



# Product stewardship – ingredients and transparency



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#### Introduction

We want to make high-quality products that consumers can trust. That trust is based on two things: that the ingredients we use are safe for people and the environment in their journey from source to product, use and disposal; and that the information we provide about our products is comprehensive, clear and honest.

We've established global internal policies for our ingredients that go beyond legal requirements. Our Safety, Quality and Regulatory Compliance (SQRC) function oversees the implementation of these across the product life cycle. Transparency throughout the process is vital, not only as a means of tracking and certifying our supply chains but also through product information for our increasingly conscientious consumer. We are aiming for 100% transparency on ingredients through both clear product labelling panels and online information.

#### **Highlights of 2019**

Our approach to ingredient transparency has gone from strength to strength with information for consumers reflected on much of our product labelling and websites. Our aim for all our brands is to provide consumers with information throughout the product journey, from the full spectrum of ingredients we use to how we manage our supply chains, including:

• New 'ingredient panels' on Finish, Vanish and Airwick products in the US, Europe and other markets. These clearly communicate what ingredients we use and why we use them. We are rolling out similar approaches on our Health brands, such as Durex with its Naked Truth labelling.



## OUR PRODUCT INSIGHT PAPERS

We want consumers to trust our brands; to feel confident that our products are safe and cause no harm to the ecosystems or the people that they touch during their life cycle. Sustainable product innovation is ultimately about the overall integrity of our products, which combines several aspects of responsible business. The overall topic is covered by several insights to make the subjects more accessible.

#### They are:

- Product stewardship ingredients and transparency (this insight): the processes we follow to consistently use safe, environmentally friendly ingredients and our work on ingredients labelling to help our consumers make informed decisions when buying our products.
- <u>Protecting ecosystems across our value chain</u>: the steps we take to safeguard our planet for future generations.
- <u>Plastics and packaging</u>: how we seek to use less material, reduce virgin material, and use recycled and recyclable components in our packaging.
- <u>Sustainable product innovation</u>: how we develop our products to make them more sustainable for the future.





 Improvements to our ingredient transparency website (<u>www.rbnainfo.com</u>), which discloses ingredients for our products sold in the US and Canada. It now offers extra technical details through a much more user-friendly platform. We are looking at similar approaches for other markets.

Beyond transparency, we continue to measure and report on our progress to manage ingredients of concern. We also continue to champion the adoption of safer and more sustainable chemicals.

• We participated in the Chemical Footprint Project (CFP) for the second year running. The CFP enables us to benchmark our progress on chemical management, the selection of safer alternatives and the use and reduction of ingredients of concern. We're proud to say that we scored 73.5%, a 20% improvement compared with 2018, driven by: increased transparency of our footprint, building on external partnerships for safe and effective alternatives, and closer partnerships with key suppliers.



 We launched a number of products that employ 'safe and effective alternatives' including our new brand, Botanical Origin, a range of eco-certified detergents. We also launched Veo Probiotic active surface cleaner in the US which works via competitive inhibition, using pro-biotics to kill bacteria in much the same way as probiotic supplements promote healthy guts.



• We were named as a Safer Choice partner of the year by the US Environmental Protection Agency as a result of our work in conducting an educational outreach campaign and expanding consumer access to safer antimicrobial products.

#### Looking ahead to 2020 and beyond

Transparency around ingredients and materials will always be high on our agenda, and we want to ensure all our brands apply our transparency principles consistently. This can be a challenge, for example where we have raw materials such as fragrances whose suppliers may not be keen to share proprietary information on ingredient composition. We are working with those suppliers so that we can share more with our consumers. It's also important for us to ensure that the information we provide is helpful for consumers who may not have an understanding of why certain materials are used, or where they come from. To help this, we are introducing connected packs for a number of our Health brands that will incorporate ingredient panels with further information online. We will also publish our Restricted Substances List (RSL).

We're also strengthening our approach to ingredients, to ensure we use those most resilient for the long term. This means finding purer, simpler ingredients wherever possible, while still delivering the same effective products that our consumers know and trust. To do this we are updating our internal tools to help our teams choose safe and effective alternative (SEA) technologies. This involves evaluating the materials we use and being informed by stakeholders such as the Green Chemistry & Commerce Council (GC3), who help us implement the principles of emerging agendas such as sustainable chemistry.

## EXPLAINING MATERIALS AND INGREDIENTS

We use a number of terms to describe elements we use to manufacture our products and it's helpful to define the meaning of each of these.

- Natural raw materials (NRMs) are those that come from nature; they can be farmed, grown in plantations, mined, caught in the wild or harvested and are used in raw materials (RMs) such as natural latex rubber or palm oil that is used in ingredients such as surfactants. For more information on our souring of these materials, please see the <u>Protecting ecosystems in our value</u> <u>chain insight</u>.
- 2. Raw materials (RMs) are commodities made from natural raw materials and/or organic chemical feedstocks (often oil-based). They can be unique chemical ingredients or contain multiple unique chemical ingredients. For example, sodium percarbonate (a common cleaning agent) is a raw material used in Finish; as a purchased RM, it contains multiple ingredients including sodium carbonate, sodium percarbonate, sodium sulfate and water.
- **3.** Ingredients are individual chemical substances that we use in our products. Examples include preservatives which extend the active life of products, or surfactants which are commonly found in products such as household detergents where they lower the surface tension of a liquid to increase contact between the liquid and another substance.



#### How we manage ingredients and transparency

Everything begins with a solid foundation in SQRC. We have global standards for product quality and safety to ensure the consistency and reliability of our products, and in many cases our standards are far superior to local regulations.

Our quality assurance functions monitor process and product quality at global, regional and site levels and regularly audit key suppliers. This oversight drives continuous improvement in the quality of our raw materials, ingredients, components and, inevitably, our finished products.

The Global Safety Assurance team is an integral part of SQRC. They evaluate the safety of new products and changes to existing products based on their intended use and any foreseeable misuse. They monitor the safety of our products in the market and provide any resulting safety insights to our product development teams. Our consumer safety policy sets out guidelines, standards and procedures for our entire product life cycle.

Overseeing our entire approach is the Ingredient Steering Committee, which was set up in 2017 and comprises leaders from across R&D, SQRC and Sustainability teams. They work to identify emerging issues, to generate our position on the subject, and to coordinate any resulting procedures such as product changes. The committee is also responsible for assessing priority ingredients against applicable regulations, consumer and environmental safety, sustainability, public perception and the potential for substitution with safe and effective alternatives.

Helping our approach are partnerships with our suppliers, customers, trade associations (such as GC3), academia and civil society. The Chemical Footprint Project is one such example, which is also supported by one of our key customers, Walmart. We also work with universities such as the University of York in the UK, funding research on the environmental degradation of products on disposal.

#### Our approach to ingredients

We strive to select the safest and purest ingredients for our products, using only the ingredients that are needed and nothing more. We have a track record of advocating for reductions in hazardous chemicals and making public commitments to that through our sustainability reporting. Some examples of our commitments are voluntarily banning polyethylene (PE) beads by 2018, PVC packaging of household products by 2009 and formaldehyde in 2006. We are also proud to have supported the California Ingredient Disclosure Bill in 2017 by leading industry efforts in disclosing product ingredients used in North America.

Recently, we're seeing increasing awareness from across the industry around chemicals of concern – from consumers, our peers, NGOs and regulations. Large customers such as Walmart now have their own RSLs that their suppliers must follow. In response to the changing landscape, we've been taking part in the annual Chemical Footprint Project (https://www.chemicalfootprint.org/), benchmarking our approach to chemicals management, inventory, measurement, public disclosure and verification



**Reckitt Benckiser Group plc (RB)** Product stewardship – ingredients and transparency insight 2019

## PARTNERSHIPS AND COLLABORATIONS

#### Green Chemistry Commerce Council (GC3)

We are a member of GC3's Sustainable Chemistry Alliance group which promotes policies to accelerate the development of sustainable chemistry processes and products. Public policy can drive innovation to help industry develop and adopt safe and effective alternatives. There is a growing global demand for safer, more sustainable chemistry. This year, the GC3 Sustainable Chemistry Alliance led the effort to progress the Sustainable Chemistry Research & Development Act. This proposes national support for research and development, commercialisation, training, and education on chemistry research. The Bill has yet to pass into legislation and we are working with the GC3 Sustainable Chemistry Alliance to enable this and its subsequent implementation. https://greenchemistryandcommerce.org/

#### **European Chemical Industry Council – CEFIC**

Our experts represent us on CEFIC's Long-range Research Initiative projects. These help to steer wider industry research efforts towards a better understanding of the potential impacts of chemicals on human health and the environment. http://cefic-lri.org/

#### Academic partnerships

We co-sponsor and support research on the environmental risks associated with the use of polymers at the University of York, UK. We are supporting an EU project to understand better the environmental risks of chemicals in the future. https://ecorisk2050.eu/

#### Task Force to support the European Commission (DG ENV)

This year we joined the European Commission Task Force (DG ENV) that works to understand how front-runner companies can best deal with substances of concern. In particular, they look at: substituting substances of concern from their supply chains, products and portfolios: what lessons can be drawn from their experience: and how good practice can be scaled to expand opportunities for innovation. We supported the publication of an action plan designed to do this, the 'Chemicals Innovation Action Agenda: transitioning to safer chemicals and technologies'.



#### Restricted substances and safe, effective alternatives

We maintain a Restricted Substances List (RSL) which ensures a consistent global approach towards minimising and eliminating ingredients of potential concern. We also maintain an RSL watch-list, comprising ingredients with emerging concerns or evolving standards. Our RSL policy defines our commitment and approach which often leads us to setting global limits or bans on certain ingredients beyond what is mandated by regulation. It also includes guidance for formulators on how to choose better alternatives, for example, for colourants and polymers.

Alongside the RSL, the Ingredient Steering Committee oversees the adoption of safe and effective alternatives in new or reformulated products. To help us develop safe products that have the lowest possible environmental impact, we apply the key concepts of green chemistry, adapted for product development:

- Designing safer products.
- Waste prevention.
- Design for energy efficiency.
- Design for degradation / reuse / recyclability.
- Design for bio-based / use of renewable raw materials.

For example, the availability of a wide and safe palette of preservatives is one of the key challenges facing industry today. We want our products to reach our consumers in the best possible condition and that is why we use preservatives to prevent any microbial growth or undesirable changes. Recently, preservatives have been under increasing scrutiny due to consumer concerns and regulatory restrictions, making them a priority area for the development of safe and effective alternatives.

In response, our Ingredient Steering Committee established a global cross-functional task force to screen novel, safe alternatives that we can use across our portfolio. We have also developed a rigorous screening and testing strategy so that we can make sure any new ingredients we use are effective and safe. We are setting up collaborative programmes with industry groups and suppliers to make these safe and effective alternatives more readily available.

## Our approach to consumer information and transparency

We want to give our consumers all the information they need to make informed decisions about the products they're bringing into their homes, and this means giving information that goes above and beyond legislative requirements. We understand that consumers want to know more about the products they buy. To support this growing expectation, we are committed to being clear, honest and transparent. The information we provide helps our consumers understand the benefits from our products together with the ingredients we use, why we use them and where they come from – in the case of natural raw materials.

#### Explaining the safety of our ingredients

The RB Global Safety Assurance (GSA) team is responsible for conducting the safety assessments of all RB ingredients and products throughout the product lifecycle. In 2017 RB harmonised it's global approach to safety assessments and revamped the Product Safety Evaluation Report (PSER), which provides a global and consistent approach to safety assessments for all of products, ingredients and devices. RB's GSA teams adopts a WoE approach to risk assessment whereby all available and relevant information are evaluated. The PSER assessment requires full hazard data sets to conduct a risk assessment and hazard data is collated in a central IT system. The PSER forms part of the good for sale certificate and is a requirement for all innovative products ahead of launch and includes key safety label language to ensure products are appropriately used as directed. Products already on the market, prior to 2017, were prioritised based on a number of metrics (e.g. inherent hazard, exposure, human contact, global vs local brands) and PSERs were retrospectively created, replacing previous regional specific evaluations, under a 'remediation' programme. This multi-year programme is due to be completed in early 2021. 99% of our product portfolio (in terms of revenue) has undergone risk assessment for their potential impact on human health and the environment.

Our ambition is for 100% transparency on the ingredients we use, through clear labelling on our products and online information. This year we are pleased to say that 75% of our net revenue came from products where we disclose ingredient information on-pack or online. The remaining 25%, for which we do not disclose ingredient information, are mainly Hygiene products that are sold outside Europe and the US where regulatory requirements are often still evolving and may even be a barrier to greater information being on-pack. We are working to support labelling policy to address this and give more information to consumers.



### WHAT IS GREEN CHEMISTRY?

Green chemistry, also known as sustainable chemistry, includes the design, development, demonstration, commercialisation and/or use of chemicals and materials that:

- are less toxic to health and the environment;
- have lower energy consumption and related emissions;
- have reduced natural resource impacts; and
- have been designed to result in less waste and the reuse or recycling of chemicals and materials across a product's life cycle.

Products using sustainable chemistry demonstrate improvements in at least one of these, without significant degradation in another. This could be in their production, use, or end of life when compared to chemicals and materials in similar use.





#### CASE STUDY

## EPA SAFER CHOICE PARTNER OF THE YEAR

The US Environmental Protection Agency's Safer Choice label promotes the use of safer chemicals in the home. We have been a Safer Choice partner since 2009. It is recognised for having adopted chemicals that meet Safer Choice criteria at an early stage. The 2019 award recognises its outreach and education campaign over the previous year. This resulted in all 50 US states adopting Safer Choice labelling for antimicrobial products. Consumers can now find safer antimicrobial products much more easily. We also include disposal and recycling information; for example we ask our consumers not to dispose of our wipes by flushing. Of course, variations in recycling infrastructure in different parts of the world make this a challenge, and we are looking into ways to support their future development. One example is through our work with Terracycle's Loop programme – see our <u>Plastics and packaging insight</u> for more information.

#### Improving our online information for consumers

Websites are an easy and efficient way of getting detailed information to consumers. This year we improved our North American ingredient website by adding more technical details, including fragrance information, and by making it easier for consumers to search for information about popular brands. Our European website already has similar information, and we're planning to extend this approach to other markets as well as to our brand websites.

To ensure we deliver customer satisfaction, we have a network of Consumer Relations teams globally who respond to consumer contacts through the existing communication channel ensuring that accurate details of the consumer's experience are captured and documented in our Global Consumer Relations database. We track consumer satisfaction through brand perception analysis & tracking consumer complaints and enquiries made to our consumer helpline. The current rate is 25.04 complaints per million units sold.

#### Promoting the benefits of our products to consumers

Our products provide health, hygiene and nutritional benefits, whether that's germ protection with Dettol or Lysol, pain relief with Nurofen or safety from sexually transmitted diseases with Durex. In line with our purpose – to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world – we aim to help our consumers understand the benefits from using our products. We do this through providing transparent and accessible information about the use of our products, their ingredients and their origins.



We also aim to design products that have benefits beyond their primary purpose, for example that produce less waste, or require less energy or water in use. Calgon increases the energy efficiency of washing machines by reducing the build-up of limescale, while Vanish extends the lifespan of clothes by removing stains. Finish dishwasher tablets are the most effective on the market for the eco cycle setting of dishwashers – and dishwashers use less carbon and water than doing the washing-up by hand. Read more about how we are developing more sustainable products in our <u>Sustainable product innovation insight</u>.

#### Our animal testing policy

We are committed to avoiding unnecessary animal testing. We will not conduct or commission animal tests on ingredients or finished products, or request our suppliers to do this, unless there is a legal requirement or a safety concern for which there is no alternative method. For more details, see our **Animal Testing policy**.

#### Listening to our stakeholders

Reporting effectively across our many sustainability issues and providing regular updates on our programmes and activities is always a work in progress. So we appreciate your feedback – what should we keep doing, and where can we do better?

#### Email us at sustainability@rb.com.

#### Or write to:

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