





We see 4 dimensions to business sustainability

- Environment operating today with as little adverse impact on the environment as practical, and working to continually reduce our future environmental impact
- Marketplace high quality products that are safe and effective; delivered through business practices and a supply chain that are legal, ethical and socially responsible
- Workplace a working environment that is safe and healthy; employment practices that attract, develop and retain the talented people who run our business
- **Community** returning some of the wealth we create to those who are most in need of help; supporting health, hygiene and social development locally and globally



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CARBON DISCLOSURE PROJECT





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Powering ahead!





CEO Reckitt Benckiser

reduction in Total Carbon Footprint, 2009

ENVIRONMENT

Our **Carbon20** programme targets a 20% reduction per dose by 2020 in the Total Carbon Footprint of our global products across their complete lifecycle, versus a 2007 baseline. In 2009, we achieved an outstanding 11.25% reduction per dose in our global products' Total Carbon Footprint versus 2007; which means we are half way there after only two years! See page 3.

In 2009, we reduced CO₂e emissions from our manufacturing energy use by 8% per unit of production, versus 2008. Since 2000 we have reduced these emissions by 40% per unit of production and by 23% in absolute terms. See page 4.

100%

non-PVC packaging of Household products

MARKETPLACE

We continue to progress a range of **Ingredient Removal Programmes, above** and beyond regulatory requirements.

The objective is to continually improve the environmental and safety profile of our products where 'better' alternatives exist.

We have now removed PVC Packaging from Household product formulas globally. See page 12.

-22%

reduction in our accident rate, 2009

WORKPLACE

In 2009, we achieved a 22% reduction in the lost working day accident rate (LWD AR) at our global manufacturing, warehouse and R&D facilities, versus 2008.

Overall, 2008 represented an 89% reduction in accident rate compared to 2001. See page 16.

lives saved with Save the Children, 2009

COMMUNITY

In 2009 we contributed to saving more than hundred thousand lives through our global partnership with Save the Children.

Our Do Something Big campaign, launched in 2009, continued to support existing work to save children from deadly but entirely preventable diseases like malaria and diarrhoea; whilst also funding a new initiative to support Child Domestic Workers in West Bengal, India. See pages 17 & 18.

We're working to reduce RB's carbon impact

Carbon20 is an ambitious, industry-leading programme.

Nevertheless, we are already half-way there after only two years!





Our Carbon20 target is a 20% reduction per dose in our global products' Total Carbon Footprint by 2020, against a 2007 baseline. This is an average reduction of 1.5% each year.

2007 – 2009 we achieved an outstanding 11.25% reduction per dose in our products' Total Carbon Footprint. This means that after only two years we are already half-way towards hitting our 2020 goal.

This great reduction in our products' Total Carbon Footprint was achieved despite the fact that we provided consumers with an additional 68 billion doses of our products in 2009 versus 2007, due primarily to growth in our market share and acquisitions.

The 'eco-efficiency' (see page 24) of our products' entire lifecycle improved by 6.25% 2007 - 2009, in terms of their carbon footprint.

This has been possible because the actual growth in our products Total Carbon Footprint was kept to only 5%, despite an 18% growth in the actual use of our products, including from aguisitions.

This suggests that we are being successful in decoupling business growth from our products' climate change impact across their lifecycle.

For further information see www.carbon20.com

NB: In our Total Carbon Footprint:

- * business travel by modes other than air is not included.
- # the retail operations of our trade customers include substantial emissions associated with refrigeration. although there is minimal refrigeration required by our products; the above Retailers Operations % is therefore over-stated. Going forward, better data will allow us to remove this over-statement.

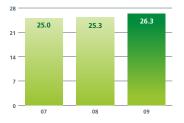
We calculate the Total Carbon Footprint of our global products in line with the principles of international standards and guidelines PAS 2050:2008 and the GHG Protocol (see www.carbon20.com for our Methodology, which has been externally assured by Deloitte LLP (2007 & 2008) and PwC LLP (2009)). Because of changes in how we measure a dose of some products within the business between 2008 and 2009, the Total Carbon Footprint per dose reported here is not comparable to that reported in our 2008 Sustainability Report.

Greenhouse gas emissions from the Total Carbon Footprint of RB's global products, per Dose* including acquisitions Grammes of CO₂ equivalents



* a Dose is the amount of each individual RB product required to deliver that product's intended service, either for a single use or for a defined period of time e.g. one Finish automatic dishwashing tablet for one load of dishwashing, the recommended number of Nurofen tablets for 24 hours of pain relief etc. In Lifecycle Assessment (LCA) terminology a Dose is the 'functional unit' of consumer use. The number of Doses per year is not comparable to other measures of sales or production volume used in either our financial or non-financial reporting.

Greenhouse gas emissions from the Total Carbon Footprint of RB's global products, including acquisitions Million tonnes CO₂ equivalents



Reducing energy use and its impact

Increasing eco-efficiency

Since 2000 we have reduced CO₂e emissions from our manufacturing energy use by 40% per unit of production and by 23% in terms of actual emissions. In 2009, we reduced CO₂e emissions from our manufacturing energy use by 8% per unit of production, versus 2008.

Normalised Manufacturing Greenhouse Gas Emissions tonnes CO, equivalents per '000 CUs



Since 1 January 2006, we have been offsetting our remaining manufacturing CO₂e emissions through our Trees for Change project: www.treesforchange.info This makes our global manufacturing operations effectively carbon neutral.

High efficiency, low energy lighting in the **United States**

In 2009 we completed a two-year program of lighting upgrades across several of our manufacturing and distribution sites in the United States. These are delivering an annual saving of around 5.5 million kilowatt-hours (kWh).

Through this multi-site, two-vear programme we have reduced our greenhouse gas emissions by around 7,000 tonnes CO₂e per year.

Biomass powered energy systems in India

In December 2009 we commission the first of several new bio-mass fired Boilers in India This first 2MT per hour unit, at our Hosur manufacturing facility, is reducing the sites' annual greenhouse gas emissions by about 800 tonnes CO2e per year.

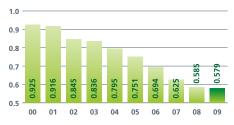
In December 2008 we commissioned gas-fired Combined Heat & Power (CHP) energy systems at our Derby and Hull manufacturing facilities in the UK. Whilst we still need to further optimise our energy loading at the sites, due to changes in manufacturing operations, in 2009 these CHP systems reduced our annual greenhouse gas emissions in the UK by more than 2,600 tonnes CO₂e per year.

Energy use

Overall, we have reduced our energy use by 37% per unit of production and 19% in terms of actual energy used, since 2000. In the same period (2000 – 09) our total production volume increased by 29%.

We consumed 0.58 Gigajoules (GJ) of energy for every 1,000 Consumer Units (CUs) of production in 2009, and 3.13 million GJ of energy in total.

Normalised Energy Use Gigajoules (GJ) per 000'CUs



2010 Target = 20% reduction

We consumed 0.58 Gigajoules (GJ) of energy for every 1,000 Consumer Units (CUs) of production in 2009, which represents a reduction of 1% against 2008.

Changes in our energy use during 2009, versus 2008, have been heavily influenced by our energy and production efficiency programmes, including:

- at our site in Cali, Colombia we improved energy efficiency by 38% per unit of production in 2009 as a result of a project to re-use heated water vapour in the boiler system rather than continually heating cold water
- at our facility in Johannesburg we installed a more efficient power system in 2009, improving energy efficiency by 36% per unit of production.

Measuring results is crucial for progress



I'm RB's Carbon20 champion for SE Asia

I measure the climate change impacts of RB's products and improve the Total Carbon Footprint measurement system with actual consumer behavior data collected from developing countries.

I compile results quarterly, to track C20 impacts from new project launches. I work on improving the data collection and measurement methodology – this includes capturing data on consumer habits, such as hand and body washing, in SE Asian countries. I also train my colleagues in SE Asia.

Amandeep Bhatia

Carbon20 Team Leader **R&D Scientific Services Group** Gurgaon, India



I'm working on a culture shift to reduce carbon in our products' lifecycle

As Carbon20 Manager, I help design the measurement of our products' lifecycle carbon footprint which is a vital step in making progress. We've developed a tool – a Carbon20 Calculator - which enables fast measurement of climate change impacts. This real-time feedback is critical to implementing lower carbon decisions during product development.

Carbon20 has a truly global reach and is crossdisciplinary which is simultaneously fascinating and challenging!

Jennifer Duran

Carbon20 Manager Hull, UK



We're reducing materials used in our packaging



RB has been undertaking Squeeze projects to reduce the materials used in our packaging, and to make that packaging more easily recycled, since the Company was born in 1999.

For us it really is a 24 hour, seven day obsession!

Arno MelchiorGlobal Packaging Manager



Improving on a classic

Look at the newest cap design on a Classic French's mustard bottle.

We made it better!

Now the consumer can get every last bit out and we're saving more than 66 tonnes of plastic each year.

Barbara Iwaniuk

Global Packaging Development Manager





Reducing resource use

Increasing eco-efficiency



The new Eco version of our hugely popular electrical plug-in air care device was launched in Europe from July 2009. It was rolled-out to more countries worldwide by the end of 2009, including Australia, Chile, Korea and Malaysia.

Less is more

We are continually re-designing our products and their packaging to provide better consumer solutions whilst reducing resource use and waste.

Less resource use, excellent performance, easier recycling and less waste.



Compared to the previous version, the new Eco version not only provides 20% more fragrance for the consumer but also uses more than 20% less plastic in its manufacture. In Europe alone this equates to an annual saving of almost 200 tonnes of plastic per year.

Water use

Overall, since 2000, our water use has decreased by 22% per unit of production, with a 1% increase in terms of actual water used. In the same period (2000 - 09)our total production volume increased by 29%.

Normalised Water Use CuM per 000' CUs



In 2009 we used 0.86m³ of water for every 1,000 CUs of production, a reduction of 1.7% versus 2008; thus the water resource intensity of our operations decreased and their eco-efficiency improved during the year.

We used 4.7 million m³ of water in total in 2009. 46% of which was released back into water systems (see Water Discharges, page 9). The remaining 54% went into our products, was contained in liquid and solid waste sent off-site, or evaporated from cooling systems.

Reductions in our water consumption during 2009 included:

- at Ladenburg, Germany, replacing the water based cooling system with a more efficient air cooled system, resulting in a 63% reduction in water consumption per unit of production.
- at Nottingham, UK, where water efficiency was improved by 20% per unit of production

Actual water use increased by 4% in 2009 due largely to an increased consumer demand for liquid-based products and as a result of us

Our environmental commitment Reckitt Benckiser is committed to running its business in an environmentally sound and increasingly sustainable manner.

We recognise that our processes and products have both direct and indirect environmental impacts and we seek to achieve continuous improvement in our environmental performance with respect to those impacts.

We are committed to using energy and natural resources wisely, eliminating and minimizing waste where practical, and re-using and recycling where it is sensible to do so.

We take a lifecycle management approach to improving our sustainability performance. Our policies and programmes look beyond the activities under our direct control to the impacts of our products across their complete lifecycle. See pages 3 and 4.

bringing manufacture of Dettol in South Africa back into Reckitt Benckiser, rather than having it manufactured by a third-party as has been done over recent years.

Raw material use

In 2009 our top five raw materials (in terms of quantity consumed at each manufacturing facility) totalled 0.96 million metric tonnes.

Environmental data for 2008

It is relevant to our environmental performance data for 2009, as reported on pages 2, 3, 4, 7, 9 and 24, that:

- Data for 2009 includes the same manufacturing facilities as reported on in 2008. See Basis of Reporting, page 25
- Ongoing improvements in our reporting processes at site-level mean some pre-2009 data has been updated, for example, to reflect waste reclassification.



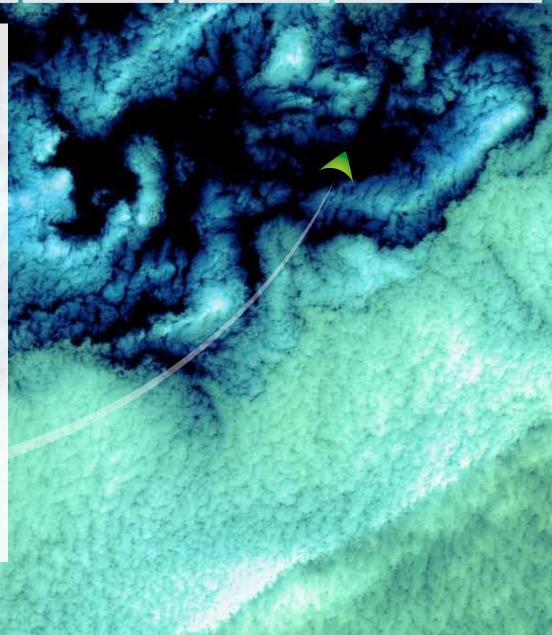
My job is all about partnerships:

- Working with and across our manufacturing operations in North America: identifying ways for us to be more energy efficient, developing and rolling-out best practices, and identifying and bringing forward energy, waste and emission reduction projects, including renewable energy projects
- Working with our suppliers: from raw and packaging materials to contracted product distribution, to reduce our overall mutual environmental performance
- Working with our customers and trade associations: to measure, review and improve our mutual environmental footprint

Alan Thomas

Environment

Sustainability Engineer Parsippany, United State



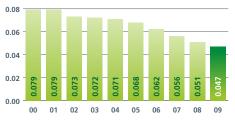
Reducing emissions and waste

Increasing eco-efficiency

Air emissions

Overall, we have reduced greenhouse gas emissions from manufacturing energy use by 40% per unit of production, and 23% in terms of actual emissions, since 2000. In the same period (2000 – 09) our total production volume increased by 29%.

Normalised Manufacturing Greenhouse Gas Emissions tonnes CO₂ equivalents per '000 CUs



During 2009 we reduced emissions of greenhouse gases from our manufacturing energy use by 8% per unit of production, versus 2008; with direct and indirect greenhouse gas emissions equivalent to 0.047 tonnes of carbon dioxide (CO₂) for every 1,000 Consumer Units (CUs) of production, and 255,000 tonnes of CO₂ equivalent in total; an actual reduction of 3% from 2008.

Six of our facilities now utilise energy from highly efficient Combined Heat & Power (CHP) plants and seven facilities now directly use 'green' energy such as hydroelectricity or solar power.

The decreases in GHG emissions are due to:

• replacing coal with biomass, for example at our facility in Semarang in Indonesia, where waste saw dust and rice husks are now used for firing the boilers resulting in a 46% reduction of GHG's per unit of production.

• At Derby and Hull, in the UK, the CHP plants we installed in 2009 are 'greener' than energy from the national grid, resulting in actual GHG emissions reductions of 20% and 9% respectively.

Due to the nature of our manufacturing processes, other common industrial air emissions such as SOx, NOx and particulates ('dust') are not generally emitted from our manufacturing facilities. Nevertheless, where present, these are at levels below applicable legal requirements.

Waste

Overall, we have reduced our total waste generation by 11% per unit of production, whilst it has increased by 15% in terms of **actual generation, since 2000.** In the same period (2000 – 09) our total production volume increased by 29%.

Our objective is to continually reduce waste generation and improve our recycling, with a particular focus on hazardous waste.

We produced a total of 0.0116 tonnes of waste for every 1,000 CUs of production in 2009, of which 9% or 0.001 tonnes per 1.000 CUs is hazardous

During 2009 we have reduced our total waste by 0.4% per unit of production versus 2008, whilst hazardous waste temporarily increased by 24% per unit of production.

Normalised Total Waste

Metric Tonnes per 000' CUs



Normalised Hazardous Waste

Metric Tonnes per 000' CUs



Continual improvement of our waste management since 2000 has reduced hazardous waste by 54% per unit of production, and 41% in actual terms. However, as seen in 2009, such low hazardous waste volumes can be significantly influenced by 'one-off' events.

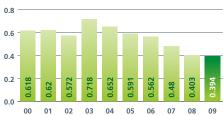
The increased level of hazardous waste produced in 2009 is largely a result of:

• our work to continually improve the environmental and safety profile of our products by removing specific ingredients where 'better' alternatives exist. The down-side to this is that with less powerful preservatives we have to do more cleaning. which produces more waste.

• the start-up of new healthcare production lines in new locations, which causes temporary increases in waste due to production trials.

Normailised Water Discharge

CuM per 000' CUs



Water discharges

Overall, we have reduced our water discharges by 36% per unit of production and by 18% in absolute terms, since 2000.

In the same period (2000 – 09) our total production volume increased by 29%.

In 2009, our water discharges decreased by 2% per unit of production, versus 2008.

46% of the water we used in 2009 was discharged into water systems. The remaining 54% went into our products, was in liquid and solid wastes sent off site, or evaporated from cooling and process systems.

We discharged 0.39 m³ of water for every 1,000 consumer units (CUs) of production in 2009 and 2.1 million m³ in total.

In 2009 we re-used or recycled over 3 times as much water on-site as in previous years.

Safe products, quality products

Product safety and quality are fundamental to our brands, our business and our long-term success. They are also fundamental to our personal and professional integrity, to good business practice and to our responsibility as a global leader in quality consumer products.



Product Safety

Our approach to product safety is summarised in our Product Safety Policy, available at www.rb.com, which is implemented across all (100%) of our products through a Global Product Safety Programme comprising product safety guidelines, standards and procedures.

Our Product Safety Programme is supported on a day-to-day basis by over 200 people in our worldwide Regulatory, Safety & Environmental (RSE) Services and Regulatory groups; it is used daily at our Research & Development (R&D) centres and manufacturing facilities globally.

RSE works across all of our business functions and in particular alongside our Category Research & Development (R&D) teams on New Product Developments (NPDs). RSE is responsible for ensuring the safety and regulatory compliance of our products for their intended use and across all of their lifecycle stages.

Regulatory teams are located within individual national businesses worldwide, and work alongside them and our global RSE and R&D functions, to ensure that we correctly understand and comply with the many national product regulations that exist.

The Company's long-standing and regularly reviewed arrangements for product safety include our Global Ingredients Guidelines (GIGs), which specify materials to be excluded or only used at certain levels in our products. The GIGs comprise a single point of reference on regulatory requirements, our own (generally stricter) internal requirements, and specific

direction on the use (or the non-use) of materials and ingredients.

Reckitt Benckisers' Global Ingredient Guidelines are generally stricter than regulatory mandates and often compromise industry best practice.



In 2008, RB was recognised by the US **Environmental Protection Agency (EPA)** as a Champion in the Safer Detergents Stewardship Initiative (SDSI), part of the EPA's Design for the Environment (DfE) Program. Champion is the highest level achievable and recognises that voluntarily RB only uses 'safer surfactants' are cleaning agents that break down quickly to non-polluting compounds and help protect aquatic life in both fresh and salt water.

www.epa.gov/dfe/pubs/projects/formulat/ sdsi.htm#sdsichampions

THE A.I.S.E. AIR FRESHENERS PRODUCT STEWARDSHIP PROGRAMME



HERA

The HERA (Human and Environmental Risk Assessment) project has made an important contribution to cross-industry preparation for the implementation of REACh. Between 1999 and 2006 the project completed comprehensive risk assessments of more than 250 chemical substances, covering more than 90% of the total volume of raw materials used in detergent and cleaning products in Europe:

www.heraproject.com



International REACh

I implement large, multi-year regulatory compliance projects – such as that required by REACh – across RB regionally and globally. This involves working with and coordinating virtual teams across functions and geographies to deliver complex, multi-faceted regulatory compliance.

Tim Storey

REACh

REACh (Registration, Evaluation, Authorisation and Restriction of Chemicals) is the new European chemicals management regime which was formally adopted by the European Union in December 2006 and entered into force on 1 June 2007. As part of a phased programme over several years, industry is required to register most substances that are manufactured, imported or used in Europe.

REACh will take many years to be fully implemented and we have put in place a dedicated team to ensure the compliant implementation of future provisions.

For the majority of substances used in our products the responsibility for registration will lie with our suppliers, who manufacture or import those substances. We continue to work closely with our suppliers as REACh is implemented to ensure that our uses are fully considered within the substance registrations required.

We have undertaken a significant work programme to ensure that all of the substances used in Reckitt Benckiser products were preregistered by suppliers or ourselves where appropriate or necessary.

Further information on REACh is available at: http://ec.europa.eu/environment/chemicals/ reach/reach intro.htm



Reckitt Benckiser has committed to the Programme (AFPSP), a voluntary industry initiative which was established in October

Companies who sign up to the programme must abide by a set of rules which goes beyond legislative requirements and aims to promote best practice in the responsible manufacturing, consumer communication

and use of air fresheners across the EU. Iceland, Norway and Switzerland.

- * The International Association for Soaps, Detergents and Maintenance products (www.aise.eu), which represents, among others, members of the European air freshener products industry
- # All brands that carry this mark are from companies which are committed to the industry programme 'Charter for Sustainable Cleaning'

Ingredient removal programmes We continue to progress a range of

Ingredient Removal Programmes, above and beyond regulatory requirements. Our objective is to continually improve the environmental and safety profile of our products, by systematically removing specific ingredients from product formulas and packaging/device component specifications, where 'better' alternatives exist. The table (top right) outlines

our recent ingredient removal achievements.

We also have a policy for the use of Triclosan in our products. Reckitt Benckiser voluntarily restricts Triclosan use to licensed medicinal, overthe-counter (OTC) pharmaceutical, cosmetic and toiletry products where it is necessary for specific therapeutic activity and provides a clear and demonstrable benefit to the consumer.

Product (and packaging) labelling

Product labelling needs to give consumers clear and easily understood information on how to use (and sometimes dispose of) a product correctly and safely. Labelling of packaging material type(s) assists in promoting its recycling.

However, research suggests that the more information placed on labels the less likely consumers are to read it all. Thus a 'risk based approach' - focussing the information provided on what consumers actually need to know for correct and safe product use – is important.

We are increasingly using visual symbols which are more frequently consulted and more easily understood by consumers. To align the industry's safety information and communication, the European detergent industry association A.I.S.E. has developed a set of universal 'safe behaviour tips' and pictograms, as part of its Charter for Sustainable Cleaning, see:

www.sustainable-cleaning.com

PRODUCT OUALITY

Reckitt Benckiser is committed to consistently delivering the highest quality products. We focus on building quality in at the product design stage, and on quality risk assessments of manufacturing processes and our external supply chain, so that quality issues are prevented before they arise.

Reckitt Benckiser's Quality function was reorganised at the start of 2010 to create one single global quality organisation with an independent reporting line directly to the Executive Committee. This enables the Quality team to focus fully on the needs of the consumer and provide greater protection to product quality. The new structure also facilitates the roll-out of learning's and best practices across the business. We have also increased the level of resource dedicated to ensuring full compliance of our pharma and healthcare products in line with the development of these parts of the business.

2009 quality performance

2009 was a challenging year for product quality in Reckitt Benckiser with two consumer recalls, one in South Africa and one in Eastern Europe. The root causes of both issues were identified and technical fixes implemented.

The rate of consumer complaints was reduced in 2009 from the previous year in all Categories in the main markets. This was the result of our continued focus on quality improvement in all regions. An example is a project in North America to work with a supplier to improve the quality of valves used in one of our aerosol products. This resulted in a 75% reduction in the level of complaints for leakage over a 9 month period. Continuous improvement remains a cornerstone of our Quality strategy.

Customer satisfaction

We feel that perhaps the best indicator of customer and consumer satisfaction is the fact that our brands are leaders in their markets that can only happen with repeat consumer satisfaction!

2010 quality targets

Our 2010 target is to have zero consumer recalls and no more than 3 other principal quality issues.

Ingredient	% reduction to date	Target completion date	Comments
Chlorpyrifos	100%	end 2010	
Boron Compounds	100%	end 2009	Removal / reduction to meet threshold levels established in the European Union
PVC Packaging of Household products	100%	end 2009	Healthcare products are excluded from this target as no viable alternatives have yet been identified for some healthcare applications
Fragrance raw materials: – Non-GN – Geranyl Nitrile (GN) – Nitro and polycyclic musks	100% 100% 100%	end 2009 end 2007 end 2002	
Brominated Flame Retardants			
Formaldehyde-donor preservatives Formaldehyde	100% 100%	end 2009 end 2006	
APE's / NPE's	100%	end 2006	
Dichlorvos	100%	end 2006	
Glycol Ethers (Monoethylene series)	100%	end 2006	
Paradichlorobenzene (PDCB)	100%	end 2006	
Red Devil Lye (100% NaOH)	100%	end 2005	11

Note: through acquisitions the Company can periodically acquire additional products which contain ingredients previously removed from its global product formulas; when this happens acquisition-specific ingredient removal programmes are undertaken, to bring those newly acquired products into line with previously completed ingredient removal programmes.

Principal quality issues 2002 – 2009 ²				
	Consumer recalls	Existing products	New products	
2002	1	16	10	
2003	2	10	5	
2004	0	1	0	
2005	0	0	3	
2006	0	4	1	
2007	0	0	0	
2008	0	0	1	
2009	2	3	1	



² We define our principal quality issues in two ways: all consumer recalls (the recall of a product from the consumer) are a principal quality issue by default; also, all other quality issues which exceed pre-defined financial thresholds in terms of cost of correction (e.g. scrapped materials or finished goods) are a principal quality issue.

Sustainable supply chains

We look at the impacts associated with our products before we manufacture them and after we sell them, as well as those of our direct operations

Sustainable palm oil

Palm oil is a global commodity and widely used, particularly in the food industry. However, palm oil is also subject to concerns about the environmental and social sustainability of its production, and to increasing demand.

Overall Reckitt Benckiser products use less than 0.2% of annual global palm oil production. Soap noodles – which contain a large amount of palm oil – are used in the production of Dettol bar soap in our Developing Markets region, where it plays an important role in personal hygiene.

Reckitt Benckiser is a member of the Roundtable on Sustainable Palm Oil (RSPO), which was established in 2003 to promote the growth and use of sustainable palm oil through co-operation within the supply chain. We fully support a moratorium on any further deforestation associated with the cultivation of palm oil. In addition, we are working with our suppliers and others in the industry to seek the world's major palm oil supplies being drawn from certified, sustainable sources by 2015.

We are working with our suppliers to ensure that the RSPO's Principles and Criteria are implemented within our supply chain and that the current certification programme proceeds rapidly: www.rspo.org

Product packaging

Our product packaging does an excellent job of securely and safely containing our products. However, it is a very visible source of waste once its contents have been used

Optimising our product packaging has a number of environmental advantages:

- it reduces the raw materials and energy used in manufacturing packaging
- it reduces the overall size and weight of products requiring transport
- it can make it easier for consumers to recycle, where facilities exist
- it reduces the volume of waste packaging requiring consumer re-use, recycling or disposal

See pages 6 and 7 for information on recent product packaging reduction projects.

Transport & logistics

We use third-party transport contractors to move finished products by road, sea, rail and sometimes by air from manufacturing facilities to distribution centres, and from distribution centres to our trade customers.

In 2009* our global transport contractors:

- Sustainable Palm Oil (SPO) transported approximately 3,500 million tonne-kilometres (a function of tonnage transported and distance travelled) (186 million miles) by road, contributing about 0.0563 tonnes of CO₂ equivalent greenhouse gas emissions for every 1,000 Consumer Units (CUs) of production, and 300,000 tonnes in total
- transported approximately 1,000 million tonne-kilometres by container in deep sea and smaller ships; contributing approximately 0.0024 tonnes of CO₂ equivalents for every

1.000 Consumer Units (CUs) and 13.000 tonnes in total

- transported approximately 29.7 million tonnekilometres by rail; contributing approximately 0.00017 tonnes of CO₂ equivalents for every 1.000 consumer units (CUs) and 9.500 tonnes in total
- transported approximately 22 million tonne-kilometres by air freight; contributing approximately 0.0027 tonnes of CO₂ equivalents for every 1,000 consumer units (CUs) and 14.000 tonnes in total

To reduce the environmental impact (and cost) of product transportation, we are continuing to work with our transport contractors to:

- combine our truck journeys with those of other companies, so that a truck is carrying products on both the outward and return legs of its journey, reducing 'empty running'
- contracting third-parties to combine 'Less than a Truck Load' (LTL) shipments together
- 'modal shift', moving freight off roads to rail, inland waterways and short sea shipping

Supply chain collaboration

In 2007, Reckitt Benckiser joined the pre-pilot Supply Chain Leadership Collaboration (SCLC), an initiative of the Carbon Disclosure Project (CDP).

In 2008, we took part in the pilot project.

In 2009, we are taking part in the 2ndgeneration CDP Supply Chain programme.



These collaborations mark a very significant milestone in corporate action to mitigate climate change. By engaging their supply chains in the CDP process, companies will encourage suppliers to measure and manage their greenhouse gas emissions, and ultimately reduce the total carbon footprint of their indirect emissions. For many companies it is the supply chain that makes up the vast majority of their emissions, so this initiative is vital in helping them reduce their total carbon footprint. We look forward to other corporations following and collaborating with CDP.

Paul Dickinson Chief Executive Carbon Disclosure Project

Due to the complexity of global logistics we have to make a number of assumptions when obtaining and collating worldwide transport data; so we do not currently directly compare this data year to year and recognise that we cannot quantify the completeness of this information. However, every year we have improved our transport data collection processes.

Responsible supply chains

Our Global Manufacturing Standard (GMS) mandates minimum requirements regarding employment arrangements, labour standards and health, safety and environmental management, in line with international guidelines, for both the Company and its suppliers.

Our supply chain

Our worldwide supply chain includes thousands of businesses providing us with everything from raw and packaging materials, through logistics and warehousing, to office supplies.

Some of our suppliers are large, multinational companies with substantial business and ethical conduct programmes of their own in place. Whereas smaller, local companies – for example in our Developing Markets region – may not have such formal conduct programmes in place, nevertheless we have found them to be excellent suppliers.

Our supply chain programmes

Our responsible and ethical supply chain programmes are focussed on:

- firstly, third-party manufacturers who make products on our behalf, particularly in our Developing Markets region
- secondly, in our Developing Markets region, suppliers of raw and packaging materials and suppliers of warehousing and transportation services

Progress in 2009

We have continued to assess our suppliers (and ourselves) against our Global Manufacturing Standard (GMS) during 2009, whilst in addition we have been working with other international companies to create a common approach to supplier assessment under the AIM-PROGRESS initiative.

2009 performance

In 2009, we conducted audits of suppliers' facilities globally against our Global Manufacturing Standard (GMS)

We did not find any critical non-compliance issues such as under-age working; however. we did find a number of instances of noncompliance related to health & safety standards. We have taken actions to address the issues found, working with our suppliers, and we are now monitoring the situation at those sites.

We use a number of control arrangements to monitor and manage standards of business conduct in our supply chain. Overall, these comprise Group, area and regional monitoring and auditing of our suppliers against:

- our Global Manufacturing Standard
- provisions within our Code of Business Conduct. See pages 16, 20 and 21
- our safety and quality management systems and specifications. See pages 11,12,13,16 & 21

In addition, as part of our normal business activities, our suppliers:

- receive frequent visits from senior and middle managers in our R&D and Supply functions. These individuals provide additional 'eyes and ears' who also report potential issues when they come across them
- are required to comply with our Global Manufacturing Standard through the terms of our contract with them

 may be subject to separate environmental and health & safety (EHS) inspections and audits, where we believe these are necessary

AIM-PROGRESS

In 2008 RB joined AIM-PROGRESS, the European Brands Association **Programme for Responsible Sourcing;** constituted as a Task Force of AIM and also supported by the Grocery Manufacturers of America (GMA). www.aim.be

The principle purpose of AIM-PROGRESS is to develop common methods to evaluate the social and environmental performance of suppliers across specific groups of goods and services, enabling the mutual recognition of the audit standards deployed by its members.

This will facilitate a process whereby suppliers can confidently share their audit reports on the principle that 'an audit for one is an audit for all', reducing unnecessary duplication and complexity. This will mean a greater number of suppliers have (more universally accepted) audits in a more efficient and effective manner.

AIM-PROGRESS currently has 21 members, including companies like Cadbury, Coca-Cola, Danone, Diageo, Nestlé, PepsiCo, Procter & Gamble and Unilever

Our Global Manufacturing Standard

provides a process of both self-certification safety and environmental protection.

- No child labour Limitation of work by young workers
- No forced labour
- A safe and healthy working environment
- Freedom of association
- No discrimination Equal opportunities and rights
- Reasonable terms and conditions of
- Protection of the environment

The GMS defines the minimum requirements that must be met by all facilities that manufacture, assemble or distribute products on behalf of Reckitt Benckiser Group companies, including both our own and our third party suppliers' facilities. It is a standard part of our contracts with suppliers.

A copy of the Global Manufacturing Standard is available on our corporate web site (www.rb.com); whilst our internal GMS Implementation Guidelines are available on request.

We're responsible in our operations

Our employees and employment practices,

business conduct, and health & safety at work.

Employees

Our employees are at the heart of our success! Highly capable and talented people who drive our business forward, bound together by a common culture to bring our vision and strategy to life. It's us!



In recent years Reckitt Benckiser has increased its average number of employees, due to acquisitions and the overall growth of and further investment in the Company's business.

Remuneration and benefits

The remuneration paid to employees in recent years has similarly increased in absolute terms, in line with the increased average number of employees and the Company's objective of having a remuneration policy that encourages, reinforces and rewards the delivery of shareholder value. The total remuneration paid to employees in 2009, including Directors, was £860 million (2008 £743m).

Employee remuneration £m



We seek to offer competitive remuneration that reflects both market conditions of the country in which people are based and the abilities and skills they possess.

Benefits provided to employees (in addition to salaries, bonuses and long-term incentives) do vary regionally and nationally, and generally include items such as: pension plans; health, accident and disability insurance; medical care plans; and annual health checks.

Where employees move internationally our International Transfer Policy provides a framework of support for them and their family, with a range of additional benefits to assist with the challenges of moving to a foreign country, and to compensate for differences in pay and living costs where they exist.

A strong yet diverse culture

We work hard to attract, develop and retain highly capable and talented employees, who can work together to produce outstanding results.

We actively encourage diversity of nationality and international mobility amongst our employees. This contributes to the generation of innovative ideas by applying new and different experiences and viewpoints across our business globally.

Development and training

Development and training is an important part of attracting and motivating talented people. Used appropriately, it assists individuals to achieve their full potential and the Company to maintain its competitive edge.

We provide site-level, regional, area and global training and awareness programmes on functional competencies and personal skills.

For example, in 2009, our Global Training Programme provided short courses in: Leadership; Business & Organisation; People Management & Development, Marketing, Sales, and Finance.

Other training programmes include health & safety, environment, quality and preventative maintenance.

Equal opportunities and diversity

We employ, promote and reward people based on their skills, abilities and achievements.

We seek to encourage, recognise and reward four core internal values:

- Achievement
- Commitment
- Entrepreneurship
- Teamwork

Number of nationalities in senior management ¹		
at 31 December 2009		
Board (10 people)	6	
Executive Committee (8 people)	6	
Top 40 (39 people)	14	
Top 400 (457 people)	47	
Global Employees ²	104	



- ¹ the Top 400 includes the Top 40, the Top 40 includes the Executive Committee
- ² comprising data for 17,072 global Group employees, which equates to 69% of the average number of people employed by the Group during 2009

Most employees globally have an annual Performance Development Review (PDR) which assesses their skills, ability and performance against personal and business objectives and desired competencies. The PDR process is integrated with how we identify people for further growth and different or more senior roles in the future.

BUSINESS CONDUCT

Our Code of Business Conduct sets out the principles and ethical values we want to uphold and is available at: www.rb.com Senior management across the Company is required by Internal Audit to report and sign-off on compliance status with the Code on an annual basis: the Board Audit Committee monitors the findings of this certification process.

2009 Communication & Training

In 2009 we implemented communication and training globally on our Code of **Business Conduct and the associated** Policies and Guidelines.

This followed on from our review and update in 2008 of these 'House Rules', and the development and trial of a web-based communication and training package for employees globally.

Our updated policies have been translated and communicated in 20 languages as part of this programme. Following the communication and training in 2009 employees globally are now required to undergo re-fresher training, including a short test to confirm understanding, every year.

Whistleblower Helpline

Our Whistleblower Helpline gives employees a confidential free phone number in each country to provide direct notice, via an external organisation, of any suspected breaches of our Code of Business Conduct. Any reported issues are investigated by Internal Audit and appropriate action taken. This process is reported to and overseen by the Board Audit Committee.

Human and labour rights

We believe human rights at work are an absolute and universal requirement. In countries where the Company is present, we aim to support progress on human rights issues in accordance with what can reasonably be expected from a commercial organisation. We subscribe to the

principal international standards and guidelines for human rights and working conditions.

To protect human and labour rights at work we operate our Code of Business Conduct (see previous column) and Global Manufacturing Standard. See page 14.

Public policy and lobbying

Reckitt Benckiser conducts its public policy and lobbying work through the various industry bodies and trade associations of which it is a member. See page 22.

For example, in 2009 Reckitt Benckiser – and over 900 other companies worldwide – signed up to The Copenhagen Communiqué on Climate Change; calling for an ambitious, robust and equitable global deal on climate change that responds to the scale and urgency of the issue (www.copenhagencommunique.com). This initiative was led by The Prince of Wales's Corporate Leaders Group on Climate Change, of which Reckitt Benckiser is a member.

HEALTH & SAFETY AT WORK

We seek to prevent accidents, injuries and occupational ill health at all locations under our control. Our Occupational Health & Safety (OHS) Policy, Objectives, Responsibilities and Control Arrangements are available at: www.rb.com

Our global manufacturing, warehouse and R&D facilities all have health & safety (H&S) committees with employee and management representatives. All of our manufacturing facilities operate OHS management systems, more than 30% of which are externally certified to OHSAS 18001, an international OHS management system standard.

We maintain a Group Hazard Assessment of our worldwide activities, to better understand what hazards exist and where, so that we can better control them.

Progress in 2009

Progress on OHS matters during 2009 included:

- the Company's Group-level OHS management system was externally certified as meeting the requirements of OHSAS 18001, an international OHS management system standard
- our existing network of EHS Coordinators was extended to more fully cover all RB Areas and Regions, further strengthening our H&S management structure
- new Process Safety Standards (PSSs) covering Electrical Safety and Occupational Health were rolled out globally

Fatalities and severe accidents at manufacturing, warehouse and R&D facilities

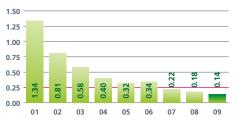
	Employee fatalities	Contractor fatalities	Severe accidents*
2001	(1)^	1	8
2002	0	0	1
2003	0	0	5
2004	0	0	2
2005	0	0	5
2006	0	1	5
2007	0	0	2
2008	0	0	2
2009	0	1	1

- ^ suspected suicide
- * a severe accident = any permanent disability, incl. loss of sensory or motor dexterity e.g. loss of a finger tip

During 2009 we very regrettably suffered a fatality at a Company facility; a specialist contractor fell from height during construction work at a factory warehouse in South Korea. A full investigation was made and learnings from this tragedy were been communicated across the Company.

Lost working day accident rate (LWD AR)*

at manufacturing, warehouse and R&D facilities per 100,000 hours



- accident reduction target 31 December 2010 = 0.25
- * the number of accidents in which the affected employee(s) do not return to work the following day, divided by the total number of hours worked by all employees, multiplied by 100,000

In line with ongoing improvements in the scope of data we report: 2007 – 09 data comprises all Company manufacturing sites and R&D centres; 2001-2005 data comprises all manufacturing sites and the R&D centres co-located at those manufacturing sites.

In 2009, we achieved a 22% reduction in the lost working day accident frequency rate (LWD AR) at our global manufacturing, warehouse and R&D facilities compared to 2008. Overall, 2009 represented an 89% reduction in accident rate compared to 2001.

For 2009, our Group Environmental and Health & Safety (EHS) function and external consultants conducted H&S audits and data assurance at 44% of our global manufacturing facilities. Facility H&S audits / reviews were also conducted by country, regional and area EHS personnel.

We're working to help save children's lives

RB delivers performance in everything it does, including social responsibility. It is deeply committed to sharing some of the wealth it creates with the people who need it most.

Environment

Save the Children is the natural global charity partner for RB as it reflects RB's passions as a business. Not just because their programmes focus on health and hygiene. The family is central to them and to RB's consumers, so RB is as committed as ever to helping them improve the lives of children around the world. In 2009 we donated £1.25 million, making a total of £4.5 million since the partnership began.



Do Something Big campaign

RB is driven by continuous innovation. Its 'Save 150,000 Lives' campaign raised £1.5 million, yet RB always wants to do more, so in 2009 it launched 'Do Something Big', encouraging RB businesses to support Save the Children projects closer to home

RB still supports vital work in Angola and Tanzania, saving children from malaria, diarrhoea and other deadly diseases. But in 2009, RB committed to another major programme, supporting Child Domestic Workers in West Bengal.



A Million Brighter Futures

RB is proud to have raised £4.5 million for Save the Children since 2006. Of course it can never be enough, so in 2010, we will announce our new programme, 'A Million Brighter Futures', and an ambitious target of raising a further £6 million by 2015.



'A million brighter futures' is a shining example of how commercial vision and leadership can create an innovative programme that makes a measurable difference to many lives.

Jasmine Whitbread,



Angola and Tanzania Update

RB is firmly committed to improving the life chances of mothers and babies in Huambo, Angola and Lindi, Tanzania. It has funded mosquito nets, vitamin supplements, malaria treatments and programmes that teach parents how to protect their families from deadly, yet entirely preventable, diseases.

RB's support here in Tanzania is literally saving lives. Together we are educating health staff, mothers and communities on preventable childhood illnesses and good health and hygiene.

Anthony Mwendamaka, Tanzania Programme Manager, Save the Children

Child Domestic Workers' Programme

In 2009, RB announced its support for the Child Domestic Workers' programme in West Bengal, which works with children who have been snatched from their families to become domestic workers, many suffering abuse. Save the Children reunites them with their families and gives them an education and a chance of a better future. It also works with families and traffickers to try and eradicate forced child domestic labour

RB is a truly active partner in changing lives in India. Its people have shown strong ownership and involvement with each and every child in the project.

Manabendra Nath Ray,



"Six of my 11 children died. Now they sleep under a net that protects them from mosquitoes. I am confident I won't lose my babies again."

Contents CEO's introduction Environment Marketplace Workplace Community **Building & Reporting sustainability**





Amina's parents were too poor to feed her so at the age of nine, she left to become a domestic worker. She lost her childhood and earned less than £1 for 8 years work. At 17, she joined a Save the Children drop -in centre, qualifying as a tailor and beautician with her own equipment.

'They're my prized possessions. They let me dream beyond domestic work'.





Aged just 9, Salma was trafficked from her home to work in the city where she was denied food and an education. Now, Save the Children have reunited her with her family and helped her catch up on her education.

Children's Emergency Fund

RB's commitment to donate £100,000 a year to the Children's Emergency Fund means Save the Children can respond immediately in disasters, without waiting for appeal funds.

When Haiti was hit by earthquake, the Niger by famine and Pakistan by floods, RB made extra donations and also sent hygiene kits with Dettol and mosquito coils to Pakistan.



RB's support is invaluable. They truly save more lives by helping us to reach children the moment disaster strikes. They respond so fast and, on top of their £100k annual commitment to the Children's Emergency Fund, donate extra money and products, including Dettol soap and liquid, which helps to stop the spread of deadly disease.

Gareth Owen, Director of Emergencies, Save the Children



RB Global Challenge

The main event in 2009 was the Global Challenge (see page 17) where 62 people from RB offices worldwide trekked the Himalayas for Save the Children. As well as raising nearly £280,000, they faced the challenge of a lifetime and became ambassadors for Save the Children. The next Global Challenge is in Brazil, in 2011.

Support around the world

In 2009, RB people again gave generously with their time and money, which we often matchfunded, to support Save the Children and local charities around the world.

RB Columbia helped Save the Children launch their Child Survival campaign in one of the poorest districts of Cali. Over 400 under-5s were educated in basic health and nutrition and played games.

RB Germany ran a huge product sale and student competition, raising £70,000.

RB Spain raised £65,000 through a Firemen's race, payroll donations and a product sale.

RB Mexico raised £20,000 by trekking, selling products and tasting wine.

RB US raised £100,000 through the BIG STEPs sponsored walk challenge and through payroll and corporate donation.

Global Challenge

"The choice to support Save the Children was not difficult. I know firsthand from my visits to their projects that I can make a difference in the lives of children less fortunate than my own"

Carl Pickering Global Sales Development Director







We've got altitude with attitude!

In June 2009, 62 employees took on the RB Global Challenge, raising nearly £280,000 for Save the Children.

Their sponsored trek of the Ladakh region of the Himalayas, India ended with them decorating three local schools.

Going high! I'd applied for a punishing Himalayan trek up to 5,000 metres, sleeping in -10°C temperatures. But it was 100% worth it. All the money went to Save the Children, supporting the poorest of the poor with food, medicine, shelter and education.

Joerg Stockburger

Global Brand Marketing Manager



We've got governance and strategy

International standards and guidelines We subscribe to a range of International standards and guidelines relating to sustainability and corporate responsibility, including: the United Nations (UN) Declaration of Human Rights: www. un.org, and the International Labour Organisation (ILO) eight Fundamental Conventions: www.ilo.org

These standards and guidelines, along with others such as the social accountability standard SA8000: www.sa-intl.org, are incorporated into the Company's Code of Business Conduct and other elements of our Corporate Responsibility Framework, such as our Global Manufacturing Standard. See page 14.

How we work.

Corporate responsibility framework

Our Corporate Responsibility Framework (below) comprises our Vision and Values, our Code of Business Conduct, and the core Group policies, control arrangements and reporting arrangements that govern how we conduct our business.

CoBC training and awareness review

During 2008 a new Code of Business Conduct (CoBC) global training and awareness programme called 'House Rules' the rules and principals that must be followed in conducting the Company's business was rolled-out worldwide.

This new, web based training and awareness programme was trialed in the UK in Q4 2008 and during 2009 has been rolled out across Reckitt Benckiser globally.

We have made the updated 'House Rules' policies and training programme available in twenty core languages across our global business, to ensure that employees worldwide receive clear communication and training in this important area.

Governance structures and responsibilities

The Board is responsible for the overall stewardship of the Company, including sustainability and corporate responsibility.

The Chief Executive Officer (CEO) is the Board member with specific responsibility for the Company's sustainability policies and performance.

The Executive Committee is responsible for the day-to-day management of the Company and is chaired by the CEO. Its structure reflects the Company's organisation and its members are responsible for sustainability issues within their respective areas and functions.

Our Global Director of Corporate Communications and Affairs is Secretary to the Executive Committee and is responsible for our community involvement and much of our stakeholder engagement, reporting to the CEO.

Our Vice President (VP) of Sustainability has a direct reporting line to the CEO and coordinates Environment, Health & Safety and several other sustainability matters on a day-to-day basis.

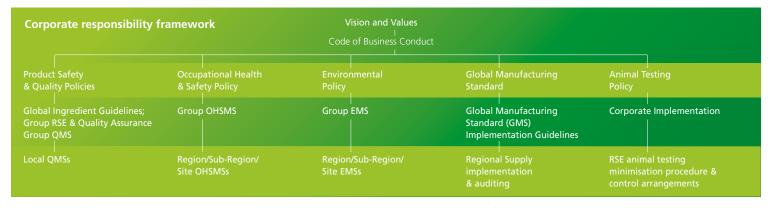
The Research & Development (R&D) function includes the Regulatory, Safety & Environmental (RSE) services group, which is responsible for ensuring that our products meet regulatory requirements and are safe for their intended use.

Our SVP Human Resources (HR) and the global HR function manage our human resources, employee remuneration and benefits, employment practices, organisational development/training and elements of health & safety (e.g stress management).

The Role of the Board

The Board regularly considers and takes account of the significance of environmental, social and governance (ESG) matters and their potential risks to the business of the Company, including reputational risks and the opportunities to enhance value that may arise from an appropriate response. The Board undertakes a formal review of ESG matters at least annually. The Board's Audit Committee undertakes regular review of the arrangements for, and effectiveness of, risk management and internal audit, including ESG matters and reputational risks.

The Directors Report on ESG matters and reputational risks, including an assessment of



those risks, is provided in our Annual Report & Financial Statements 2009, page 15, available at: www.rb.com

We welcome the views of external parties on ESG matters and have a proactive stakeholder engagement process (see page 22) with employees, shareholders, customers and consumers

Corporate Governance

Details of our corporate governance arrangements, including Board composition, committee structure, internal control, performance evaluation and details of nonexecutive and independent Directors and their compensation arrangements are provided on pages 13-24 of our Annual Report & Financial Statements 2009, available at:

www.rb.com

Strategy

We believe that we can conduct our business in ways that reduce our overall impact on the environment, while managing our business in a socially and ethically responsible manner.

Identifying sustainability impacts is complex. Everything we all do, in our personal life and at work, has sustainability impacts; these may be positive or negative, environmental, social, or economic, and are generally a combination of some or all of these.

The challenge is to grow our business and develop new, innovative products – maximising our positive impacts – while reducing the environmental impacts of our business across the complete lifecycle of our products and managing our business in a responsible and ethical manner.

Identifying material issues

In preparing this report we have used a process aligned to Accountability's 5-Part Materiality Test to confirm our assessment of the most material sustainability issues for our business. To do this, we have sought to identify and analyse:

- our 'significant aspects', which are the ways in which our activities, and our suppliers and products, materially interact with the environment, society and the economy. We identify these aspects through our Group environmental and health & safety management systems, through involvement in sector and industry sustainability programmes, and by taking advice from experts
- the Environmental, Social and Governance (ESG) risks that could affect our business. We have comprehensive processes in place to identify and understand financial and non-financial risks: through the day-to-day activities of functions such as Internal Audit, Global Business Intelligence (GBI) and Group Environment and Health & Safety; and through the Board's regular review of ESG matters and reputational risks
- the issues of greatest concern to our stakeholders, identified through our ongoing and specific engagement with key stakeholders. See 'We do stakeholder engagement' page 22
- the issues that society has identified as important, through regulation, legislation, and institutionalised standards
- those issues covered by our existing policies and commitments, such as our Carbon20 programme. See page 3

Areas of potential risk

Our Annual Report & Financial Statements 2009 identify three areas of potential ESG risk, and one environmental matter, which are necessary to an understanding of the business of the Company:

• Industry sector and product & consumer safety / regulatory risks The household products and health & personal care sectors have a number of product and ingredient issues relating to ongoing developments in ingredient regulation and concerns voiced over the potential long-term effects of household chemicals and OTC (over-the-counter)

- drug ingredients on human health and the environment. For information on how we manage those risks. See pages 10, 11 and 12
- Supply chain risks Most product and raw material supply chains present a number of potential reputational risks relating to: labour standards; health, safety and environmental standards; raw material sourcing; and the social, ethical and environmental performance of third party manufacturers and other suppliers. For information on how we manage those risks. See pages 13 and 14
- **Product quality risks** Failures in product quality controls could potentially lead to damage to the reputation of and trust in the Company's brands. For information on how we manage those risks. See page 12
- Environmental matters The carbon footprint of our products, and the greenhouse gas (GHG) emissions originating from our direct operations, are increasingly important to stakeholders and as such are important to an understanding of our business. For information on how we manage those matters see pages 3 and 4

Strategic priorities

The aspects and risks we have identified are common to fast moving consumer goods (FMCG) companies with well-known brands and are essentially determined by our industrial sectors (Household, Health and Personal Care) and the products we make and sell.

Our materiality assessment has re-confirmed our sustainability strategy's focus as addressing the most material issues and impacts for our business. Our strategic priorities therefore remain:

• to achieve continual improvement in our overall environmental performance (Environmental Sustainability), focussing on those issues where we can make a real difference

• to manage our business in a socially and ethically responsible manner (Social & Ethical Responsibility); as detailed on the inside front cover

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

Our significant sustainability aspects

Environmental

- energy use / air emissions and their contribution to climate change
- raw material use and supply chain
- water use and discharges
- waste and packaging reduction, re-use and recycling
- product use and product / packaging
- indirect supply chain impacts

Social & Ethical

- products which improve hygiene and health
- product safety and quality
- health and safety at work
- employment practices and human rights
- a responsible and ethical supply chain
- community involvement
- ethical business conduct

Economic

- economic value and cash value added generated and shared with employees, shareholders and society
- indirect economic impact

We do stakeholder engagement

We proactively engage with our stakeholders to better understand their expectations – we seek to meet those expectations in practical ways.

We talk to our stakeholders:

- as part of normal, day-to-day business
- in connection with specific sustainability issues and programmes
- in the ongoing development of our sustainability reporting

Our key stakeholder groups are:

Workplace

- Employee collective representatives (e.g. workers councils)

Marketplace

- Consumers (the users of our products)
- Customers (the retailers who sell our products to consumers)
- Regulators
- Shareholders and other financial stakeholders
- Suppliers
- Trade associations

Community

- Local communities (communities local to our manufacturing, R&D, office and distribution facilities)
- National and local government
- Non-governmental organisations (NGOs) and consumer organisations
- Civil society

During 2009, we were particularly active in our engagement with:

- Employees, about our programmes to reduce the environmental impact of our business, and their ideas to do this!
- Consumers, about how small changes in how they use our products in their homes can add up to large reductions in household climate change emissions (and reduction in their bills!)
- Customers, about what we are doing, and what we can do together, to reduce carbon footprint
- NGO's and consumer organisations, regarding their questions on the raw materials we use

In 2009 we worked with our suppliers of raw and packaging materials on:

- new and existing product developments
- the control of ingredients in line with our Global Ingredient Guidelines (see page 12): and specific sustainability programmes such as Carbon20 (see page 3)
- the Carbon Disclosure Project (CDP) Supply Chain initiative

The areas of interest arising from our engagement in 2009 were in line with those of recent years and included: maintaining high standards of product safety; the sustainable sourcing of palm oil; and the potential impacts on and opportunities for our business associated with climate change. These issues and others are addressed in this report.

Employee engagement

Sustainability issues, such as health & safety, are addressed in our regular meetings with the European Workers' Council and in implementation programmes at individual sites.

During 2009, we undertook employee engagement surveys worldwide.

Key issues arising from these surveys included that graduate recruits like the early responsibility available to them, and we can sometimes do better in providing greater clarity on career development in the longer term; whilst employees like the freedom to make decisions and test out new ideas which sets us apart from some large companies.

External Partnerships

We seek where possible to develop industrywide solutions to shared challenges. In 2009, our work with external partners included:

- Corporate Leaders Group (CLG) on Climate Change, which in 2009 developed the Copenhagen Communiqué for the UN Climate Change Negotiations: www.cpsl.cam.ac.uk
- Roundtable on Sustainable Palm Oil (RSPO) promoting the growth and use of sustainable palm oil: www.rspo.org
- A.I.S.E. (the International Association for Soaps, Detergents and Maintenance Products) in Europe, which coordinates the voluntary Charter for Sustainable Cleaning and the Save Energy & Water project: www.aise.eu
- Soap and Detergent Association (SDA) in the United States: www.cleaning101.com









CARBON DISCLOSURE PROJECT

Benchmarks and awards

In external benchmarks in 2009 we were:

- a performance-leading participant in the Carbon Disclosure Project (CDP) and the CDP Supply Chain project www.cdproject.net
- a member of the UK, European and World FTSE4Good Indices www.ftse.com/ftse4good
- Platinum rated and Sector Leader in the Corporate Responsibility Index of the UK's Business in the Community (BitC) www.bitc.uk
- a Sustainability Leader in the Dow Jones Sustainability World Index (DJSI World) www.sustainability-indexes.com

We integrate and embed

We work hard not only to integrate and embed sustainability into how we manage and conduct our business, but also into how we report on our business and its performance.

Reporting approach and strategy

This report is a key part of our ongoing communication with our stakeholders on our approach to and management of non-financial issues and risks.

We seek to have an open and transparent dialogue with our stakeholders, whilst maintaining our focus on material issues where we can make a real difference which is an integral part of our culture.

This report is primarily aimed at those audiences who have shown most interest in our sustainability management and performance during 2009: our employees, our trade customers, our shareholders/investors, consumers of our products, and advocacy and campaign groups with an interest in the impacts of our products, operations or supply chain.

Reporting standards

We continue to report in line with the Global Reporting Initiative's Sustainability Reporting Guidelines – Version 3.0 (GRI G3):

www.globalreporting.org

A GRI Content Index, providing a navigational tool for those looking for specific information in relation to the GRI's G3 Guidelines and including the indicators that we have not reported on, and a GRI Application Level Table, is provided at:

www.rb.com

In preparing this report, we referenced the criteria and principles of accountability set out in the AA1000 Assurance Standard (2008) and the AA1000 Accountability Principles Standard, produced by AccountAbility. We also took

into account the evolution of best practices in corporate sustainability reporting.

This report is part of an integrated approach to reporting our total performance.

Our Annual Report & Financial Statements 2009 provide:

- on page 7, in line with the Companies Act 2006, information as necessary for an understanding of the development, performance and position of the business of the Company relating to environmental matters (including the impact of the Company's business on the environment), its employees, and social & community issues
- on page 15, in line with the Association of British Insurers (ABI) Guidelines on Responsible Investment Disclosure, information on our management of Environmental, social and governance (ESG) matters and reputational risk



We also publish:

- an Interim Report of our half-year financial results
- quarterly financial results
- regularly updated financial and non-financial information, made available on our corporate website, including a corporate responsibility section which contains our latest external benchmarking results, a library of our policies, and copies of our non-financial reports since 2000

Kev Performance Indicators

The Key Performance Indicators (KPIs) that we use in this report are determined by:

- the significant sustainability aspects of our operations. See panel on page 21
- independent, external sources of guidance on the indicators that we should be using to measure and report on those significant sustainability aspects (see below)
- the indicators that are most practical to use and add most value across our business and supply chain

The GRI G3 performance indicators provide our main reference for selecting appropriate KPI's; as an international standard using its indicators provides comparability with other companies.

We also take account of the specific guidance on environmental KPIs for UK companies provided in the British Standard BS EN ISO 14031 (Environmental Performance Evaluation Guidelines), and the Environmental Key



This report is in line with the GRI G3 guidelines and applies a GRI Application Level of A

Performance Indicators – Reporting Guidelines for UK Business (Department for Environment, Food & Rural Affairs).

With regard to our carbon disclosures, we follow the guidelines for reporting set out in the Greenhouse Gas (GHG) Protocol published by the World Resources Institute and the World Business Council for Sustainable Development, and PAS 2050, a specification for the assessment of the lifecycle greenhouse gas emissions of goods and services published by the British Standards Institute.

Independent assurance

PricewaterhouseCoopers LLP has provided independent assurance over selected information and data in this report. See page 26.

The social data on employee numbers and remuneration on page 15, are taken from the Company's Annual Reports 2001-09, which are themselves subject to independent assurance and are available at: www.rb.com

All of our eight previous Sustainability/ Environmental Reports, for 2000-08, were also subject to independent assurance/review, and are available at: www.rb.com

Our actual Environmental Impact

NOT normalised against production volume

To put these data in context, it is important to note that in 2009 our production volume in terms of consumer units increased by 5.8% versus 2008 (and between 2000 and 2009 it has increased by 29%).

This means that the eco-efficiency¹ and resource intensity of our operations has significantly improved both during 2009 and since 2000.

In 2009 (and between 2000 and 2009), the ACTUAL environmental impact of our manufacturing and R&D facilities, NOT normalised against our production volume (which has significantly increased both during 2009 and since 2000) was as follows:

- energy use increased by 4.7% vs 2008 (00 - 09): reduced by 19%)
- water use increased by 4.0% vs 2008 (00 - 09): increased by 0.9%
- greenhouse gas emissions from manufacturing energy use - reduced by 3.0% vs 2008

(00 - 09): reduced by 23%)

• water discharge – increased by 3.3% vs 2008

(00 – 09: reduced by 18%)

- total waste increased by 5.4% vs 2008 (00 – 09: increased by 15%)
- hazardous waste increased by 23.7% vs 2008

(00 - 09): reduced by 41%)

Production volume

Production volume at Reckitt Benckiser manufacturing facilities Million Consumer Units



Material and resource use

Energy use at manufacturing and R&D facilities Million GJ



Water use at manufacturing and R&D facilities Million m³



Emissions and Waste

Greenhouse gas emissions from manufacturing energy use Million Tonnes CO, equivalents



Water discharges at manufacturing and R&D facilities Million m³



Total waste at manufacturing and R&D facilities '000 Tonnes



Hazardous waste at manufacturing and **R&D facilities** '000 Tonnes



Regulatory compliance

Throughout our operations we regard legal compliance as the *minimum* standard to be achieved, as set out in our Code of Business Conduct and our Environmental Policy.

	Prosecution	Fine
2002	0	2
2003	0	2
2004	0	1
2005	0	1
2006	0	3
2007	0	3
2008	0	2
2009	0	0

During 2009 we did not receive any environmental fines at our global manufacturing and R&D facilities and were not prosecuted for any environmental matters at any of those facilities.

¹ **Eco-efficiency** is the concept of creating more goods and services (value), whilst reducing resource use, emissions and waste (impact). By creating more value with less impact businesses can improve their sustainability whilst also contributing to net income.

Lifecycle issues should not be forgotten when considering eco-efficiency. The total lifecycle impacts of products and services need to be reduced, rather than impacts being shifted from one organisation or stage of the lifecycle to another. Reckitt Benckiser's Carbon20 programme ensures that climate change is addressed across the complete lifecycle of our products. See page 3.

Basis of reporting

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

This report provides data and information for the period 1 January to 31 December 2009 for all Reckitt Benckiser Group companies, as follows:

- **Environment**: the 43 manufacturing facilities and 8 R&D centres over which we had operational control on 31 December 2009; and for our Carbon20 programme the 'Scope 1, 2 & 3' greenhouse gas emissions in terms of carbon dioxide equivalents (CO₂e) associated with all stages of our global products' lifecycle footprint, in line with the principles of PAS2050 and the GHG Protocol (see Carbon20 Basis of Reporting 2009 at www.carbon20.com)
- Health & Safety: the 43 manufacturing facilities, 8 R&D centres and 8 warehouses over which we had operational control for one or more months during 2009
- **Social**: all Group companies and facilities as at 31 December 2009, unless explicitly stated
- Economic: all Group companies and facilities, for our financial (calendar) year 2009, excluding Zimbabwe (see Basis of Consolidation on page 30 of our Annual Report & Financial Statements 2009)
- Greenhouse gas emissions data: Data on greenhouse gas (GHG) emissions from

our manufacturing facilities energy use are reported as carbon dioxide equivalents (CO2e) and calculated in line with The GHG Protocol Corporate Accounting and Reporting Standard (WRI & WBSD, 2004), Direct GHG emissions data (from our on-site use of fossil fuels) additionally include the global warming potential of methane and nitrous oxide emissions, in line with the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2006). Facility-specific GHG emissions from electricity consumption for 2000-03 use the most recent country-level conversion factors that were available from the International Energy Agency at the time of reporting. Facility-specific GHG emissions from electricity consumption for 2004-09 use an average of the last five years of IEA country level data that was available at the time of reporting (i.e. average data from 2003-07 is used for 2009).

Data comparability and reliability

As part of compiling this report our Group EHS function conducted site-level assurance of environmental and/or health and safety data for 2009 at 11 (26%) of our manufacturing facilities.

Whilst being confident in the overall reliability of the data reported and having well-established reporting procedures and controls in place, we recognise that:

- some of these data may be subject to a degree of uncertainty that relates to: potentially different interpretation of reporting guidelines at a local and global level; and, inherent limitations in some universal methods and measurement techniques used to determine environmental, health & safety and social data
- comparability of data from year to year may be affected by changes in the number and

Year	Operational factories providing data (%)	R&D centres providing data (%)	Comments
2009	43 (100%)	8 (100%)	The number of factories remains the same; One new R&D centre reporting for the first time.
2008	43 (100%)	7 (100%)	1 factory acquired with Adams; 3 new factories reporting for the first time; 4 factories closed; 1 R&D centre closed; 1 new R&D centre reporting for the first time
2007	43 (100%)	7 (100%)	2 factories closed; 1 factory acquired; 1 new R&D centre
2006	44 (100%)	6 (100%)	3 factories closed; 1 new factory opened; 2 factories and 1 R&D centre acquired with BHI
2005	43 (100%)	5 (100%)	1 factory closed
2004	44 (100%)	5 (100%)	2 factories closed
2003	46 (100%)	5 (100%)	1 new factory reporting for the first time; 4 factories closed
2002	49 (100%)	5 (100%)	1 factory sold; 2 factories closed
2001	52 (100%)	5 (100%)	all R&D centres included; 1 new factory reporting for the first time; 1 factory closed
2000	52 (100%)	2 (40%)	only R&D centres within factory sites included

Evolution in scope of environmental performance data presented in this report

attributes of Group facilities, changes in the 'mix' of products sold and continual improvements in our performance measurement systems.

We undertake continual, year-on-year improvement in our sustainability reporting processes and controls. Where it makes data and performance trends between years more comparable, and/or where any variance in prior years data has been identified, we restate that data in this Report. We do therefore include some revised numbers in this Report, however: most of those revisions are of less than +/- 1% of the number previously reported for our annual performance of a parameter, and only one of those revisions, for total waste, is material (i.e. a +/- variance of 5% or more of the number previously reported for our annual performance of a parameter). The total waste volume in 2008 stated in this Report has been increased by 5.5% vs. that stated in our Sustainability Report 2008, primarily due to improved reporting processes at site-level.

For further information on our Basis of Reporting, see our Reporting Criteria Statement at www.rb.com

A Consumer Unit (CU) is the normal unit of our products purchased by a consumer i.e. a single box, bag, bottle etc.

Our Annual Report 2009 records 41 manufacturing facilities in 2009 whereas this Report records 43, because we treat 2 warehouses which have a production line located in them as manufacturing facilities for EHS management purposes.

Independent assurance statement

Independent assurance report to the Directors of Reckitt Benckiser Group plc on selected Sustainability Information

We have been engaged by the Directors of Reckitt Benckiser Group plc ('RB') to perform an independent assurance engagement in respect of selected Sustainability information (hereafter 'Selected Information') contained in the RB Sustainability Report for the year ended 31 December 2009.

Scope and subject matter

The Selected Information for the year ended 31 December 2009 subject to limited assurance consists of:

- The selected data for the year listed in the table on the back cover of the RB Sustainability Report under the headings Environment, Product quality, Social performance. Health and safety at work, (together the "Sustainability Data"); and
- The Directors' declaration on page 3, on the level of application of the principles of Publically Available Specification (PAS) 2050:2008 and the WBCSD-WRI GHG Protocol (the "GHG Protocol") in respect of the Carbon20 Methodology.

We read the other information included in the RB Sustainability Report and consider whether it is consistent with the knowledge gained from our procedures. We consider the implications for our report if we become aware of apparent material misstatements or inconsistencies. Our responsibilities do not extend to any other information.

Respective responsibilities of the Directors and **PricewaterhouseCoopers LLP**

The Directors are responsible for designing, implementing and maintaining internal controls over information relevant to the Selected Information; establishing objective assessment and basis of Reporting and Reporting Criteria (together "Reporting Guidance") for preparing the Selected Information; measuring the company's performance based on

the Reporting Guidance; and the content of the Sustainability Report. They are also responsible for ensuring that the Reporting Guidance is appropriate to the needs of users of the Sustainability Report.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that, for the year ended 31 December 2009:

- The selected Sustainability Data has not been prepared in all material respects in accordance with RB's Reporting Criteria; and
- The Directors' declaration that RB's Carbon20 Methodology is in line with the principles of Publically Available Specification (PAS) 2050:2008 and the WBCSD-WRI GHG Protocol ('the GHG Protocol') is not fairly stated in all material respects.

This report, including the conclusion, has been prepared for the Directors of RB as a body, to assist the Directors in reporting RB's corporate sustainability performance and activities. We permit the disclosure of this report within the Sustainability Report for the year ended 31 December 2009, to enable the Directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors as a body and RB for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ("ISAE 3000").

Our limited assurance procedures included:

- Making enquiries of relevant management of the Group and reviewing a sample of relevant management information including reports to senior management:
- Evaluating the design and implementation of the key processes and controls for managing and reporting the Selected Information;
- Limited testing, on a selective basis at Group level, of the preparation and collation of the Selected Information prepared by the Group;
- Undertaking analytical procedures over the reported Sustainability Data; and
- Reviewing the Carbon20 Methodology to consider The Directors' declaration that RB is in line with the principles of Publically Available Specification (PAS) 2050:2008 and the WBCSD-WRI GHG Protocol ('the GHG Protocol').

A limited assurance engagement is less in scope than a reasonable assurance engagement under ISAE 3000. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well

as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of RB's Reporting Criteria at www.rb.com.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 December 2009:

- The selected Sustainability Data has not been prepared in all material respects in accordance with RB's Reporting Criteria; and
- The Directors' declaration that RB's Carbon20 Methodology is in line with the principles of Publically Available Specification (PAS) 2050:2008 and the WBCSD-WRI GHG Protocol ('the GHG Protocol') is not fairly stated in all material respects.

PricewaterhouseCoopers LLP

Chartered Accountants, London

23 June 2011



About this report

This report is for the year ending 31 December 2009 and conforms to the G3 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI); we have self-declared as meeting the top GRI application level of A.

In preparing this report we have:

- made reference to the criteria and principles of accountability set out in the AA1000 Assurance Standard (2008)
- used a process aligned to Accountability's 5-Part Materiality Test to confirm our assessment of the most material sustainability issues for our business
- taken into account the evolution of best practice in sustainability reporting

Further information

This report is part of our integrated approach to reporting our total performance, for further information please go to our website: www.rb.com

If you have any comments or queries on this report or our sustainability performance please contact:

Sustainability

Reckitt Benckiser Group plc 103-105 Bath Road Slough, Berkshire, SL1 3UH United Kingdom

email: sustainability@rb.com

Sustainability performance data in this report assured by PricewaterhouseCoopers LLP See Independent Assurance Statement, page 26.

Environment (2009 data)	Page
Greenhouse gas emissions from manufacturing energy use	
(tonnes CO ₂ equivalents per '000 CUs; actual)	24
Total waste at manufacturing and R&D facilities (tonne per '000 CUs; actual)	9, 24
• Hazardous waste at manufacturing and R&D facilities (tonnes per '000 CUs; actual)	9, 24
• Water discharges from manufacturing and R&D facilities (m³ per '000 CUs; actual)	9, 24
Energy use at manufacturing and R&D facilities (GJs per '000 CUs; actual)	4, 24
Water use at manufacturing and R&D facilities (m³ per '000 CUs; actual)	7, 24
Top 5 raw materials used (million metric tonnes)	
Product quality (2009 data)	
Number of consumer recalls	12
Number of principal quality issues for existing products and new products	12
Social performance (2009 data)	
• Nationalities: of the Company's Board, Executive Committee, 'Top 40' and 'Top 400'	
senior management and 75% of the average number of total global employees	15
 Gender split: of the Company's Board, Executive Committee, 'Top 40' and 'Top 400' senior management and 75% of the average number of total global employees 	15
Health and safety at work (2009 data)	
 Lost Working Day Accident Rate (LWD AR) at manufacturing, R&D and warehouse facilities (per 100,000 hours) 	2, 16
Numbers of fatal and severe accidents	16