time and expertise, both through company-originated programmes and through direct employee initiatives

For example, Reckitt Benckiser Sri Lanka employees each donated a day's salary to the Asian Tsunami relief effort in their country, where thousands of people lost their lives. Reckitt Benckiser Sri Lanka matched this employee donation, doubling the amount given to the local relief efforts, in addition to donating Dettol and Disprin products to the Red Cross.

We focus our assistance on issues of health and hygiene, particularly in relation to families with children, as both go to the heart of what Reckitt Benckiser is about.

In our partnership with Save the Children, we are continually enlarging the base of countries in which we are fund raising and the number of programmes that we support.

Assisting the millions of people around the world affected by HIV/Aids can be a challenging issue for charities to raise money for. In 2004 we donated £100,000 to Medecins sans Frontieres programmes to help adults and children affected by HIV/Aids in Thailand and Ethiopia, including education work to reduce the spread of the disease.

Meanwhile we have not forgotten the local programmes that have been benefited by our support for a number of years, such as Home Start in the UK, or the Dettol Trust for Aids in South Africa.

Case study – global partnership with Save the Children

In 2003 Reckitt Benckiser established a global partnership with Save the Children; 2004 was the first full year of its operation.

Led by the CEO with an annual £100,000 donation from the Corporate Headquarters in the UK, this programme encourages Group companies worldwide to work in partnership with Save the Children in their own country, raising funds and giving time for projects both at home and abroad.

During 2004 our central funding supported work in Bangladesh, India and Kenya; in 2005 we shall additionally be funding work in China.

Direct initiatives by Reckitt Benckiser companies globally have included:

- an on-pack fund raising campaign in Portugal, with Euro 0.25 for every pack of Calgonit sold
- donation of money in lieu of sending Company Christmas cards, from North America
- sponsored runs by employee teams from Hull and Swindon in the UK
- raffles and product sales held in the Czech Republic and Switzerland
- the channelling of contributions to relieve the Asian Tsunami disaster through Save the Children



Case study – Dettol and the Dettol Trust for Aids

During 2004 many initiatives were linked to our Dettol branded products, which help prevent infection and the spread of communicable disease, reducing sickness and mortality.

In South Africa the Dettol Trust for Aids continued its support for charities helping those whose lives are affected by HIV/Aids.

Dettol antiseptic products were provided directly to affected areas, by our businesses in the region, in response to the Asian Tsunami disaster in December 2004.

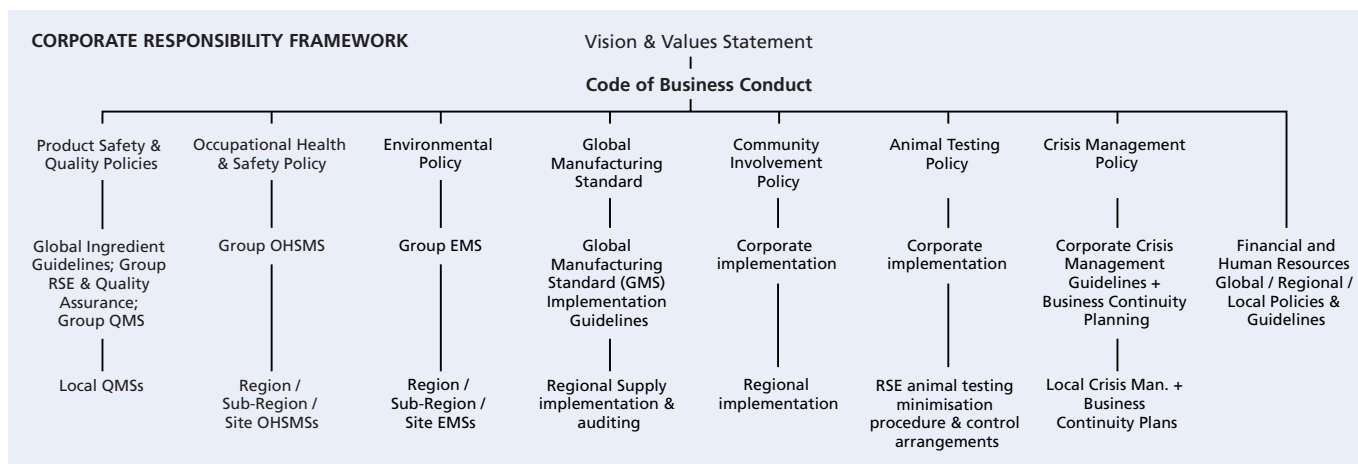


Tsunami relief Dettol donations included

- Reckitt Benckiser Indonesia:
- 1,200 litres of Dettol antiseptic liquid given to the Red Cross
 - Dettol antiseptic liquid provided for 12,000 medical kits distributed by Save the Children to healthcare professionals
 - Dettol soap included in 30,000 household kits for temporary shelter camps
- Reckitt Benckiser Thailand:
- Dettol antiseptic products worth 1 million baht (approx. US\$ 25,000), including 12,000 bottles of antiseptic liquid
- Reckitt Benckiser India:
- products worth 1 million rupees (approx. US\$ 23,000), including 20,000 Dettol soaps and 2,000 litres of antiseptic liquid

How we ensure we act sustainably and responsibly

How do we manage sustainability and responsibility in our business?



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

OHSMS – Occupational Health & Safety Management System
EMS – Environmental Management System

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

Annual board review

The Board conducts an annual review of our corporate responsibility and sustainability performance and strategy.

Code of business conduct

Senior managers in all Group companies are required to report and sign-off on compliance with our Code of Business Conduct (CoBC), to Internal Audit, annually. Where issues are identified these are investigated; the findings of this process are reported to the Board Audit Committee.

In 2004 a Senior Vice President started an independent review of this CoBC compliance process, through confidential interviews with individual managers, to further embed and assure compliance with our ethical values. The findings are reported to the Chief Financial Officer, who is responsible for Internal Audit, and is a Board member.

Environmental and Health & Safety (EHS) management

We use Group environmental and health & safety (H&S) performance standards to ensure minimum levels of EHS management and control at our global facilities. Examples include our “5 key H&S items” (e.g. confined space entry and lock-out and tag-out).

Seventeen of our 44 factories (39%) are externally certified to ISO 14001, the international standard for environmental management systems; two (5%) are externally certified to OHSAS18001, the international H&S management system standard. We are working to increase these percentages over the next few years.

All of our factories have identified Environmental and H&S coordinators, responsible for coordinating and reporting site EHS management activities and performance.

* here and elsewhere in this report “sustainability” is the overall term used to describe issues of corporate responsibility (CR), corporate social responsibility (CSR) and environmental sustainability

Stakeholders and external benchmarking

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

Stakeholder understanding and engagement

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 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 2004 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

Example – 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 an expert third party and have included to date:

- two global, Group-wide surveys
- an area survey across Developing Markets
- a regional survey in Eastern Europe
- a country survey in India
- two functionally focussed surveys, in Supply and Finance

In 2001 and 2002 we conducted several meetings with employees to determine their views on environmental performance and how we could improve it.

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 2004 we were:

- sector leader in the UK's Business in the Community (BitC) Corporate Responsibility Index and placed 22nd out of the top "100 companies that Count". We were also in its Environment Index in which we entered the "Premier League" for the first time in 2004 (www.bitc.org.uk)



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

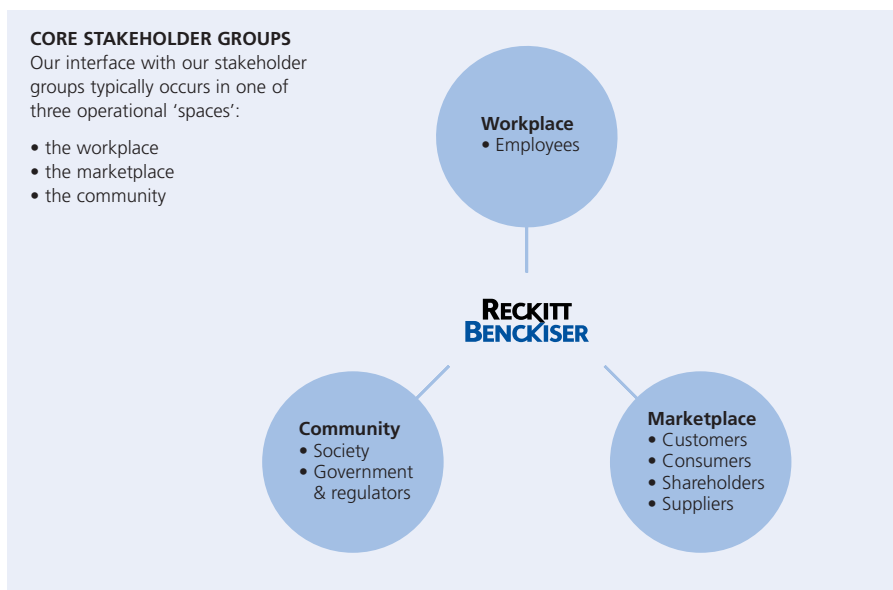


- ranked amongst the leaders of our sector in the Carbon Disclosure Project's assessment of companies carbon strategy (www.cdproject.net)

Future programmes

During 2005 and 2006, in addition to our normal engagement activities, we will be conducting new sustainability engagement programmes with:

- employees
- consumers
- customers
- shareholders
- society e.g. NGOs



Measuring our actual environmental impact

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

Although our internal consumer unit (CU) production* increased by 1% between 2000 and 2004, the actual environmental impact of our manufacturing and R&D facilities decreased for all performance indicators except water use and discharge, between 2000 and 2004.

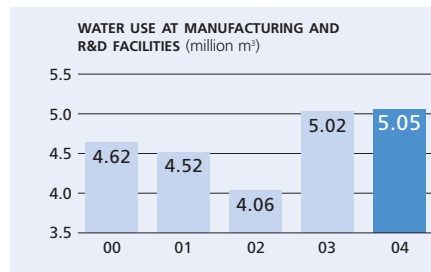
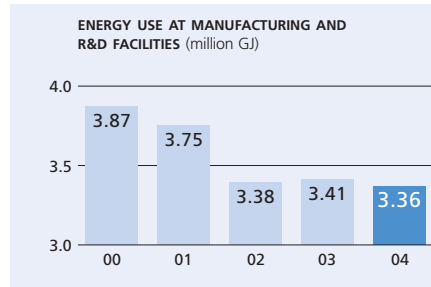
This means that although our internal production volumes have increased over the last four years (i.e. we have produced more products) our environmental impact from that increased production has actually decreased.

Our increased water use and discharge is largely due to:

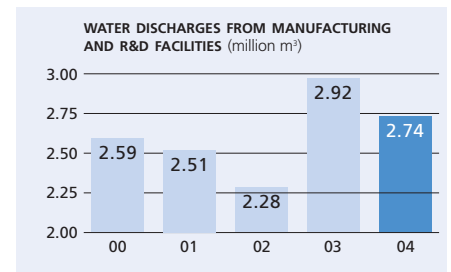
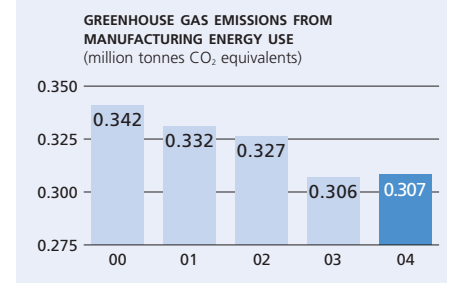
- the increased production of water-based liquid detergents and fabric softeners
- increased levels of process cleaning, to safeguard product quality and consumer health & safety following the move to less potent preservatives in our products

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

Material and resource use



Emissions



Regulatory compliance

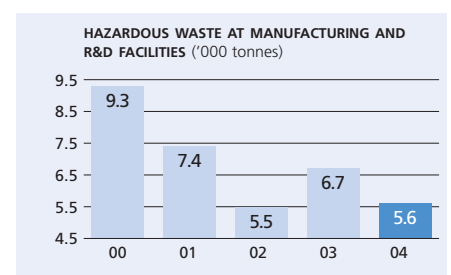
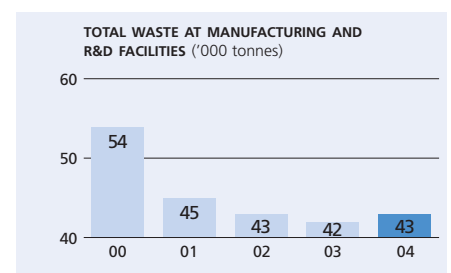
Throughout our operations we regard legal compliance as the minimum standard to be achieved. Our clear intention is that legal requirements are surpassed.

Environmental prosecutions and fines

Year	Prosecution	Fine
2001	0	0
2002	0	2
2003	0	2
2004	0	1

During 2004 one of our 44 manufacturing facilities received a fine from an environmental regulator.

The non-compliance, at our factory in Hungary, was for exceeding a waste water discharge limit in 2003.



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 2004 to 31st December 2004 across all Reckitt Benckiser Group companies, as follows:

- **Environmental:** the 44 factories and 5 R&D centres over which we had operational control on 31st December 2004 (see table below)
- **Health & Safety:** the 46 factories over which we had operational control on 1st January 2004; we include all data from all factories up until the date of their closure or sale
- **Social:** all Group companies and facilities
- **Economic:** all Group companies and facilities, excluding Zimbabwe (see Basis of Consolidation on page 34 of our Annual Report & Accounts 2004, 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 2000-2002 using updated country-level data provided by the International Energy Agency. In the absence of published 2003 and 2004 data, a five-year average (1998 to 2002) has been used
- volumes of water consumption and discharge at our facility at Mira in Italy have been amended to exclude water used only for cooling purposes
- minor amendments have been made to previous years Consumer Unit production data for our facilities at Hull in the UK and at St Peters and Brandon in the US, to correct previous inaccuracies
- we have restated health & safety LWD IR and severe accident data for 2001 and 2002 following the internal assurance of global health & safety data across all years

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:

- different interpretation of reporting guidelines at a local, site level
- inherent limitations in methods and measurement techniques used to determine environmental and 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 19.

The economic data disclosed in this report on pages 1 and 4, and the social data on employee numbers and remuneration on page 11, is taken from the Company's Annual Report & Accounts 2001-2004, which are subject to independent audit and available at: www.reckittbenckiser.com

PricewaterhouseCoopers LLP (PwC) provided independent assurance/review of our four previous Environmental Reports, for 2000-2003, which are available at: www.reckittbenckiser.com

EVOLUTION IN SCOPE OF ENVIRONMENTAL PERFORMANCE DATA PRESENTED IN THIS REPORT

Year	Operational factories providing data (%)	R&D centres providing data (%)	Comments
2004	44 (100%)	5 (100%)	2 factories closed (in Indonesia and India), their production moved to other facilities
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

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

Consumers: the persons who use our products, usually in the home

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)

Consumer Unit (CU): the normal unit of product purchase by a consumer (i.e. a single box, bag, bottle etc.)

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) and/or economics (the management of material wealth)

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

Environmental Aspect: an element of an organisations activities, products or services that can interact with the environment to cause an environmental impact and benefit

Performance (environmental/social/economic): level of benefit and impact, particularly over time

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

Risk: uncertainty, including both potential threats and potential opportunities

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

Stakeholder(s): those individuals or 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 into the long-term future, environmentally, socially and economically. It embodies the concept of balancing short-term and long-term goals and benefits

Note

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

- *Reporting Standard 1: Operating & Financial Review (OFR RS1)*, Accounting Standards Board (ASB), 2005
- *Risk & Opportunity: Best Practice in Non-financial Reporting*, Sustainability, 2004
- *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
- *BS EN ISO 14031 Environmental Performance Evaluation Guidelines*, 1999
- *AA1000 Framework: standard, guidelines and professional qualification – exposure draft*, Institute of Social & Ethical Accountability, 1999

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



Verification

Objectives and scope

URS Verification Ltd (URSVL) has been commissioned by Reckitt Benckiser to provide independent assurance of its Sustainability Report 2004 ("the Report"). The scope of work we have performed and on which our opinions are based is as follows:

- six management interviews covering Group, area and functional level strategy and approach to the management and control of sustainability issues
- visits to four manufacturing facilities at Hull (UK), Ladenburg (Germany), Hosur (India) and Sao Paulo (Brazil); reviewing processes in place for site level data collection, management and reporting; obtaining an overview of some of the key sustainability issues relevant to the Company (at those sites) and the processes for their management; and looking at issues around compliance with the Group's Global Manufacturing Standard (GMS)
- a review of the Group-level data management and reporting systems in place for the collation and aggregation of site level data into Group-level data, and its reporting

The specific data assured during the above tasks comprised figures for 2004 as below:

Health & Safety: Lost Working Day Incident Rate (LWD IR); Severe and Fatal accidents

Environment: Greenhouse Gas emissions from manufacturing energy consumption (and in doing so manufacturing energy consumption itself); Total Waste and Hazardous Waste

We have considered the following issues in forming our opinion:

- the effectiveness of data collection and reporting systems from site through to Group level
- the appropriateness and coverage of policies and management processes in place at a Group level regarding sustainability issues

We have also embedded in our overall approach certain principles of the Global Reporting Initiative (GRI) and the assurance element of AA1000, an international accountability framework. In undertaking this work URSVL auditors have applied the general principles of auditing and audit procedures as contained within international standard ISO 19011.

The scope of work did not include verifying consumer testimonials on pages 2 and 3 of the report.

Responsibilities of Management and Verifiers

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. The assurance statement provided herein by URSVL is not intended to be used as advice or as the basis for any decisions, including, without limitation, financial or investment decisions.

Opinion

Sustainability and responsibility

Reckitt Benckiser has described the corporate systems for governance and management of sustainability issues within the content of the Report. In URSVL's opinion, the allocation of responsibilities and corporate policies are appropriate, well communicated and cover key items of corporate responsibility relevant to the organisation. There are processes for identifying items of non-compliance with these policies.

Reckitt Benckiser should be commended for developing and implementing its Global Manufacturing Standard, which seeks to ensure certain standards for corporate responsibility within its supply chain and the company's own processes. URSVL notes that the Standard has been recently developed and has yet to become fully embedded within business practices.

Risk assessment processes are in place for certain aspects of sustainability (environment, occupational safety and product safety), which have been used to develop improvement programmes and enhance management controls. Sustainability risks as well as broader business risks are discussed at a Board level. Additional benefit could be derived from formalising the corporate-level non-financial risk assessment process, thereby ensuring that these risks are identified and assessed in a consistent manner.

Reckitt Benckiser has used benchmarking and external expert advice to identify the key performance indicators in this report. As sustainability processes mature further, broader performance indicators will enable more complete reporting of performance.

Content and Coverage of the report

Data Accuracy. Based on our review, the systems in place for the collection and collation of environmental and safety data are effective.

In our opinion, the environmental data reported for the indicators assessed is representative at a Group level. Some variances in data were identified, which were not significant when aggregated at a global level. These were due to data processing errors and omissions at site level and have all been corrected in the final data set.

In terms of the safety data, it is URSVL's opinion that accident data presented in this report reflects performance.

A few inconsistencies were identified during the URSVL site visits, particularly the scope of work hours used for determination of Lost Working Day Incident Rate. These were not significant when aggregated at a global level.

Balance and Representativeness

of Information. The information reported in the areas of sustainability and responsibility reflects the initiatives undertaken as part of Reckitt Benckiser's sustainability and responsibility strategy.

Certain risks, challenges and incidents are reported, and further development of the reporting process to increase discussion of these issues would provide greater balance.

Suggestions for improvement

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

David Westwood
Director

For and on behalf of
URS Verification Ltd
London, July 2005

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