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Note:

We have taken account of the following guidelines in preparing this report:

- Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines*, June 2000
- UK Government *Environmental Reporting General Guidelines*, Department for Environment, Food & Rural Affairs (DEFRA), November 2001
- Association of Chartered Certified Accountants (ACCA) *Environmental Reporting Criteria*, ACCA web site 2001
- Association of Chartered Certified Accountants (ACCA) *Environmental, Social and Sustainability Reporting on the World Wide Web: A Guide to Best Practice*, October 2001
- Association of British Insurers (ABI) *Exposure Guidelines on Social Responsibility*, September 2001

Introduction from Bart Becht, CEO

I am pleased to introduce Reckitt Benckiser's first Environmental Report. It marks the beginning of our commitment to systematic environmental improvement and reporting. This report covers 2000. We would have liked to publish it sooner, however the consolidation of our management structure and systems following the merger of Reckitt & Colman plc and Benckiser NV to form Reckitt Benckiser in 1999 has taken priority. As background, the merger made Reckitt Benckiser the world no. 1 in household cleaning products (excluding laundry detergents). We are a truly global company with over 50 manufacturing facilities across 31 countries, operations in more than 60 countries, sales in 180 countries and net revenues in excess of £3 billion. We develop, manufacture and sell some of the world's leading and most familiar brands in household cleaning and health and personal care.

We are committed to reporting reliable and meaningful information on our environmental performance. To assist us in this objective, and with a view to informing the ongoing development of our environmental reporting systems, we have engaged PricewaterhouseCoopers to provide an independent review of the processes used to compile this report. Looking ahead we are committed to achieving the specific environmental performance targets this report establishes. We are also committing ourselves to publish our next Environmental Report, summarising performance in 2001, by 31st July 2002.

Reporting is only an element of our environmental management activities. Clearly more important is what we actually do to change and improve the environmental performance of our business. We aim for continuous improvement in our environmental performance. Not everything we do in every area of activity will always reduce our environmental impact, some things in some areas will increase it. However, the intention is that our overall impact on the environment will be continually reduced. We aim to make progress towards environmental sustainability through product stewardship. We will do this by focusing our efforts on continuously improving the efficiency of resource use and reducing waste, throughout the life cycle of our products.

You are encouraged to look to our environmental reporting in the years ahead to review our progress. We are embarking on an important program of improvement.



Chief Executive Officer
Reckitt Benckiser plc

March 2002

Executive Summary

- This is Reckitt Benckiser's first Environmental Report and provides the baseline for our future environmental reporting.
- This report draws on the recent strategic environmental review of our global operations.
- Reckitt Benckiser is committed to running its business in a responsible, environmentally sound and sustainable manner.
- Our strategy is to take a risk-based approach to the environmental management of our operations.
- Responsibility for environmental management and performance is integrated throughout the company's management structure.
- The appointment of a Group Environmental Director provides a point of focus and co-ordination for environmental management and performance across the business.
- Effective facility-level control is key to our Group environmental management system (EMS).
- Stakeholder engagement (understanding stakeholder expectations and concerns) is an important part of our environmental strategy.
- Our products have a life cycle that extends outside the scope of our direct operations. By practising good environmental stewardship and working with our suppliers we aim to achieve improvements in environmental performance throughout the life cycle of our products.
- Our strategic environmental review identified seven significant environmental aspects of our business:
 - Water Use
 - Energy Use
 - Raw Material Use
 - Air Emissions
 - Water Discharges
 - Waste
 - Packaging
- We take our responsibility to the consumers of our products seriously, not only in terms of product effectiveness and safety during use, but also in terms of the environmental impacts of product use and disposal.
- The performance data in this report provides information on Reckitt Benckiser owned manufacturing facilities globally, and product distribution, for the period 1st January to 31st December 2000.
- We will publish our next Environmental Report on performance during 2001 by 31st July 2002.
- We welcome both internal and external comment on this report and on how we can improve our environmental performance (see page 23 for contact details).

Who we are, What we do (an Overview of Our Business)

Reckitt Benckiser is about passionately delivering better solutions in household and health & personal care to customers and consumers, wherever they may be, for the ultimate purpose of creating shareholder value.

We are committed to running our business in a responsible, environmentally sound and sustainable manner.

Company Overview

Reckitt Benckiser plc is a global branded goods company with leading positions in five core categories: Fabric Care, Surface Care, Dishwashing, Home Care and Health & Personal Care. These core categories comprised 87% of our net revenue in 2000, the remainder coming from our US food division. We have 23,000 employees from an extremely diverse range of cultures and backgrounds.

The Company was formed in 1999 by the merger of Reckitt & Colman plc and Benckiser NV.

To most, we are defined and known by our brands. We develop, manufacture and sell some of the worlds leading and most familiar brands of household cleaning, health and personal care products. Our US-based mustards and sauces (under French's, Frank's and Cattlemen's brand names) are also leaders in their market.

Financial Performance

Reckitt Benckiser is the world no. 1 in household cleaning products (excluding laundry detergents) and has industry leading financial performance.

The everyday use and necessity of our products for the average household, and our niche position in many areas of our business, is one of the factors contributing to our strong position.

Reckitt Benckiser's financial performance for 2000 was as follows:

	2000 £	1999 £	1999-2000 Change
Net Revenues	3,202m	3,054m	+5%
Operating profit*	451m	357m	+26%
Profit before tax*	391m	289m	+35%
Profit after tax*	275m	200m	+38%
Diluted earnings per share*	38.8p	29.0p	+34%
Dividend per share	25.5p	25.5p	-

* Normalised

For the most up-to-date information about Reckitt Benckiser's financial performance, please visit our web site at www.reckittbenckiser.com.

Reckitt Benckiser Manufacturing Facilities

Reckitt Benckiser has 52 manufacturing facilities in 31 countries.



Our Brands, Our Business (the Five Core Categories)

Surface Care

24	
Net revenue %	
2000	£m
Net revenues	764

Profile of category

Five product groups. Disinfectant cleaners both clean and disinfect surfaces, killing 99.9% of germs. Lavatory cleaners offer specialised cleaning and disinfecting for the toilet bowl and cistern. General purpose cleaners are ideal for many household surfaces, particularly in the bathroom and kitchen. Specialty cleaners are designed for specific tasks - from cleaning ovens to removing limescale. Finally, polishes and waxes clean and shine hard surfaces such as furniture and floors.

Key brands

Disinfecting Lysol, Sagrotan, Pine-O-Cleen
Lavatory Harpic, Lysol
General Purpose Veja, St.Marc
Specialty Easy-Off, Mop & Glo, Brasso, Lime-A-Way, Destop, Cillit
Polishes & Waxes Poliflor, Old English, O’Cedar, Mr. Sheen

Market position

Number one worldwide in disinfectant cleaning and lavatory cleaning. Number one in Brazil with Veja, in the USA with Easy-Off and in Eastern Europe with Cillit.

Fabric Care

26	
Net revenue %	
2000	£m
Net revenues	814

Profile of category

This category consists of seven product groups used for cleaning and treating all fabrics. At the core of the category are products used before, during or after the main laundry wash cycle in addition to laundry detergents. Fabric treatment products remove stains from clothes, carpets and upholstery. They are sold as pre-soakers, pre-treaters, in-wash boosters and carpet/upholstery cleaners in a selection of forms including liquids, gels, solids, tablets and sprays. Fine fabric products are specially formulated for washing delicate fabrics. Water softeners protect the machine and laundry against the build-up of limescale and other deposits. Fabric softeners come in liquids or sheets for softening and freshening fabrics. Ironing aids help make ironing more convenient and finally laundry detergents clean clothes in the main wash.

Key brands

Fabric Treatment Vanish, Spray’n Wash, Resolve, Napisan, Oxyclean
Fine Fabric Woolite
Water Softener Calgon
Fabric Softener Quanto, Flor
Laundry Detergent Dosia

Market position

Number one worldwide in fabric treatment, fine fabric, water softener and carpet cleaner categories.

Dishwashing

13	
Net revenue %	
2000	£m
Net revenues	413

Profile of category

Products used in automatic dishwashing machines. The main product is detergent for cleaning dishes in the main wash cycle and sold in an increasing range of formats: powder, liquid, gels, double action, PowerBall, 2-in-1 tabs and 3-in-1 tabs. Other products include rinse agents, decalcifier salts, dishwasher cleaners and deodorisers.

Key brands

Calgonit, Finish, Electrasol, Jet Dry.

Market position

Number one worldwide in automatic dishwashing.

Home Care

12	
Net revenue %	
2000	£m
Net revenues	371

Profile of category

Air Care products freshen or add fragrance to the air in a growing range of formats including aerosols, gels, solids, electricals and candles. Used in more and more domestic situations, not only for freshening or fragrance, but increasingly to create ambience.

Pest Control products offer solutions to domestic infestation, minimising the threat of disease by insects and pests. The category includes rodenticide and insecticide products - in formats such as coils, mats, baits, traps, vapourisers and sprays - to prevent infestation and to kill pests.

Key brands

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

Market position

Number two worldwide in air care and shoe care and number three in pest control.

Health & Personal Care

12	
Net revenue %	
2000	£m
Net revenues	388

Profile of category

Products that relieve or solve common personal or health problems, protecting against infection and improving wellbeing. Antiseptics kill germs and prevent infection. Depilatories remove unwanted body hair with creams and waxes. Denture care cleans and improves the performance of dentures. Our range of over-the-counter health products include analgesics for pain relief and treatments for colds and flu, sore throats and coughs and gastro-intestinal products for heartburn and constipation.

Key brands

Antiseptics Dettol
Depilatories Veet, Immac
Denture Care Kukident, Steradent
Analgesics cold/flu Disprin, Lemsip, Bonjela
Gastro-Intestinals Gaviscon, Senokot, Fybogel

Market position

Dettol is the world leader in antiseptics bought for use at home. We are also the world leader in depilatories.

Environmental Policy

Reckitt Benckiser is committed to running its business in a responsible, environmentally sound and sustainable manner. We recognise that our processes and products have both direct and indirect environmental impacts. We will seek to identify adverse impacts and find effective ways of reducing them, aiming for continuous improvements in our environmental performance and progress towards sustainable development objectives. Throughout our operations we will regard compliance with the law as a minimum standard to be achieved.

Environmental Objectives

Our environmental objectives have been chosen and are regularly reviewed to ensure that our actions match the commitments in our environmental policy. They are:

- To take environmental considerations into account throughout our operations.
- To ensure that environmental factors are properly assessed and considered, together with other issues, when key decisions are taken about new products and processes.
- To establish and measure the significant environmental impacts of our operations, set realistic targets for performance improvements, and monitor progress against those targets.
- To use energy and natural resources wisely, eliminate and minimise waste where practical, and re-use and recycle where it is sensible to do so.
- To engage with stakeholders on environmental issues, including the integration of environmental factors into our relationships with key suppliers.
- To ensure that our employees have a good understanding of environmental issues, know why these are important to the company and the wider community, and have training appropriate to their environmental responsibilities.
- To conduct an annual review of our environmental performance, including progress against objectives and targets, and to make that review publicly available.

The Chief Executive Officer is responsible for the Company's environmental policy and performance. This responsibility is delegated operationally through the Company's management structure, which includes an Environmental Director responsible for co-ordinating environmental performance across the Company.

Issue 2, November 2001

Environmental Management Strategy, Structure, Control & Engagement

Strategy

Our strategy is to take a risk-based approach to the environmental management of our operations.

The aim of environmental management within Reckitt Benckiser is to identify, understand, control and communicate environmental impacts, risks and opportunities.

The process by which our risk-based environmental management strategy operates is as follows:

- 1 – IDENTIFY the sources of environmental impact, risk and opportunity.
- 2 – EVALUATE the impacts / risks / opportunities and their SIGNIFICANCE.
- 3 – MANAGE (and MONITOR) the SIGNIFICANT impacts / risks / opportunities.

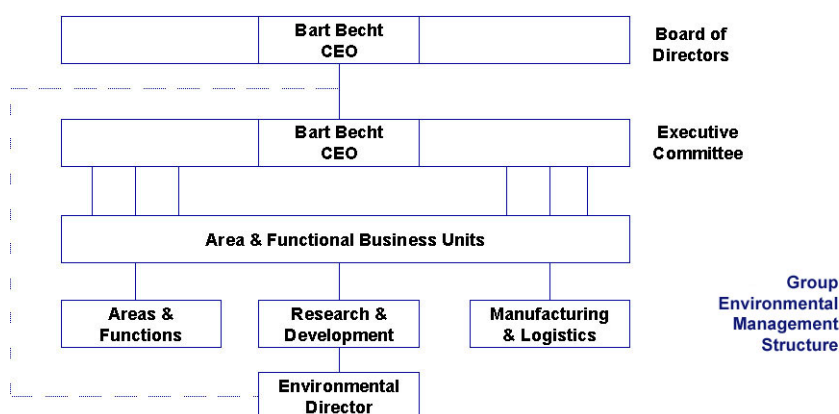
This process is being implemented at all levels, from our Group operations to individual facilities.

Recent Performance

- We recently carried out a strategic review to identify the significant environmental aspects of our activities globally.

Structure

Responsibility for environmental management and performance is integrated throughout the Company's management structure.



Bart Becht, Chief Executive Officer (CEO), is the Board member with specific responsibility for the Company's environmental policy and performance. This responsibility is delegated operationally through the Executive Committee (the area and functional leaders of the company), down through each business unit, to our factories and other operations. The Director / Manager of each manufacturing facility has overall responsibility for its environmental performance and an Environmental Co-ordinator is responsible for synchronising environmental management activities at each manufacturing site.

Recent Performance

- We recently appointed an Environmental Director to co-ordinate environmental management globally.

Our Research & Development (R&D) function includes a Regulatory, Safety and Environmental services team that is responsible for reviewing our products for compliance with product safety and environmental requirements before they are brought to market.

Environmental Control

Effective facility-level control is key to our Group environmental management system (EMS).

Nine of our 52 global manufacturing facilities presently have an environmental management system (EMS) certified to ISO 14001, the international EMS standard. All our manufacturing sites have one or more individuals with designated environmental responsibility.

Future Targets

- We will review the qualifications and training of individuals with designated environmental management responsibility at Corporate, regional and facility levels, and develop a programme to fill any gaps, by 30th June 2002.
- All of our 16 European manufacturing facilities will be certified to ISO 14001 by 31st March 2003.

Internal Environmental Auditing

Prior to the formation of Reckitt Benckiser in 1999, the two component companies (Reckitt & Colman and Benckiser) undertook independent internal environmental audits across manufacturing facilities. Although the merger in 1999 and recent acquisitions disrupted these programs, environmental audits were re-started on an ad-hoc basis through our recent environmental strategic review.

Future Target

- We will have established (i.e. be actively undertaking) a formal program of environmental performance reviews of our global manufacturing and R&D facilities by 31st March 2002.

Environmental Regulatory Compliance

Compliance with environmental regulations is generally seen as the baseline for sound environmental management practice. Stakeholders are rightly interested in any incidents where, for whatever reason, regulatory compliance has not been maintained and a prosecution has taken place.

We are currently implementing a formal process for the central reporting of environmental regulatory non-compliances and prosecutions, directly from manufacturing facilities to our Environmental Director. We are not aware, at a Group level, of any instance of prosecution for environmental regulatory non-compliance during 2000.

Stakeholder Engagement

We operate within a wider society that expects us to play a responsible role and to deal effectively with the issues that concern people and communities. Ongoing engagement with key stakeholders is an important part of our overall environmental strategy, helping us to understand other's expectations and determine how we can best meet them in practical terms.

Recent Performance

- We have expanded our proactive engagement on environmental issues with three new stakeholder groups (investors, employees and Non-Governmental Organisations (NGOs)), adding to more long-established relationships with regulators, trade associations, customers, consumers, suppliers and local communities.

Environmental Performance

Environmental Aspects

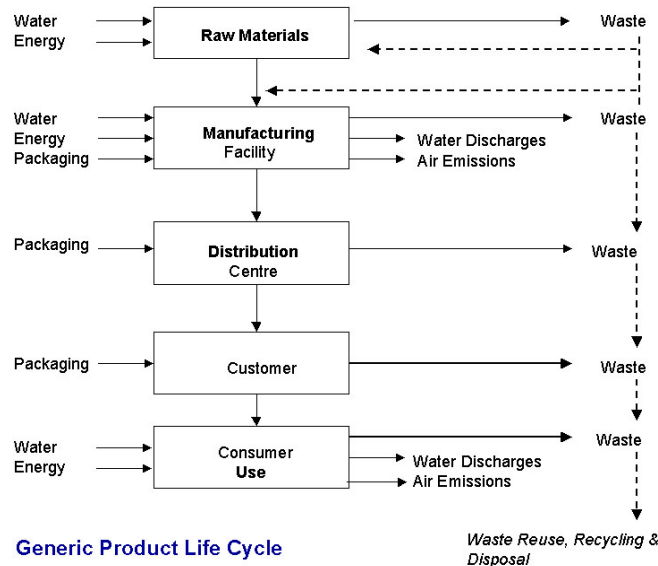
Our strategic environmental review identified seven significant environmental aspects of our business:

- Water Use
- Energy Use
- Raw Material Use
- Air Emissions
- Water Discharges
- Waste
- Packaging

The process to better define our environmental aspects and impacts is ongoing and comments are welcome (see page 23 for contact details).

Product Life Cycle

Our products have a life cycle that extends outside the scope of our direct operations to encompass: raw material acquisition, processing and delivery; and, the distribution and sale of our products to customers, the use of those products by consumers, and the disposal of used products and packaging. Environmental impacts are associated with every stage of this life cycle.



By practising good environmental stewardship we aim to achieve improvements in environmental performance throughout the whole life cycle of our products.

Society (including business) has historically managed resources in a straight line, from raw material extraction to disposal, via processing and use. To contribute effectively to environmental sustainability we need to close the loop between resource use and disposal, keeping materials in circulation by re-using wastes and improving resource efficiency at every stage of the product life cycle. This is called eco-efficiency and is a key part of environmental stewardship. An example of action in this area is the use of recycled materials in the packaging of many of our products (see section C1, Packaging, page 17).

Performance Reporting and Targets [\(see Basis of Performance Reporting, page 22\)](#)

In this report we are presenting data, information and targets for the significant environmental aspects of our business, as identified by our recent strategic environmental review. The performance data presented represents our 52 global manufacturing facilities and primary product distribution.

All numerical targets stated are for improvement against our 2000 environmental performance.

A - Material and Resource Use

The main inputs to our manufacturing processes are water, energy and the raw materials that are blended to make our products (plus product packaging, which is dealt with separately in section C1 on page 17). Our policy objective is to use energy and natural resources wisely, eliminate and minimise waste where practical, and re-use and recycle where it is sensible to do so.

Increasing resource efficiency (eco-efficiency) is a key part of the improvements we are implementing to meet our environmental policy objectives. The aim here is to not only reduce the volume of resources needed for each Consumer Unit (CU) produced at a manufacturing facility level, but also to optimise the resources that we do use in terms of their overall environmental impact. We are doing this through: the ongoing integration of environmental issues into our new product research & development (R&D) programmes; and, our ongoing programmes of existing product composition review and improvement.

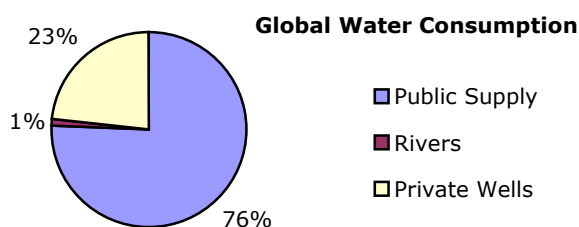
A1. Water Use

Access to good quality fresh water is becoming a serious global concern, with fresh water systems under ever-increasing human demands and the United Nations (UN) warning that in many areas the situation is already in crisis. It is very much a regional and local issue; in some parts of the world water seems plentiful, in other regions it is a limited and precious commodity. Appropriately managed water is a renewable resource, but over-exploitation can cause water shortages or even long-term damage to water systems.

Over the last decade the household products industry has moved towards selling many products (particularly laundry and dishwashing products) as concentrates, which has helped to reduce our overall water use by reducing the amount we use to make those products. Water is also used by consumers when using these and some of our other products (see section D – Product Use & Disposal, page 21).

2000 Performance

- Our global manufacturing facilities consumed 1.17 m³ of water for every 1,000 Consumer Units (CUs) of production in 2000, and 5.5 million m³ in total.



- 65 % of the water we consumed was returned to water systems after we had made use of it (see section B2, Water Discharges, page 15). The rest went into our products, was contained in liquid & solid wastes sent off-site, or evaporated from our cooling systems.

We expect our water consumption per Consumer Unit (CU) to generally reduce over time due to existing cost reduction programmes and we will seek to make that happen. However, a global water use target will not provide a particularly meaningful goal for environmental improvement, because water-use impacts will be largely governed by the availability of water resources at a local / regional level. Where water is scarce and under greatest stress our impact is likely to be much greater than locations where it is relatively plentiful. We can therefore obtain a better picture of our water use impacts by establishing the availability and capacity of the water resources that we use at a local / regional level, and maximise our environmental improvement by focusing on locations where water resources are under stress.

Future Targets

- We will investigate the relative availability of water resources used by our global manufacturing facilities by 30th June 2002.
- We will review water consumption levels at all manufacturing facilities by 30th June 2002.
- We will establish water resource based targets for water consumption by 31st December 2002.

A2. Energy Use

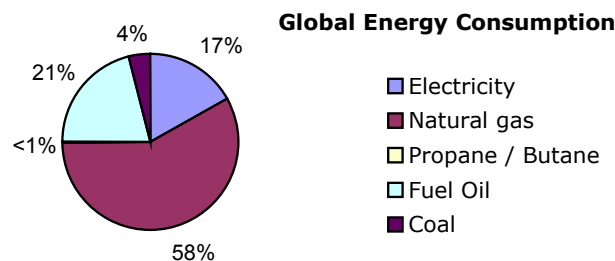
Our use of energy impacts on the environment in several ways:

- the majority of global energy production comes from burning non-renewable fossil fuels (e.g. coal, oil and gas), so that with the rest of society we are contributing to the depletion of fossil fuel resources.
- burning fossil fuels produces combustion gases, including nitrogen oxides (NO_x) and sulphur dioxide (SO₂), which contribute to acid rain and low-level air pollution.
- fossil fuel combustion also produces greenhouse gases such as carbon dioxide (CO₂) and methane (CH₄), which are now generally accepted to be responsible for causing global climate change (global warming). Some greenhouse gases contribute to global warming more than others do, their relative impact is called their global warming potential (GWP), expressed in CO₂ equivalent.

Our manufacturing facilities use a range of energy sources across the world to power production and support processes and for space heating and lighting.

2000 Performance

- Our global manufacturing facilities consumed 1.21 GJ of energy for every 1,000 Consumer Units (CUs) of production in 2000, and 5.7 million GJ in total.



- Our energy use comprises the bulk of our contribution to climate change through the air emissions associated with fossil fuel combustion (see section B1, Air Emissions, on page 14).

Future Targets

- We will achieve a 10 % reduction in global energy consumption per 1,000 Consumer Units (CUs) of production by 31st December 2004.
- To reduce the contribution of our energy use to climate change we will review our options for:
 - a) moving from energy sources with a higher Global Warming Potential (GWP) to those with a lower GWP;
 - b) increasing our use of renewable energy sources;by 31st December 2002.

A3. Raw Material Use

Managing our raw material consumption will help to achieve improvements in environmental performance throughout the product life cycle by reducing the volume and optimising the characteristics and mix of the resources that we use.

We are working to reduce resource use through improving process efficiencies at our manufacturing facilities. In addition we are working to optimise resource use by changing product composition and varying the materials and proportions of materials used to make products. However, this is a complex, time-consuming and expensive process. All such changes require performance testing and health, safety and environmental review. Nevertheless, there is the potential for quite significant improvements to be achieved.

The challenge is for us to make improvements in all areas of raw material use over time whilst managing the economic impact upon our business and ensuring that the products still work at the required level when we have finished. We have already been working on programmes in this area for many years and will continue to do so. The nature of these programmes is generally commercially confidential.

Our intention is to continue to develop more efficient ways to use raw materials and to find ways of reducing the overall environmental impacts of our products life cycle, including replacement with alternative raw materials where practicable.

Future Targets

- We will establish an environmental reporting system for global raw material use by 31st May 2002.
- We will establish performance targets regarding raw material use by 31st December 2002.

Reckitt Benckiser is a member of the European-based AISE (International Association for Soaps, Detergents and Maintenance Products) and subscribes to the AISE Code of Environmental Good Practice, including European industry-wide targets for reductions in laundry detergent, packaging, poorly-biodegradable substances and energy consumption per capita. For further information on these targets, please see the AISE web site (www.aise-net.org). We are also members of other relevant industry associations globally, including the UKCPI (the UK Cleaning Products Industry Association www.ukcpi.org) and the Soap and Detergent Association (a trade association in North America representing manufacturers of household, industrial and institutional cleaning products, their ingredients, and finished packaging www.cleaning101.com).

B - Emissions

Environmental emissions from our manufacturing and transport operations include gases that are released into the atmosphere, residual substances in the water we discharge and waste that is recycled, treated or taken for disposal.

B1. Air Emissions

Atmospheric emissions associated with our operations are of two main types:

- **Manufacturing Facility Process Air Emissions:** include sulphur oxides (SO_x) which can combine with water and other substances in the atmosphere to form acid rain, and volatile organic compounds (VOCs) and nitrogen oxides (NO_x) which contribute to low level air pollution.

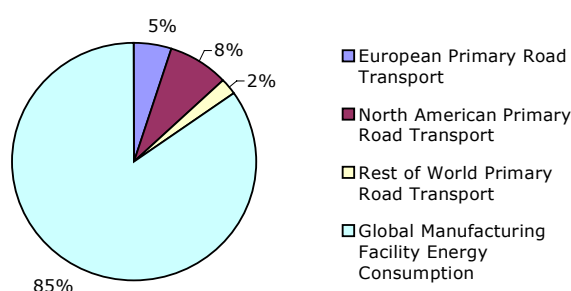
We have not yet collected data centrally on our air emissions from specific process sources, which are monitored and managed at a site level. These sources are only located at some of our sites, and the nature and volume of emissions is determined by the production processes and technologies used at each site. Our facilities use air emission control equipment to manage these emissions, for example high temperature incinerators are used to destroy volatile organic compounds (VOCs).

- **Fossil Fuel Derived Energy Use Emissions:** greenhouse gases such as carbon dioxide (CO₂), nitrogen oxides (NO_x) and methane (CH₄) derived from fossil fuel combustion are now generally accepted to be responsible for causing global climate change. Our main fossil fuel uses are manufacturing facility energy use (see section A2, Energy Use, on page 12) and product transport (see section C2, Transport and Logistics, page 18).

2000 Performance

- Our global manufacturing facility energy use produced greenhouse gas emissions equivalent to 0.09 tonnes of carbon dioxide (CO₂) for every 1,000 Consumer Units (CUs) of production in 2000.
- Our global primary road transport produced greenhouse gas emissions equivalent to about 0.02 tonnes of CO₂ for every 1,000 CUs of production in 2000.
- Our total greenhouse gas emissions in 2000 (from manufacturing facility energy use and primary road transport) were 487,000 tonnes of CO₂ equivalent.

Global Warming Potential (GWP) Contribution*



* GWP contributions will also be associated with sea and secondary road transport of our products, company personnel travel, energy use at non-manufacturing facility buildings (e.g. offices) and other miscellaneous parts of our business operations. These contributions are not shown in the data or graph above.

Future Targets

- We will achieve a 10 % reduction in our emissions of carbon dioxide (CO₂) equivalent greenhouse gases per 1,000 Consumer Units (CUs) of production from our manufacturing facility energy use by 31st December 2004.
- We will investigate practical options with our transport contractors to reduce the emissions of carbon dioxide (CO₂) equivalent greenhouse gases from our product transportation by 31st December 2002.
- We will establish a system to collect centrally data on our global emissions of sulphur compounds (SO_x), nitrogen oxides (NO_x) and volatile organic compounds (VOCs) from identified manufacturing facility sources by 31st May 2002.

B2. Water Discharges

More than half of the water used at our manufacturing facilities is released back into water systems, either to public sewers from where it goes to municipal waste water treatment, or to the natural environment via rivers or other water bodies.

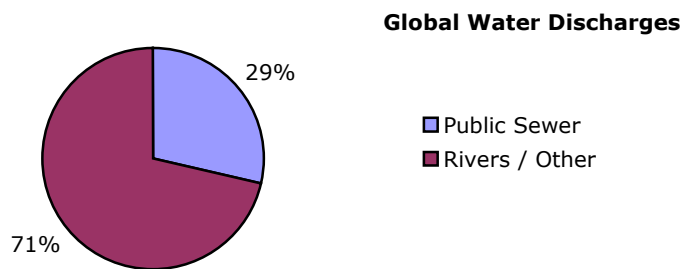
Our facilities are subject to different national and local requirements governing how much of this water they can release into the environment, where they can release it and what quality limits must be met.

Releasing large volumes of water into a natural water system (e.g. river) can affect the receiving environment. High or unusual variations in discharge volume, speed of flow or quality can have negative impacts. Each manufacturing facility is responsible for ensuring that its water discharges have been properly treated to meet the required quality standards and that discharges are released in line with any volume restrictions.

The water we discharge to public sewers for municipal wastewater treatment poses a significant business cost. This means manufacturing facilities are focused on reducing the use and discharge of water, and on maintaining good water discharge quality.

2000 Performance

- 65 % of the water we consumed at our manufacturing facilities in 2000 was released back into water systems, the rest was used in our products, contained in liquid & solid wastes sent off-site, or evaporated to atmosphere from our cooling systems.



- Our global manufacturing facilities discharged 0.76 m³ of water for every 1,000 Consumer Units (CUs) of production in 2000, and 3.6 million m³ in total.

We expect the volume of our water discharges to generally reduce over time and their quality to improve due to existing cost reduction programmes and process improvements and we will seek to make that happen. However, a global target for reducing water discharge volume or improving quality will not provide particularly meaningful goals for environmental improvement, because our impact will be largely governed by the capability of the receiving environment to accept our discharges without damage, which will vary at a local level. In some locations relatively high volume, poor quality discharges may have little impact due to the capacity of the receiving environment to absorb them; whilst in other locations relatively low volume, high quality discharges may cause a significant impact, due to the sensitivity of the receiving environment. We can therefore obtain a better picture of our water discharge impacts by understanding the capacity of local receiving environments to accept them in terms of volume, flow rate and quality.

Future Target

- We will identify a method to assess the capacity of local receiving water systems to absorb our manufacturing facility discharges, by 31st December 2002.

B3. Waste

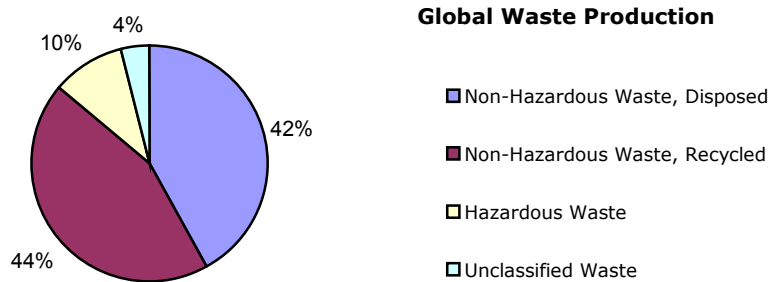
This section deals with the waste produced at our manufacturing facilities, which includes both solid and liquid waste, but excludes waste water discharges which are covered by section B2, Water Discharges, on page 15. All forms of waste management, whether by mechanical or chemical re-use / recycling or by disposal through incineration or at a landfill site, will have some form of environmental impact or risk.

Waste is a legal definition in many countries and is generally taken to mean any unwanted material or substance that is surplus to requirements at the point of its generation.

The key to effective waste management in both environmental and business terms is to implement the waste hierarchy of 'eliminate, reduce, re-use, recycle and dispose', in that order.

2000 Performance

- Our global manufacturing facilities produced 0.01 tonnes of waste for every 1,000 Consumer Units (CUs) of production in 2000, and 48,000 tonnes in total.



Waste is generally classified as either hazardous or non-hazardous. Some countries have defined hazardous and non-hazardous waste categories within legislation and these definitions can vary from country to country. Hazardous waste generally includes substances such as used oil, used chemicals, paint and paint tins, and water contaminated with oil or chemicals. Hazardous waste is not only more costly to recycle or dispose of but poses a greater risk to the environment, so we are always looking to find ways of eliminating, reducing and recycling hazardous waste volumes.

Future Targets

- We will achieve a 5 % reduction in total waste per 1,000 Consumer Units (CUs) of production by 31st December 2004.
- We will achieve a 5 % reduction in hazardous waste per 1,000 Consumer Units (CUs) of production by 31st December 2004.

C – Other Supply Impacts

C1. Packaging

Product packaging forms a significant volume of material in our products life cycle (see page 10). Although it fulfils a necessary and useful purpose the vast majority of our direct product packaging will be thrown away by the consumer after a product has been used, adding to the volume of household waste that must be disposed of. Levels of post-consumer packaging waste recycling are generally low, although there are some significant national and local variations.

Everything we sell uses some form of direct packaging to contain it prior to use. Additionally, individual Consumer Units (CUs) are packaged together for transportation from our manufacturing facilities to our distribution centres and customers.

We already have a strong focus on reducing the environmental impacts associated with our use of packaging throughout its life cycle. The methods we are using include:

- Use of wholly or partially recycled packaging materials where practicable.
- Reduction of material used to produce packaging components (e.g. lighter bottles/caps, thinner films and thinner cardboard).
- Working with our packaging suppliers to understand the causes of waste in their manufacturing processes and how we can change our packaging to reduce that waste.

2000 Performance

An example of a packaging improvement project in 2000 is Project Capwool:

Project Capwool – Woolite Range Packaging Reduction

	Bottle Cap (grms)	Bottle (grms)
Pre-2000 500 ml Bottle	13	47
Post-2000 500 ml Bottle	9	36
Plastic Reduction	- 31 %	- 23 %
Pre-2000 1 litre Bottle	20	58
Post-2000 1 litre Bottle	9	55
Plastic Reduction	- 55 %	- 5 %

The figures above demonstrate how, through Project Capwool, we made significant reductions in the volumes of plastic used in the packaging components of the Woolite product range during 2000. The environmental improvements associated with this initiative will include reductions in end-of-life waste generation and in raw material and energy use during packaging manufacture.

PVC packaging (polyvinyl chloride, a commonly used plastic) has been an issue of stakeholder concern regarding potential health risks associated with its manufacture and disposal. The vast majority of products made by Reckitt Benckiser do not use packaging components made of PVC. However in response to stakeholder concern we have decided to avoid using PVC packaging components for new products and we are currently implementing a programme to replace PVC packaging for existing products, although this will take some time. Our ultimate objective is to replace all use of PVC packaging components with non-PVC packaging components globally.

Future Target

- We will establish an environmental reporting system to aggregate global data on packaging volumes by 31st July 2002.

C2. Transport and Logistics

We use contracted road, rail and sea transport to move our products to customers across the world. Raw materials are transported by suppliers to our manufacturing facilities. Our employees undertake business travel nationally and internationally by road, rail and air.

Primary Transport is the movement of products from our manufacturing facilities to distribution centres. Secondary Transport is the movement of products from distribution centres to our customers.

The environmental impacts of transport and logistics are mostly associated with the use of fossil fuels by road, rail, air or sea transport, generally as petrol, diesel or other oil products. Other less quantifiable impacts include contributions to transport congestion and the loss of general environmental quality caused by noise and dust etc.

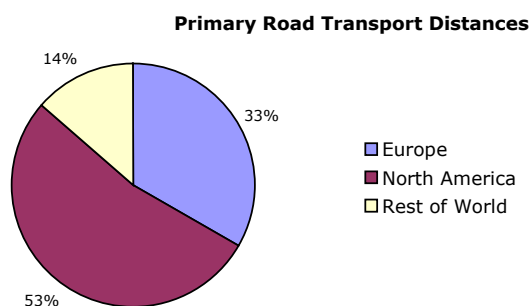
The environmental impacts of fossil fuel use are discussed in the sections on Energy Use (page 12) and Air Emissions (page 14).

The local health effects of some combustion by-products associated with transportation (for example from PM10s, the very small particles associated with burning diesel fuels) are generally of increasing concern with regard to health issues such as childhood asthma, particularly in cities where road traffic is of a high density.

It is in our interest to keep our costs down by optimising product transportation. It is also in the interest of our transport contractors to minimise distances travelled through route optimisation and to minimise fuel consumption through speed control and vehicle aerodynamics.

2000 Performance

- In 2000 we moved approximately 2,400 twenty-foot containers of product internationally by sea.
- In 2000 our global primary transport contractors travelled approximately 80 million kilometres (50 million miles) by road, taking products from our manufacturing facilities to our distribution centres.



We aim to engage more closely with our main transport contractors to look for new ways of reducing the impact of our product transport and distribution on the environment (see section C.3, Managing the Supply Chain, page 19).

Future Targets

- We will improve our process for the acquisition of transport data for environmental reporting by 31st May 2002.

C.3. Managing the Supply Chain

The environmental impacts of our processes and products extend into our supply chain, both through the materials and services provided to us by our suppliers and (indirectly) through the environmental impacts of those suppliers themselves.

One of our environmental policy objectives is to engage with stakeholders on environmental issues, including the integration of environmental factors into our relationships with key suppliers. In 2000 we developed an Environmental Supply Chain Programme to provide the framework for doing this, although we have already been active in this area for several years, particularly regarding raw materials and packaging.

Environmental Supply Chain Programme

Our approach is to systematically assess our supplier categories in terms of the anticipated environmental impacts, risks and opportunities of our interactions with them, and to then prioritise them on this basis, whilst also accounting for our relative ability to influence their activities.

We will then implement a phased programme of proactive engagement with individual suppliers, starting with those identified as having the highest priority, to further integrate environmental issues into our relationships with key suppliers. The focus will continue to be on looking for ways in which we can work with suppliers to improve the environmental performance of both their and our products and processes at the same time, as has already been practised with some packaging suppliers.

Future Target

- We will actively start additional environmental engagement with our suppliers, based upon our Environmental Supply Chain Programme framework, by 30th April 2002.

C.4. Land Use, Condition and Biodiversity

Land Use

The land on which our facilities are located is a resource. It makes sense for us to practice environmental stewardship in our management of it, both to preserve its value for the future and to prevent any potential liabilities arising from our use of it.

Land Condition

Where land has been exposed to chemical or other pollution, and is deemed to pose a risk to human health or the environment, it is called contaminated land. As part of our Group environmental management system (EMS), including internal environmental audit activities, we are continuing to confirm the condition of our land portfolio. If we identify any land that could pose a risk to human health or the environment we will take appropriate action.

Biodiversity

There has been increasing interest by some stakeholders in companies' approaches to biodiversity, stimulated partly by the greater recognition that biodiversity is a key component of environmental sustainability.

Organisations working with business on biodiversity issues recommend that companies develop a Biodiversity Action Plan (BAP), to help them to manage their impacts on biodiversity in a structured way and in line with wider conservation objectives.

Future Targets

- Starting before 31st March 2002, our independent internal environmental performance reviews of manufacturing and R&D facilities will include the review of:
 - a) land condition
 - b) any risks of pollution to land from our activities
 - c) biodiversity impacts.
- We will establish a Company Biodiversity Action Plan (BAP) by 31st December 2002.

D - Product Use and Disposal

We take our responsibility to the consumers of our products seriously, not only in terms of product effectiveness and safety during use, but also in terms of the environmental impacts of product use and disposal (including packaging).

Using some of our products requires the use of appliances that consume water and electricity, notably washing machines and dishwashers. In recent years there have been significant reductions in the quantities of energy and water that laundry and dishwashing machines use. Information on the relative energy and water use efficiency of machines can generally be obtained either at the point of sale or from the machine manufacturers.

D1. Product Composition

There is an increasing amount of Non-Governmental Organisation (NGO) and public interest in the composition of consumer products, most notably reflecting people's concerns that they are not exposed to harmful chemicals by using consumer products. The arguments surrounding many of the chemicals that can cause concern are complex; our approach is to make decisions about product composition based on a combination of scientific risk assessment and stakeholder concern. We operate formal programmes of product composition review and improvement regarding not only performance in use but also the health & safety and environmental performance of the materials that we use.

At the outset of product research and development (R&D) we apply Health & Safety and Environmental Filters through our Global Product Composition Guidelines. Our R&D Regulatory, Safety & Environmental services team provides advice internally to review compliance with product health & safety and environmental standards across the world.

The HERA Project

The HERA (Human and Environmental Risk Assessment on ingredients of household cleaning products) project was launched in September 1999 by the European-based AISE (the International Association for Soaps, Detergents and Maintenance Products) and CEFIC (the European Chemical Industries Council). It is a voluntary industry initiative that aims to provide the public and regulators with information on any potential risks associated with detergent ingredients and products, and to meet the demand for more transparency in product safety assessments. By bringing together the household products industry and the chemical supply industry, and engaging in dialogue with a wide range of stakeholders, HERA helps us to understand better the debate around risk assessment and to undertake better risk assessments. HERA represents a common risk assessment framework for the household cleaning products industry, which allows data to be collected easily and presented in a consistent, user-friendly language and format. Reckitt Benckiser's role in HERA is to provide baseline data necessary for the risk assessments to be undertaken and to contribute funding to the teams undertaking this work. For more information please visit the HERA web site (www.heraproject.com).

The Soap and Detergent Association (a trade association in North America representing manufacturers of household, industrial and institutional cleaning products, their ingredients, and finished packaging www.cleaning101.com) is working with industry and the US EPA (Environmental Protection Agency) regarding high production volume chemicals in a similar programme to the HERA project.

AISE Code of Environmental Good Practice

As members of AISE we subscribe to a Code of Environmental Good Practice. This means that we work to contribute to specific industry-wide targets across Europe (the geographical coverage of AISE). We undertake as part of the AISE Code to continue environmental progress when formulating products and packaging and to encourage consumers to use our products responsibly. For further information please see the AISE web site (www.aise-net.org).

D2. Reducing Product Waste

Surveys show that consumers vary in the amount of cleaning products they use for a specific task, some overdosing (using more product than necessary) and some under-dosing (not using enough product to obtain required cleaning performance). Reckitt Benckiser was one of the first companies to develop single dose tablets for laundry and dishwasher detergents, which are both convenient to use and help to prevent consumer over and under-dosing.

Basis of Performance Reporting

Global (aggregated) performance data can overlook the real environmental impacts of industrial operations, which in some cases occur at a more local level (e.g. water use). We are trying to take account of this scale issue by including or investigating measurables and targets that are not only based on global performance. If you have an opinion on how we can do this better please let us know (see page 23 for contact details).

Scope of Reporting

The performance data in this report provides information on all of Reckitt Benckiser's 52 owned manufacturing facilities globally (as at 01.09.2001), and on primary product distribution from our factories to distribution centres, for the period 1st January to 31st December 2000.

It does not include data for our offices, Research & Development (R&D) centres (except where they are part of or integrated with a manufacturing facility) and secondary product distribution from distribution centres to our customers.

In most instances the data is normalised against Consumer Unit (CU) production volumes for 2000, which will allow us to directly compare our performance from year to year going forward, regardless of changes in production volumes. Non-normalised data is also provided.

All numerical targets stated are for improvement against our 2000 performance.

Where there is any variation from this reporting scope it is noted with the data.

Data Acquisition Process

We obtained this information by asking each of our production facilities globally to provide data on their performance for a number of specific parameters. This data was then aggregated centrally. Additional data (e.g. regarding transport & logistics) was obtained from our Global Planning & Logistics and Global Procurement organisations.

Calculation of Global Warming Potential (GWP)

- CO₂ equivalent emissions from manufacturing facility fossil fuel consumption have been calculated using conversion factors from the Department for Environment, Food & Rural Affairs (DEFRA) *Guidelines for Company Reporting on Greenhouse Gas Emissions, 2001* and the Intergovernmental Panel on Climate Change (IPCC) *Revised Guidelines for National Greenhouse Gas Inventories, 1996*.
- CO₂ equivalent emissions from manufacturing facility electricity consumption have been calculated using the UK conversion factor published in the DEFRA *Guidelines for Company Reporting on Greenhouse Gas Emissions, 2001*.
- CO₂ equivalent emissions from primary road transport have been calculated using fuel consumption rates and conversion factors from the DEFRA *Guidelines for Company Reporting on Greenhouse Gas Emissions, 2001*.
- CO₂ equivalent emissions from CH₄ and N₂O emissions for both manufacturing facility fossil fuel consumption and primary road transport have been calculated using conversion factors from the IPCC *Revised Guidelines for National Greenhouse Gas Inventories, 1996*.

Data Quality

We recognise that this is the first time we have collected environmental performance data on a worldwide basis and that we will be able to improve data quality in the future through ongoing improvements in our global environmental reporting systems.

Some of the original source data is subject to a degree of uncertainty due to limitations of interpretation, measurement and calculation and the national and regional differences in both common and regulatory definitions. The data presented in this report on Waste (section B3 on page 16) has a significant (greater than 5 %) level of uncertainty in its consistency and accuracy, as definitions of "hazardous" and "non-hazardous" waste and accounting for re-use and recycling of waste were seen to exhibit differences at both a national and site level in the original source data. We shall focus on improving the quality of waste data in the preparation of our Environmental Report 2001.

Glossary

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 (<i>Earthwatch Institute / English Nature</i>).
Consumer	The person who uses our products, usually in the home.
Consumer Unit (CU)	The normal unit of product purchase by a consumer (i.e. a single box, bag, bottle etc.).
Contaminated Land	An area which appears to be in such a condition, by reason of substances in, on or under the land that: a) significant harm is being caused, or there is a significant possibility of such harm being caused, to living organisms or the ecological systems of which they form part; or, b) pollution of a natural water body is being, or is likely to be caused (based on <i>UK EPA 1990</i>).
Customers	The companies to whom we sell our products.
Eco-efficiency	Creating more goods and services with ever less use of resources, waste and pollution (<i>World Business Council for Sustainable Development</i>). It is (arguably) the major contribution that business can make towards achieving Environmental Sustainability.
Environment	Surroundings, including air, water, land, natural resources, flora, fauna, humans, and their interaction (<i>ISO 14001</i>).
Environmental Aspect	An element of an organisations activities, products or services that can interact with the environment (<i>ISO 14001</i>).
Environmental Audit	A systematic, documented and objective evaluation of conformance to specific environmental management and performance criteria. By definition auditing is a sampling process.
Environmental Impact	Any change to the environment, whether adverse or beneficial, wholly or partially resulting from an organisations activities, products or services (<i>ISO 14001</i>).
Environmental Management System (EMS)	The part of an overall management system (including organisational structure, responsibilities, practices, procedures, processes and resources) for determining and implementing an environmental policy (<i>ISO 14001 / EMAS</i>).
Environmental Performance	Overall impact on the environment, particularly over time.
Environmental Risk	The <i>Association of British Insurers (ABI)</i> defines "risk" as meaning uncertainty generally, rather than a definite actual or potential threat. It follows that environmental risks are environmental uncertainties, including not only potential threats and but also potential opportunities.
Environmental Stewardship	Considering and influencing the environmental impacts that arise directly or indirectly from a company's products or services (<i>Business in the Environment</i>).
Environmental Sustainability	Maintaining the environment's natural qualities and characteristics and its capacity to fulfil its full range of functions, including supply of natural resources, and maintenance of life support systems for plants and animals (<i>English Nature</i>).
Independent Review	An independent review of the reliability and credibility of a report (see page 24).
Manufacturing Facilities	The factories where our products are blended and packaged before being transported to distribution centres.
Resources	Resources: Anything that is of use to humans. Renewable Resources: Resources that ultimately derive from solar energy (e.g. trees, rain, fish, wood) and which are renewable over less than a geological time-scale; although use above their maximum sustainable yield will produce ever-diminishing returns and ultimately damage or loss. Non-Renewable Resources: Resources that have accumulated or developed over a geological time-scale and cannot be replaced except over a similar geological time-scale.
Stakeholders	Those who either affect, or are affected by, the activities of a company. They include customers and consumers, lenders and insurers, investors and analysts, government, regulators, local communities, NGOs (Non-Governmental Organisations), the media and suppliers. (<i>Business in the Environment</i>).
Stakeholder Engagement	The process of listening and talking to stakeholder groups in order to better understand and meet their expectations.
Sustainable Development	Development which meets the needs of the present without compromising the ability of future generations to meet their own needs. In practice, this means carefully managing the environmental, social and economic impacts of our activities and using resources wisely.
Transport	Primary Transport is the movement of products from our manufacturing facilities to distribution centres. Secondary Transport is the movement of products from distribution centres to our customers.

Contacts

- For further information on Reckitt Benckiser's products, financial performance and corporate governance policies please visit our web site at: www.reckittbenckiser.com
- For further information on Reckitt Benckiser's environmental management and performance, or if you have any comments on this report, please contact:

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Independent Review Report to the Executive Committee of Reckitt Benckiser plc:

The Reckitt Benckiser plc Environmental Report 2000 (“the Report”) summarises the environmental management, policies and programmes of the Reckitt Benckiser Group’s (“the Group”) global operations, including performance information, for the period January to December 2000. The Report is solely the responsibility of Group management and has been approved by the Executive Committee.

PricewaterhouseCoopers was requested by management to complete an independent review of specified Group level environmental management and reporting processes described within the Report. As part of our review we considered specifically:

- The scope of the reporting process, in respect of inclusion of material information on Group operations and coverage of the significant Group level environmental impacts;
- The existence and adoption of the Group level processes for the collation, review and aggregation of the reported data from global manufacturing facilities in relation to three selected parameters: energy consumption, water use and waste generation (“the selected parameters”);
- The consistency of the information contained in the Report with the findings of the work that we have completed.

There are no generally accepted international standards for reporting or review of environmental performance data or of processes to measure environmental performance. We have therefore adopted a review approach that reflects emerging best practice using a framework based on the principles underpinning financial and environmental assurance and reporting standards. Our review comprised:

- Interviews with Group management responsible for environmental matters;
- Review of relevant Group documentation including environmental policies, Group level environmental management and reporting structures, and documentation relevant to the reporting process;
- Review of the Group level system and procedures for the collation, review and reporting of environmental data from global manufacturing facilities for the selected parameters. This included interviews with Group level management responsible for data reporting processes, telephone conversations with management at four facilities including a facility in each of the Group’s global operating regions and examination of the reported data for the selected parameters, on a sample basis, to confirm adoption of the reporting process;
- High level analytical review of the selected parameters to test the Group level data aggregation and evaluation processes and test the reasonableness of the data, on a sample basis; and
- Review of the Report text to assess consistency with the findings of the work completed.

In preparing the findings below, we have not conducted an audit as defined in auditing standards, and we accordingly do not express an audit opinion on the performance data in the Report.

Review findings

Based upon our independent review, we have reported to management that:

- Nothing came to our attention to indicate that the scope of the Report (as described on page 4) does not, in all material respects, address the significant Group level environmental impacts;
- Group-level processes for the collation, review and aggregation of the reported data for energy consumption, water use and waste generation have been adopted for the preparation of the Group level performance data reported on pages 11, 12 and 16; and
- The information and performance data presented in the Report is not inconsistent with any findings arising from our work.

During the review, we made a number of observations on the processes used to compile the information and the performance data in the Report and the scope and content of the Report, to assist in promoting continuous improvement in Group environmental reporting processes. These observations have been reported to and discussed with Reckitt Benckiser Group management.

March 2002, London