



Reducing waste



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OUR PERFORMANCE IN 2019

Aim

reduction in waste from manufacturing and warehouses versus 2012 by 2020

reduction in waste per unit of production

Progress

96%^{1†} zero waste to of our landfill at all manufacturing factories operations with zero waste to landfill

Progress

Aim

1 Includes IFCN, for manufacturing operations only.

2 Excludes IFCN, for manufacturing and warehouse operations only.

† Assured by ERM CVS as part of their limited assurance scope; for details, see our Sustainability governance, reporting and assurance insight.

We are acutely aware of the growing problem of waste in our world.

Minimising waste

To minimise our impact wherever possible, we're developing innovative ways to recycle and reuse materials – aiming to send zero waste to landfill.

We consider waste at all stages of our value chain, from supply and manufacturing all the way through to leftover packaging when consumers use our products. Minimising waste in the areas where we have direct control, such as our manufacturing processes, helps us to become more efficient and cost-effective, as well as benefiting the environment.

We're also working to reduce our packaging waste after consumers use our products – for example, by investing in developing more recyclable and reusable packaging (please see our **Plastics and packaging insight** for more detail).

This year we continued to develop, roll out and track the impact of initiatives to reduce waste across our global manufacturing sites - and we're pleased that 96% of these reached our zero waste to landfill 2020 target. The missing 4% was owing to the closure of a waste-to-energy facility in the US used by two of our factories, and we're looking for an alternative to avoid using the last resort for disposal, landfill. We're also working to bring the sites from our Mead Johnson Nutrition acquisition up to our standards for waste reduction – and will include these in our next set of targets for 2020 and beyond.

We continued to build on our track record in complying with local and national regulations around waste management. This year we revised our global waste management requirements, putting better protection measures into place at all our manufacturing sites. It's especially important, for example, that we safely and securely dispose of waste pharmaceutical products and materials to prevent them from being misused.

We also worked to reduce waste in our supply chain by monitoring each site's waste, promoting packaging reduction, and encouraging suppliers to use more reusable and recyclable materials. With a particular focus on emerging markets, we took steps to minimise our packaging – for example, removing an external secondary shrink wrap from our Durex products to reduce waste in China and Thailand.

Waste in our manufacturing and warehouse operations

	Units	2012	2016	2017	2018	2019†	% Change vs 2018	% Change vs 2012
Waste per unit of production ²	Tonnes per 1,000 CU	0.01170	0.00940	0.00919	0.00863	0.00849	-1.5%	-27.4%
% of sites with zero waste to landfill	% of manufacturing sites	-	98%	100%	93%¹	96%1	n/a	n/a
Hazardous waste per unit of production ²	Tonnes per 1,000 CU	0.00160	0.00126	0.00133	0.00140	0.00163	16.9%	2.0%

Note:

% changes versus 2018 and 2012 are stated accurately and not affected by rounding. This is to provide full year-on-year comparison.

1 Includes zero waste to landfill status of our IFCN sites, acquired in 2017. Since acquisition we have been actively working with these sites to improve waste reduction and recycling, resulting in seven of these sites sending zero waste to landfill during 2019.

2 Pre-acquisition data for our IFCN business unit is not currently available. To ensure comparison with our 2012 target baseline, 2019 data shown excludes IFCN. Including IFCN, 2019 manufacturing and warehouse waste was 0.0125 tonnes per 1,000 CUs and hazardous waste was 0.00157 tonnes per 1,000 CUs.

† Assured by ERM CVS as part of their limited assurance scope; for details, see our Sustainability governance, reporting and assurance insight.



CASE STUDY NOTTINGHAM SITE MAKES STRIDES TO SAVE THE PLANET

We don't stop trying to reduce waste just because we've hit our targets. Our Nottingham manufacturing site achieved zero waste to landfill in 2017, but the team wanted to go much further and so looked at how to reduce, recycle and reuse waste wherever possible. In 2019, this led to their 'War on Waste' programme with targets for production lines to identify and reduce waste. One of the successes has been the manufacture of Strepsils, where the team saved around 600 tonnes of raw material waste. This helped the site reduce their waste per unit of production by over 30%, and save money in the process. But the team have not stopped there. Looking for other opportunities, they also eliminated around 120,000 single-use bags that were used each year to collect blister packs during manufacturing by switching to reusable boxes, plus they also eliminated paper towel waste by moving to hand dryers.

Waste from manufacturing and warehouse operations by type and disposal method

	2016*	2017*	2018	2019
Total waste generated (mT) Total waste recycled, reused (mT)	71,410 68,174	70,064 64,051	95,822 81,947	95,881† 66,301†
% waste recycled Total waste disposed (landfill) (mT)	96% 2,696	91% 6,031	86% 13,875	69%† 29,580

* Prior to IFCN acquisition.

† Assured by ERM CVS as part of their limited assurance scope; for details, see our Sustainability governance, reporting and assurance insight.

Managing our operational waste

Our overall aim is to avoid waste. Our individual manufacturing sites are accountable for the management and disposal of their waste. We have a Global Waste Management standard that applies across all our manufacturing sites, covering every aspect of waste management and compliance. Sites must report monthly on their progress and are also audited by our regional team, as part of our overall Global Environment standards management and compliance auditing. Sites with a good rating are audited every two years; sites that only pass are audited every year; and sites that fail are audited more frequently to bring them up to standard.

Similarly, our supply sites must comply with the global ISO 14001 certification and take responsibility for their own waste management.

Minimising waste involves more than simply making our own production processes more efficient. Other factors come into play – for example, changes in quality control, manufacturing equipment, labelling or consumer preference can lead to unused or obsolete stock. We naturally try to avoid such issues as far as possible, by planning effectively, and working closely with consumers to understand their preferences and how they may be changing – for example, our partnership in the UK with Terracycle, a free scheme where people can drop off waste packaging which is then repurposed through reuse, upcycling or recycling.

Where practical, we will re-work and reuse materials to avoid waste, but of course our paramount aim is to maintain the safety and quality of our products. One of our challenges is the high cost of alternatives to landfill. For example, incineration to create energy is a better but sometimes more expensive solution as it often involves extra transport and storage costs because facilities are further away. We must also navigate local policies and infrastructure changes in some parts of the US, which have led to a reduction in recycling facilities.

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Looking ahead – focus for 2020 and beyond

We're in the process of setting new targets for 2025 and beyond and will be announcing these in 2020.

We will continue to focus on finding better ways to dispose and recycle our waste. For example, we're beginning to identify recycled ingredients as part of our support for 'green' chemistry initiatives. (See more on this in our <u>Product stewardship – ingredients and transparency insight</u>.)

We're also looking to innovate through repurposing our own waste, such as sending waste food to be reused in animal feed and using waste latex from our condom factory in Brazil to produce soles for shoes. This is a great example of the circular economy at work, when we can create something of value from waste and extend its useful life.

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: The Sustainability team

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