

- 30%

Reduction in CO₂
emissions per unit at
our factories since 2000

Objective:

- 4m tonnes CO₂

Reducing our products'
Total Carbon Footprint
by 20% per unit by 2020

2 million+

Trees planted making
our product manufacturing
carbon neutral since 2006

- 84%

Reduction in our
accident rate since 2001

100,000 lives

Saved since 2006 with
Save the Children

Making a world of difference

Sustainability Report for the year 2007



What does sustainability mean for us?

For Reckitt Benckiser, sustainability is about:

- the benefits our products and financial performance provide to society; and
- delivering those benefits in a way that continually reduces our impact on the environment, whilst managing our business in a socially and ethically responsible manner

What are our priorities?

We focus on the following priorities:

- **Environmental Sustainability**
 - mitigating climate change
 - a sustainable supply chain
 - resource use efficiency and reduction
 - water discharge, waste and packaging reduction, re-use and recycling
- **Social and Ethical Responsibility**
 - product safety
 - employee health & safety
 - responsible and ethical operations and supply chain
 - local and global community involvement

Content and priorities

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Seeing is believing

Our results speak for themselves. **Reduced:** energy use, CO₂ emissions, water use, wastewater, total & hazardous waste and accidents. **Increased:** production volume, lives saved with Save the Children, shareholder return, product quality and profit.

In 2007 we:

- **targeted bold action on climate change.** With Carbon 20 – by seeking a 20% reduction in our products' Total Carbon Footprint per unit by 2020 – we are tackling not just the easier wins of greenhouse gas emissions under our direct control, where we have already made great strides, but the much larger issues of 'embedded carbon' in our supply chain, and consumers' domestic energy and water consumption when using our products
- **reduced our greenhouse gas (GHG) emissions from manufacturing energy use by 10% per unit of production and 5% in terms of actual emissions,** versus 2006. Since 2000 we have reduced GHG emissions by 30% per unit of production and by 21% in terms of actual emissions
- **reduced our energy use by 10% per unit of production and 5% in terms of actual energy used,** versus 2006. Since 2000 we have reduced our energy use by 33% per unit of production and by 24% in terms of actual energy used
- **reduced our lost working day accident rate by 35%,** versus 2006; overall, 2007 represented a 84% reduction in accident rate compared to 2001
- **reached our (2008) target to save 100,000 children from entirely preventable diseases** by raising £1 million for Save the Children; our goal is now to save 150,000 lives by raising £1.5 million by the end of 2008

What is 'a sustainable business'?

We see four dimensions of business sustainability, in line with the UK's Business in the Community (BitC) model (www.bitc.org.uk):

- **Environment** – operating today with as little adverse impact on the future environment as practical, and working to continually reduce our environmental impact
- **Marketplace** – 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, and employment policies and practices that attract, develop and retain the talented people required to manage and operate 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

Seeing is believing

Reckitt Benckiser is a world leading household, health and personal care company.

Our products improve lives by delivering better solutions to people's everyday challenges in their home and personally; whether it's through faster headache relief, a stain removed from a favourite t-shirt or by bringing hygiene and health to millions of people everyday, this is our primary purpose (see pages 2 & 19). In doing it efficiently and effectively we deliver strong financial returns

and the wider social and economic benefits associated with them (see page 3).

We have a comprehensive Corporate Responsibility Framework comprising the policies, controls and reporting arrangements that govern how we conduct our business (see page 21).

Our sustainability focus is to achieve continuous improvement in our business's environmental performance and social & ethical responsibility (see the inside front cover and page 22).

Regarding environmental sustainability and **climate change**, we have already made great progress, reducing our greenhouse gas emissions from manufacturing energy use since 2000 by 30% per consumer unit and by 21% in terms of actual emissions. Since 2006 we have also offset our remaining manufacturing emissions by planting more than 2 million trees on previously deforested land.

However, whilst we are pleased with this progress within Reckitt Benckiser, we really are seeing the bigger picture of the Total Carbon Footprint of our products.

The carbon footprint that we can control directly – our global manufacturing, logistics, R&D centres, offices and business travel – comprises less than 10% of our products' Total Carbon Footprint!

By working with our suppliers, customers and with consumers on how they use our products we shall address the more than 90% that's outside our direct control. We aim to reduce our products' Total Carbon Footprint by 20% per unit

by 2020, through our **Carbon 20** programme. This will make a real and meaningful contribution to the world's efforts on climate change.

In terms of **Community Involvement**, in addition to working in our local communities, in October 2006 we launched an initiative with Save the Children to Save 100,000 Lives by raising £1 million by the end of 2008. This target was achieved a year early, in 2007, so we have increased our goal to saving 150,000 lives by raising £1.5 million by the end of 2008.

The Future

We are far from complacent. We appreciate that there is a long way to go. But we are determined to build on our significant sustainability progress to date with the same passion and innovation which we are already well known for in other areas of our performance.



Bart Becht Chief Executive Officer
Reckitt Benckiser plc

Delivering better solutions

Our products improve lives by delivering better solutions to the everyday challenges of millions of people

We use our worldwide leading Powerbrands to bring consumers better solutions

Fabric Care:

- Fabric Treatment, worldwide No.1 – led by **Vanish**
- Water Softeners, worldwide No.1 – led by **Calgon**
- Garment Care, worldwide No.2 – led by **Woolite**

Surface Care: Worldwide No.1 – driven by:

- Multipurpose Cleaners, worldwide No.1 – led by **Lysol, Dettol & Bang**
- Lavatory Care, worldwide No.1 – led by **Harpic & Lysol**

Dishwashing:

- Automatic Dishwashing, worldwide No.1 – led by **Finish**



Home Care:

- Air Care, worldwide No.2 – led by **Airwick**
- Pest Control, worldwide No.2 – led by **Mortein**

Personal Care:

- Antiseptic Personal Care, worldwide No.1 – led by **Dettol**
- Depilatories, worldwide No.1 – led by **Veet**
- Acne Treatment, worldwide No.2 – led by **Clearasil**

Health Care:

- Medicated Sore Throat Relief, worldwide No.1 – led by **Strepsils**
- Cough Relief, worldwide No.2 – led by **Mucinex**
- Leading positions in Analgesics and Upper Gastro Intestinal Relief in Europe and Australia, – led by **Nurofen & Gaviscon**



Food:

- Mustard, worldwide No.1 – led by **French's**

A consumer-centric vision

Our vision is to deliver consumers and customers better solutions for that short period of time every day that they use household, health or personal care products. Our enduring passion to make continuous progress in this area forms the foundation of our success.

A clear and consistent strategy

Our strategy is to disproportionately focus on our Powerbrands to realise our vision and drive above industry average growth. Our Powerbrands are typically global market leaders in categories with strong growth potential and in 2007 comprised 61% of our total net revenues, up from 40% in 2001.

We use product innovation, brand investment and geographical roll out to drive our Powerbrands to above industry and company average growth rates. Our innovation rate of almost 40% of net revenue from products launched in the prior three years strengthens our brands position within their categories and is supported by marketing investment.

Transforming growth into profit and cash

We focus on turning the growth of the business into profit and cash flow through an unrelenting attention to cost optimisation, from removing unnecessary components in packaging to creative approaches in manufacturing and logistics. This also generally has environmental benefits.

We are also assisted by our business focus on typically higher margin product categories.

A strong organisation and culture

A highly driven group of people, bound together by a common culture bring this vision and strategy to life. At Reckitt Benckiser, we work together with passion to excite consumers. We truly live our business, it is fun and therefore rewarding.

Long-term shareholder value

We are also driving the long-term value of the Company for shareholders by making our business more sustainable. Reckitt Benckiser now consistently scores as an industry leader on external measures of sustainability. With programmes such as Trees for Change (a carbon offset project) and our continuing partnership with Save the Children worldwide, we are already re-investing some of the benefits of our business.

In 2007 we launched a major new and far-reaching programme, Carbon 20, to make a real and measurable reduction in our products' Total Carbon Footprint, from creation to disposal. This programme tackles not just the easy wins of carbon reduction in the areas under our direct control, but the much larger, if less straightforward, issues in our supply chain and in consumers use of our products. Success in reducing our products' Total Carbon Footprint by 20% per unit by the year 2020 will make a real contribution to the world's efforts on climate change, effectively taking more than a million cars off the road.

Our financial performance improves lives

Through our strong financial performance we generate benefits for employees, shareholders and society, all of whom share in the wealth the Company creates.

Colin Day Chief Financial Officer

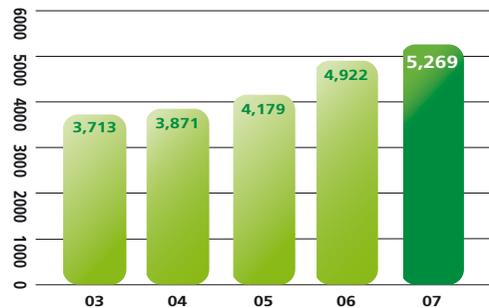
2007 was our eighth consecutive year of above industry average net revenue growth. Net revenues at constant exchange grew by 10% in total and by 9% on a like-for-like basis; adjusted diluted earnings per share rose by 15%.

In 2007:

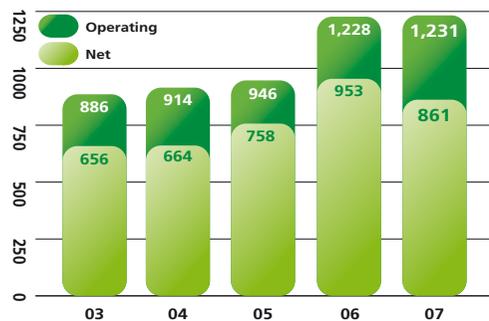
- we provided an income of almost £3.2 billion to suppliers of raw and packaging materials and other goods and services, which helped to sustain their businesses and to provide employment and income for their employees
 - we provided £658 million in cash to shareholders, comprising £358 million in dividend and £300 million in share buyback
- The majority of shareholdings in Reckitt Benckiser represent individual members of pension funds and savings schemes, and through these their retirement income and/or personal wealth
- we increased the market value of the Company by more than £3.5 billion, to over £20 billion

- we paid our 23,400 employees £644 million in salaries and post-retirement benefits; providing employment and income that also contributes to the local communities and economies in which we are located
- we paid £329 million to governments in taxes and social security; in addition to the sales and value added taxes they received from the sale of our products

Net revenues (£m)



Operating and net cash flow (£m)



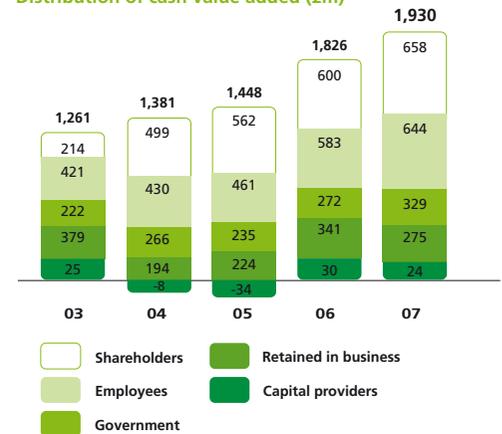
Cash value added

Cash value added is a measure of actual monetary distribution in terms of cash. It is derived directly from the data provided in the Company's Annual Report & Financial Statements 2007.

Our cash value added was £1,930 million in 2007, 85% of which was distributed to shareholders, employees and governments



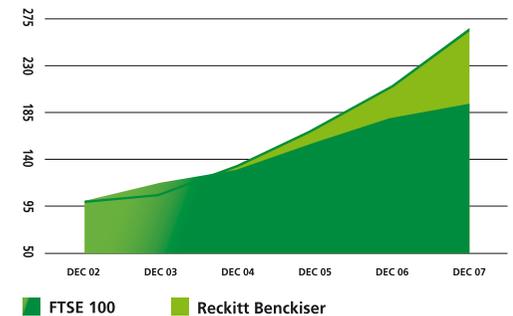
Distribution of cash value added (£m)



Historical TSR performance

Historical Total Shareholder Return (TSR) shows growth in the value of a hypothetical shareholding of £100 over five years.

FTSE 100 total shareholder return comparison based on spot values (£)



Further information on the Company's financial performance is provided in the Shareholders' Review 2007 and Annual Report & Financial Statements 2007, which are available with our latest financial information at www.reckittbenckiser.com.

Tackling climate change – actions not words



Carbon 20 is right for our business as well as for society. It is an ambitious but achievable target and Reckitt Benckiser has a proud track record of delivering its targets.

Bart Becht CEO

In 2007, Reckitt Benckiser launched Carbon 20, a major new initiative to reduce our products' **Total Carbon Footprint by 20% per unit by 2020, against a base year of 2007**. This means we are working to ensure that, by 2020, the average carbon footprint of our global products will be 20% smaller than it is in 2007.

With a Total Carbon Footprint in 2007 of approximately 20 million tonnes, the result will equate to a saving of about 4 million tonnes of CO₂ equivalents in terms of annual emissions – which is the same as taking more than 1 million medium sized family cars off the road, or 15 years of the emissions from our global manufacturing facilities!

But you don't have to take our word for it:

- our 2007 Total Carbon Footprint has been measured by independent expert environmental consultant URS
- our explanation of how the Carbon 20 measurement methodology is in line with relevant standards and guidelines has been

independently assured by Deloitte & Touche LLP (see page 27)

Our approach is unique and different because:

- That word **'Total'**. Our creation to disposal approach means that we are not just tackling the easy things under our direct control, like manufacturing energy use or business travel. Instead we are tackling the entire product life cycle, including the more difficult and much more impacting areas. These include the carbon emissions embedded in the raw and packaging materials provided by our suppliers, and from consumers' use of our products in the home and the disposal / recycling of product packaging (see page 5)
- We are the **first** and only major company (to our current knowledge) to set a target for reducing our products' Total Carbon Footprint!
- We are **working in partnership** with our global suppliers, trade customers and increasingly with consumers; to find and then implement different ways of doing things that deliver the same innovative solutions to consumers needs whilst also reducing the Total Carbon Footprint associated with our products

Our investment in Carbon 20 started six years ago. We have been measuring most of our direct carbon footprint since 2000, and have already reduced greenhouse gas emissions from our manufacturing energy use by 30% per unit since 2000. However, we are not counting what we have done already in our new Carbon 20 target since the baseline is 2007.

What is a Total Carbon Footprint?

The Total Carbon Footprint of our products is the total amount of carbon dioxide (CO₂)

equivalent emissions across the complete life cycle of our global products, from the raw and packaging materials provided by our supply chain – through manufacturing, distribution, retail sale, and consumer purchase and use – right through to the disposal / recycling of the products and their packaging (see page 5).

The Total Carbon Footprint includes very important stages such as the supply chain along with consumer use, both of which can play a large part in a company's emissions.

Paul Dickinson CEO, Carbon Disclosure Project

Why are we doing it?

It's the right thing to do: for the environment; for society; and, for our business. Consumers, trade customers, suppliers and employees increasingly want to work with or buy products from a business that helps them to reduce their own carbon footprint and delivers a real and measurable contribution to tackling climate change (and this is what Carbon 20 does).

Our target does NOT allow offsetting

We have a major carbon offset project called Trees for Change (www.treesforchange.info), however, we are NOT counting it (or any other carbon offset) towards our Carbon 20 target. This is because – although carbon offsetting does have a part to play in tackling climate change – counting offsetting as part of meeting our Carbon 20 target would allow us an 'easy way out' if we could not make the real reductions which our target (and climate change) demands.

Methodology

Developed and tested in 2007, Reckitt Benckiser's **Carbon 20 Measurement System** is built on 6 years experience of measuring and reporting on the greenhouse gas (GHG) emissions of our global manufacturing facilities, R&D centres and finished product transportation.

The Carbon 20 Measurement System is in line with international standards and guidelines, eg:

- PAS 2050 - the draft Publicly Available Specification (PAS) issued by the British Standards Institute (BSI), for the assessment of the life cycle greenhouse gas emissions of goods and services (V.3.1, February 2008)
- The Greenhouse Gas (GHG) Protocol - the international Corporate Accounting and Reporting Standard issued by the World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD)

Our explanation of how the Carbon 20 measurement methodology is in line with relevant standards and guidelines has been independently assured by Deloitte & Touche LLP (see page 27). The measurement system identifies carbon and energy-related activities, analyses data and calculates our Total Carbon Footprint based on a mix of primary, secondary and industry data sources.

Refinement of the measurement system will be ongoing to reduce assumptions and increase the amount of company-specific measured data. However we are confident that the current measurement system provides us with a good approximation of the Total Carbon Footprint of our global products and accurately identifies the 'shape' of that carbon footprint throughout the life cycle of our products.

Further methodology information is available at www.carbon20.info

WHERE is the Total Carbon Footprint?

In 2007, our Carbon 20 base year, the Total Carbon Footprint of our global products' complete life cycle was approximately 20 million tonnes of CO₂ equivalents

Approximate % contribution of each life cycle stage to our global products' Total Carbon Footprint in 2007



- **Raw material** production
- **Packaging** production
- **Transportation** of raw and packaging materials to manufacturing locations
- **Reckitt Benckiser (RB) product manufacturing, R&D and office facilities** energy use, water use, wastewater discharges and waste disposal
- **3rd party product manufacturing** energy use, water use, wastewater discharges and waste disposal
- **Business air travel**
- **Transportation** of finished products to RB / contracted distribution centres (DCs)
- **RB / contracted distribution centre (DC) energy use and waste**
- **Transportation** of finished goods from RB / contracted DCs to retailers DCs / stores
- **Retailers distribution centres (DCs) energy use**
- **Transportation** of products from retailers distribution centres (DCs) to stores
- **Store/other energy use**
- **Consumer shopping journeys**
- **Consumer use:**
 - direct energy use (e.g. dishwashing / laundry machines)
 - indirect energy use (e.g. domestic water heating for hand washing)
 - other directly associated material / resource use (e.g. paper towels)
- **Transportation** of product / packaging waste to disposal / recycling
- **Treatment and disposal / recycling of product and packaging waste** (including primary, secondary & tertiary packaging)

The 'shape' of our products' Total Carbon Footprint – where across their life cycle the greenhouse gas emissions associated with them exist – is the most important thing that our Carbon 20 programme and measurement system has revealed so far.

By understanding 'where' our products' contribution to climate change exists – and what the drivers are that determine the size of that contribution – we are able to focus our attention to reduce their carbon footprint with maximum effect.

It is said that 'you cannot manage what you cannot measure'; having measured our products' Total Carbon Footprint we can manage it!

The graphic to the left shows that more than 90% of our global products Total Carbon Footprint comes from their use by consumers (through the use of energy, water and other materials whilst using our products), or is 'embedded' in the raw and packaging materials which we use to manufacture our products.

Therefore, by working in partnership with:

- consumers, by enabling them - and informing them how - to use less energy, water and materials when using our products (see page 7)
- our suppliers, to reduce the carbon associated with the raw and packaging materials that we do use (see page 6)

we can make real and measurable reductions in our product's Total Carbon Footprint.

However, we are also continuing to seek reductions across all stages of our products' life cycle, including implementing projects to make further reductions in energy and other resource use at our manufacturing and other facilities, to reduce our business travel, and to minimise, re-use and recycle waste and packaging.

NB: In our 2007 Total Carbon Footprint and the above life cycle stage % contributions:

* business travel by modes other than air is not included; we estimate that these other modes of business travel are in total significantly less than 1% of the Total Carbon Footprint

the retail operations of our trade customers include substantial emissions associated with refrigeration, although we know that there is minimal refrigeration required by our global products; the above Retailers Operations % contribution is therefore over-stated. Going forward, better data will allow us to strip out the correct proportion of those retailer emissions due to refrigeration which is not associated with our products.

REAL action on climate change



Raw & Packaging Materials

Product Manufacturing

and Reckitt Benckiser offices, R&D centres, warehouses and business travel

Product Distribution

Supplier Engagement

In 2007, we started to engage with our more than 3,000 suppliers of raw and packaging materials on the embedded carbon in those materials. For example:

- Prior to launching Carbon 20 publicly on 1 November 2007, our Executive Vice President of Supply wrote to more than 50 key suppliers, to let them know in advance about the programme and how we hoped to work with them to reduce our mutual carbon footprints. Since then we have had follow up discussions with a number of suppliers, but that is just the start.
- In 2007, Reckitt Benckiser joined the pre-pilot Supply Chain Leadership Collaboration (SCLC) project, an initiative of the Carbon Disclosure Project to encourage supply chains to measure and manage their greenhouse gas emissions (www.cdproject.net). Reckitt Benckiser has itself taken part in the Carbon Disclosure Project since it started in 2002.

Raw and Packaging Materials Reduction

Recent projects that have reduced the volume and weight of raw and packaging materials used to manufacture our products include:

- optimisation of air care product designs to reduce material use whilst maintaining product quality and performance
- smaller and lighter product dispensing pumps on Dettol liquid handwash
- moving product packaging from high-density to low-density plastic
- moving our European Freshmatic air care product from plastic blister packaging to cardboard packaging (see right hand column on page 7)
- use of product refill pouches, in place of plastic bottles
- optimisation of the secondary packaging used to group a number of individual Consumer Units together (see left hand column, page 7)

Greenhouse gas emissions from Reckitt Benckiser's manufacturing energy use (tonnes CO₂ equivalents per '000 CUs)

Year	Emissions (tonnes CO ₂ equivalents per '000 CUs)
00	0.0791
01	0.0786
02	0.0729
03	0.0718
04	0.0710
05	0.0677
06	0.0618
07	0.0555

2010 20% reduction target
NB: data from two R&D centres located at manufacturing facilities are also included here, across all years.

During 2007 we reduced emissions of greenhouse gases from our manufacturing energy use by 10% per unit of production, versus 2006. Actual emissions were reduced by 5%, compared to 2006.

Overall, we have reduced greenhouse gas emissions from manufacturing energy use by 30% per unit of production, and 21% in terms of actual emissions, since 2000. This is excellent performance and has been achieved by a combination of:

- energy efficiency (e.g. during 2007, we significantly increased energy efficiency at our newly acquired Nottingham manufacturing facility in the UK)
- about 20% of our manufacturing energy already comes from highly efficient Combined Heat and Power (CHP) energy systems and in 2007 we approved projects for two new CHP plants
- use of renewable energy systems (e.g. our solar hot water and solar voltaic systems at Iksan in Korea and Mira in Italy)
- use of agricultural waste as a fuel (e.g. at Medan in Indonesia)
- purchase of 'green' (renewable) energy tariffs (e.g. in 2007, our R&D centre in Montvale, United States moved to green energy)

Additionally, since 2006 we have been offsetting our remaining manufacturing emissions through our Trees for Change project (www.treesforchange.info).

We are working with our transport contractors to reduce the greenhouse gas emissions of our primary and secondary product distribution (see page 8); for example:

- Between 2003 and 2006, we increased the amount of short sea shipping (which has a lower carbon footprint) from 4 to 14% of our pan-European product distribution, and reduced the amount of road transport (which generally has a higher carbon footprint) from 90 to 76%. This equates to a reduction of about 10,000 tonnes CO₂ equivalents a year

A double deck trailer with fork lift adjustable and removable decks

- Increased use of fixed and adjustable deck, double deck trailers (DDTs) and loading infrastructure by our contractors, which means that we can get more products onto one truck, reducing the number of trucks and greenhouse gas emissions to transport the same volume of product
- Reckitt Benckiser is a member of the ECR Europe project team of manufacturers, retailers and logistics service providers established in 2007 to deliver lower-carbon product distribution. The teams progress to date includes:
 - a roadmap and self-assessment tool of best practices for sustainable transport, allowing companies to assess their maturity in sustainable transport operations and identify opportunities for improvement
 - a set of case studies illustrating best practice

More REAL action on climate change



Retail Operations

Consumer Use

Product & Packaging Disposal/ Recycling

We are starting to work much more closely with our retail customers (e.g. Wal-Mart, Carrefour, Tesco) on environmental innovations generally and on climate change focussed programmes specifically. Recent examples include:

- Packaging Scorecards and assessment systems
- Reduction and recycling of Secondary and Tertiary product packaging
- Working together to better understand our mutual carbon footprints, to identify potential new ways to reduce them

Secondary (grouped) packaging is used to group a number of individual Consumer Units together for ease of handling and / or shelf display (e.g. a cardboard tray and lid). Tertiary (transport) packaging is used for, and to prevent damage during, transport and storage (e.g. the plastic wrapping of bulk numbers of cases of products for transportation to and between warehouses).

We have been working since the A.I.S.E. Washright campaign began in 1999 to educate and enable consumers to reduce energy and water consumption in the home when using Reckitt Benckiser products (www.aise.eu).

- In 2006, we led the European detergent industries automatic dishwashing Save Energy and Water Task Force to deliver an on-pack consumer education programme encouraging the saving of very large quantities of energy (and water) through the use of low temperature cycles on dishwashers (www.saveenergyandwater.com).

* This project has since been endorsed by the European Commission's Sustainable Energy Europe campaign.

If 50% of European households currently using 60/65° cycles move to lower temperature cycles up to 338,000 tonnes of CO₂ a year will be saved, which is more than the annual emissions from Reckitt Benckiser's global manufacturing facilities! A small change by many consumers = a big reduction in CO₂ emissions.

- In 2007, Reckitt Benckiser ran television advertising in Germany and the UK informing consumers that switching the average household from dishwashing by hand to using an automatic dishwasher can save heating the equivalent of a small swimming pool full of water a year, reducing both energy and water consumption. This alone can cut the energy consumption in washing dishes by more than 40%, as determined by observational consumer research conducted by the University of Bonn in Germany (Stamminger et al, 2007).

Based on the University of Bonn's research we have estimated that for every 1 million households in Europe that changes from washing dishes by hand to automatic dishwashing, in terms of household energy use alone, more than 50,000 tonnes CO₂ will be avoided each year.

Freshmatic Europe

We are continually re-designing our products and their packaging.

In 2007, we moved our best-selling Freshmatic aerosol device out of plastic blister packs to predominantly recycled, cardboard packaging in Europe. We had previously done this for the product's North American launch already.

This packaging change reduces the volume of raw materials required and the volumes of post-consumer waste requiring disposal / recycling. In terms of raw material savings alone, redesigning our European Freshmatic packaging will save about 680 tonnes of plastic and 2,430 tonnes of CO₂ a year.

Another example is work we have done with our supplier Guala to re-design the trigger on trigger spray bottles used for all purpose cleaners and other products. We are currently saving more than 266,000 kgs of metal and 38,000 kgs of plastic per year; thus avoiding more than 613 tonnes of CO₂ a year in terms of raw materials. The redesigned trigger, by removing the metal spring and replacing it with plastic, also improves the post-consumer recycling of this packaging.

*All brands that carry this mark are from companies which are committed to the industry project "Save Energy and Water"

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

Raw material sustainability

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 are currently working with our suppliers and in dialogue with other stakeholders, to ensure that the RSPO's Principles and Criteria are implemented within our supply chain.

www.rspo.org

Forest derived materials

We use a few raw materials derived from managed forests and sometimes look at such materials whilst investigating new product developments.

In 2004 we established an internal 'Standard for raw materials derived from forests', mandating that forest derived raw materials which are or may be used in our products only come from forests that are responsibly managed, and defining what qualifies as responsible forest management.

Since 2004 we have sought assurance that this standard is followed by our supply chain, and site visits have been conducted to check this.

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 & 7 for information on recent product packaging reduction projects.

Transport & logistics

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

Here we report on the transportation of products from our own manufacturing facilities to distribution centres, and transportation of those products – and products made for us by third-party manufacturers – from distribution centres to our trade customers.

In 2007* our global transport contractors:

- travelled approximately 265 million kilometres (164 million miles) by road, contributing about 0.0515 tonnes of CO₂ equivalent greenhouse gas emissions for every 1,000 Consumer Units (CUs) of production in 2006, and 244,000 tonnes in total
- transported approximately 31 million tonne-kilometres (a function of tonnage transported and distance travelled) by air freight; contributing approximately 0.0037 tonnes of CO₂ equivalents for every 1,000 consumer units (CUs) and 17,650 tonnes in total
- transported approximately 623 million tonne-kilometres by container in deep sea and smaller ships; contributing approximately 0.0013 tonnes of CO₂ equivalents for every 1,000 Consumer Units (CUs) and 6,230 tonnes in total
- transported approximately 22.6 million tonne-kilometres by rail; contributing approximately 0.00019 tonnes of CO₂ equivalents for every 1,000 consumer units (CUs) and 902 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

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

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

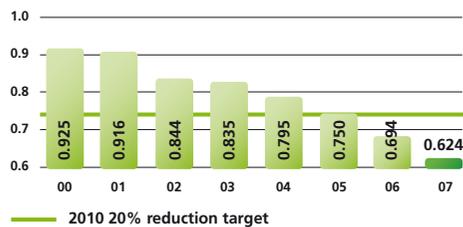
* Due to the complexity of global logistics we have to make a number of assumptions when obtaining and collating worldwide transport data; so we do not currently directly compare this data year to year and recognise that we cannot quantify the completeness of this information. However, every year we have improved our transport data collection processes. For example, for 2007 we are reporting air freight for the first time and for 2008 data we shall be implementing a new reporting process for our global transport contractors.

Reducing our use of resources

Environmental performance in 2007

It is relevant to our environmental performance in 2007, reported on pages 1, 6, 9, 10 & 11, that 2007 data (only) does not include two previously operated manufacturing facilities and 2007 data (only) does include one new factory (See Basis of Reporting, page 24)

Energy use at manufacturing and R&D facilities (GJs per '000 CUs)



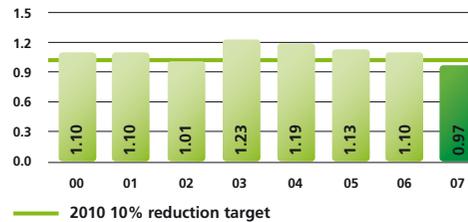
Energy use

We consumed 0.62 Gigajoules (GJ) of energy for every 1,000 Consumer Units (CUs) of production in 2007, and 2.96 million GJ of energy in total. **In 2007 we reduced our energy use by 10% per unit of production and by 5% in terms of actual energy used, versus 2006.**

Our reduction in energy use during 2007 has largely been a result of energy efficiency programmes implemented at our plants in Nottingham in the UK and Mira in Italy. Here savings of 30% and 16% per unit of production were achieved, compared to 2006. In Mira these savings included moving an old energy-intensive internal process to a more efficient external supplier.

Overall, we have reduced our energy use by 33% per unit of production and 24% in terms of actual energy used, since 2000.

Water use at manufacturing and R&D facilities (m³ per '000 CUs)



Water use

45% of the water we used in 2007 was released back into water systems (see Water Discharges, page 10). The remaining 55% went into our products, was contained in liquid and solid waste sent off-site, or evaporated from cooling and process systems.

In 2007 we used 0.97m³ of water for every 1,000 CUs of production and 4.6 million m³ in total.

In 2007 our water use decreased by 12% per unit of production and 6% in terms of actual water used, versus 2006. Overall, since 2000, our water use has decreased by 12% per unit of production and 0.3% in terms of actual water used.

Reductions in our water consumption during 2007 were largely due to:

- Moving the production of a water-intensive process from the Mira factory in Italy to a more water and energy efficient system operated by a third party supplier.
- Various water efficiency projects across many of our facilities, such as the initiative to recycle waste water at our manufacturing facility at Klin in Russia

Raw material use

In 2007 our top five raw materials (in terms of quantity consumed at each manufacturing facility) totalled 0.96 million metric tonnes.

Top five raw material categories 2007

Material Category	Percentage of Raw Material Use
Salts	50%
Organic Matter	18%
Hydrocarbons	9%
Acids	4%
Minerals	1%
(Other Materials)	18%

Our environmental commitment

Reckitt Benckiser is committed to running its business in an environmentally sound and sustainable manner. We recognise that our processes and products have both direct and indirect environmental impacts and seek to achieve continuous improvement in our environmental performance.

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 life cycle 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 life cycle, from creation to disposal; including our supply chain (see pages 6 & 8) and consumers use and disposal of our products and their packaging (see pages 4, 5 & 7).

Environmental management systems

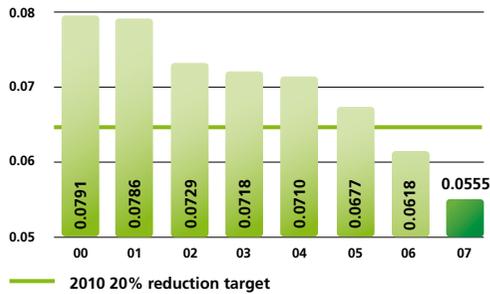
Our Environmental Policy (www.reckittbenckiser.com) forms the basis of our Group environmental management system (EMS), which focusses on our significant environmental aspects (see page 22).

Environmental management systems (EMSs) implementing our global '5 Key Environmental Items' were in place across all of our manufacturing facilities in 2007.

As at 31 December 2007, 40% of our global manufacturing facilities were externally certified to ISO 14001, the international standard for environmental management systems.

Reducing our emissions, water discharges and waste

Greenhouse gas emissions from manufacturing energy use (tonnes CO₂ equivalents per '000 CUs)



NB: data from two R&D centres located at manufacturing facilities are also included here, across all years.

Air emissions

Greenhouse gases (GHGs) arising from our manufacturing facilities energy use are generated both directly on-site, through the combustion of fossil fuels for space, hot water and process heating/cooling, and also indirectly off-site, from our use of electricity.

Overall, our manufacturing facility energy use produced direct and indirect greenhouse gas emissions equivalent to 0.0555 tonnes of carbon dioxide (CO₂) for every 1,000 Consumer Units (CUs) of production in 2007, and 263,000 of CO₂ equivalent in total.

During 2007 we reduced emissions of greenhouse gases from our manufacturing energy use by 10% per unit of production, versus 2006. Actual emissions were reduced by 5%, compared to 2006.

Overall, we have reduced greenhouse gas emissions from manufacturing energy use by 30% per unit of production, and 21% in terms of actual emissions, since 2000.

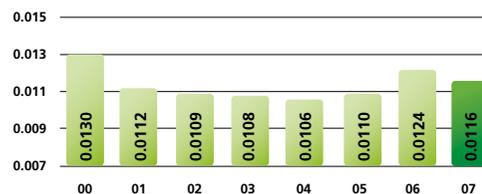
This decrease is largely a result of:

- Energy saving and efficiency programs implemented at our Nottingham factory in the UK
- Installation of more efficient natural gas boiler systems at our factories in China (replacing coal) and Poland (replacing heavy fuel oil)
- Outsourcing of an old energy-intensive fatty acid process from our site in Mira, Italy to a more efficient external supplier

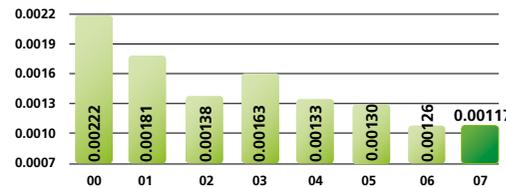
Information on recent initiatives to reduce greenhouse gas emissions from our manufacturing and other facilities is provided on pages 6, 9 & 10.

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

Total waste at manufacturing and R&D facilities (tonnes per '000 CUs)



Hazardous waste at manufacturing and R&D facilities (tonnes per '000 CUs)



Waste

Our long-term strategy is to continually reduce waste arising from our operations, with a particular focus on hazardous waste, which is generally more difficult to recycle and more expensive to dispose of.

We produced 0.012 tonnes of waste for every 1,000 CUs of production in 2007 (including 0.00117 tonnes of hazardous waste). In total, this comprised 55,000 tonnes of waste (including 5,500 tonnes of hazardous waste).

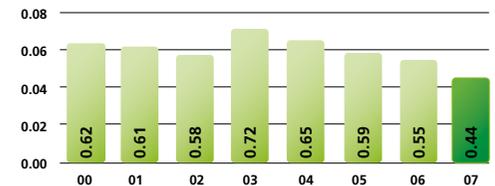
During 2007 our total waste decreased by 6% per unit of production, whilst our hazardous waste reduced by 7% per unit of production, versus 2006.

This decrease is largely a result of:

- waste reduction initiatives at our factories in Russia and Nottingham, UK. 'Wars on Waste' at these sites have led to reductions of 28% and 47% in total waste per unit of production, respectively
- movement of production from older, more inefficient processes at factories in Canada and Spain which we closed during 2007 to more efficient factories elsewhere

In 2007 we re-used or recycled off-site 68% of our total waste (going beyond our 2010 target of 65%) and 55% of our hazardous waste (going beyond our 2010 target of 33%). With two new manufacturing facilities being commissioned in India during 2007, we are continuing to review what new waste re-use and recycling targets are feasible going forward.

Water discharge from manufacturing and R&D facilities (tonnes per '000 CUs)



Water discharges

45% of the water we used in 2007 was released back into water systems. The remaining 55% went into our products, was contained in liquid and solid wastes sent off site, or evaporated from cooling and process systems.

We discharged 0.44 m³ of water for every 1,000 consumer units (CUs) of production in 2007 and 2.1 million m³ in total.

A large volume of our annual water use is re-used and recycled on site within our manufacturing processes. Additionally, 1% of our water discharges were used for the irrigation of green (e.g. garden) areas at our manufacturing and R&D facilities in 2007.

Our actual environmental impact

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

In 2007 (and between 2000 and 2007), the **ACTUAL** environmental impact of our manufacturing and R&D facilities, not normalised against production volume, was as follows:

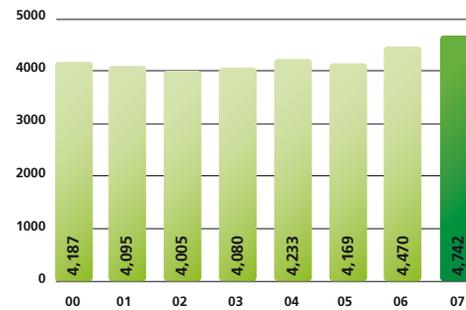
- **energy use – reduced by 5% versus 2006** (00 – 07: reduced by 24%)
- **water use – reduced by 6% versus 2006** (00 – 07: increased by 0.3%)
- **greenhouse gas emissions from manufacturing energy use – reduced by 5% versus 2006** (00 – 07: reduced by 21%)
- **water discharges – reduced by 16% versus 2006** (00 – 07: reduced by 20%)
- **total waste – reduced by 1% versus 2006** (00 – 07: increased by 1%)
- **hazardous waste – reduced by 2% versus 2006** (00 – 07: reduced by 41%)

The reasons for specific trends in these data are summarised on pages 6, 9 & 10 of this report.

To put these data in context, it is important to note that in 2007 our manufacturing output increased by 6% (in terms of units of production), and between 2000 and 2007 it has increased by 13%.

This means that the actual 'eco-efficiency' of our operations has increased significantly both during 2007 and since 2000.

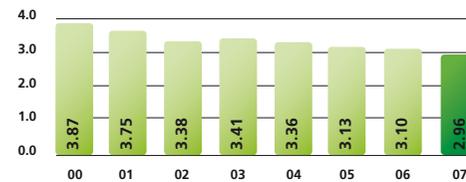
Production volume at Reckitt Benckiser manufacturing facilities* (million consumer units (CUs))



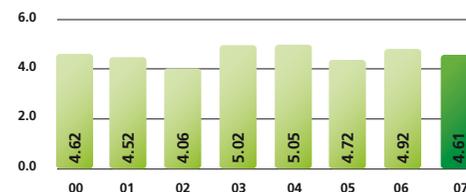
* the environmental performance data on pages 9, 10 and 11 relates to production at Reckitt Benckiser manufacturing facilities only i.e. it does not relate to production volumes at third parties who make approximately 20% of our products for us

Material and resource use

Energy use at manufacturing and R&D facilities (million GJ)

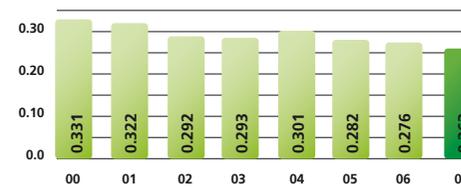


Water use at manufacturing and R&D facilities (million m³)

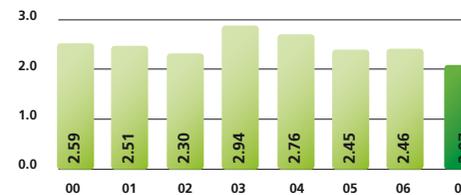


Emissions

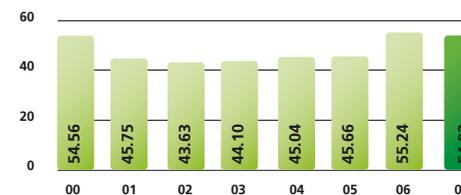
Greenhouse gas emissions from manufacturing energy use (million tonnes CO₂ equivalents)



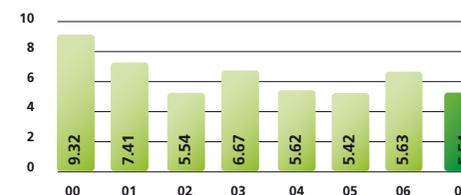
Water discharges from manufacturing and R&D facilities (million m³)



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; this is set out in our Code of Business Conduct and our Environmental Policy. Our clear intention is that legal requirements are surpassed wherever practical.

Environmental prosecutions and fines

Year	Prosecution	Fine
2001	0	0
2002	0	2
2003	0	2
2004	0	1
2005	0	1
2006	0	3
2007	0	3

During 2007 we received three environmental fines at our global manufacturing and R&D facilities, comprising:

- £500 in the United States for an exceedance of wastewater discharge quality
- £800 in Spain for an exceedance of wastewater discharge quality
- £4,000 in Italy for an exceedance of wastewater discharge quality which occurred in 2005

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 sound and ethical business practice and to our responsibility as a global leader in quality consumer products.

At Reckitt Benckiser, we have long-standing and comprehensive management processes in place to ensure that our products are both suitable and safe for their intended use. Our internal standards and requirements are applied globally and often exceed local regulatory requirements.

Neil Snyder
Global Regulatory, Safety & Environmental (RSE) Services
Director – Household Products

Consumer, environmental and other groups have periodically voiced concerns over the long-term effects of household chemicals on human health and the environment. National, regional and international regulators have sought to address these concerns through the control systems that are in place, and are continually improving these systems, including some major changes such as 'REACH' (see third column, this page).

Product Safety

Our overall approach to product safety is summarised in our Product Safety Policy, available at www.reckittbenckiser.com, below which sits a Global Product Safety Programme comprising product safety guidelines, standards, procedures and policies.

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 Affairs groups; in addition to its daily use at our Research & Development (R&D) centres and manufacturing facilities globally.

RSE works alongside our Category Research & Development (R&D) teams on all New Product Developments (NPDs), right from the start of the product development process, and is responsible for ensuring the safety and regulatory compliance of our products for their intended use. Regulatory Affairs is located with our individual national businesses worldwide, and works alongside them and our global RSE and R&D functions, to ensure that we correctly understand and comply with the wide range of national regulations that exist on issues such as product labelling and ingredients.

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 combine into a single point of reference on regulatory requirements, our own (generally stricter) internal requirements, and specific direction on the use (or the prohibition of use) of materials and ingredients.

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

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 the next few years, industry is required to register most substances that are manufactured, imported or used in Europe.

For the majority of substances used in Reckitt Benckiser's 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. On 3 June 2007 the European Chemicals Agency (ECHA) became fully operational, to coordinate the registration, evaluation, authorisation and restriction processes under REACH. The first of these phases, pre-registration, started on 1 June 2008.

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



Reckitt Benckiser has committed to the A.I.S.E.[#] industry initiative Air Fresheners Product Stewardship Programme, which was established in 2007 (www.aise.eu/airfresheners). Building on previous A.I.S.E. voluntary initiatives on product safety and sustainability, this new programme goes beyond the legislative requirements covering air fresheners and aims to promote best practice in the responsible manufacturing, consumer communication and use of air fresheners across Europe.

[#] 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"

Social and ethical responsibility

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.

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 packaging is also relevant to its recycling, to minimise the environmental impact of a product across its life cycle (see page 7).

Research shows that consumers often do not pay too much attention to product labels and that a 'risk based approach' – focussing the information provided on what consumers actually need to know for correct and safe product use – is therefore required. Reckitt Benckiser and the Household Cleaning and Health & Personal Care industry as a whole works to continually improve the effectiveness of product labelling, so that not only is the correct information provided, but it is provided in a common and easily understandable manner.

We are increasingly using visual symbols which are more frequently consulted and more easily understood by consumers. In an attempt 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 (www.sustainable-cleaning.com).

Product quality

2007 was a strong year for product quality at Reckitt Benckiser. We had no consumer recalls and no major quality issues across either our existing products or our new product launches during 2007. This is the first year since the merger which created today's Company, in 1999, that this has been achieved.

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.

Our quality management arrangements include Group, area, regional and site-level quality assurance functions that oversee and monitor product quality globally. For example, all of our manufacturing facilities have a Quality Manager responsible – with their team – for implementing quality standards, conducting necessary quality control checks and ensuring continuous improvement of quality management. The Site Quality Managers report to the Site Director with a dotted line relationship to the Regional Quality Management Director. We also regularly audit our key suppliers to assure and continuously improve the standards of raw materials, components or finished products that they provide us with.

So, we are now ready to take the next step in our product quality evolution! We now have in place a new Quality Vision, Mission and Principles; endorsed by the Company's Executive Committee. This re-focussed approach to product quality is very much centred on the consumer and their experience in using our products. Bringing this to life requires all of us to display enthusiasm and passion for product quality across all functions.

Customer satisfaction

The best indicator of customer and consumer satisfaction with our products is the fact that our brands are leaders in their markets – and that can only happen with repeat consumer satisfaction.

Our international consumer 'CARE' system provides information on consumer enquiries, comments and complaints about our products. In 2006 the CARE system was validated for healthcare products, so that we could migrate consumer communication management for the products purchased as part of the BHI (Boots Healthcare International) acquisition of February 2006 into the CARE system.

Ingredients removed from global product formulas - Q2 2008 Status *

Ingredient	% reduction to date	Target completion date	Comments
PVC Packaging (excl. Healthcare)	> 50%	end 2009	Healthcare products are excluded from this target as no viable alternatives have yet been identified for some healthcare applications
Chlorpyrifos	33% (2 out of 6 products)	end 2009	Registration documents to remove this ingredient from the remaining 4 pest control products were submitted in 2007
Fragrance raw materials:			Includes reformulation to improve environmental profile
– Non-GN	96%	end 2009	
– Geranyl Nitrite (GN)	100%	end 2007	
– Nitro and polycyclic musks	100%	end 2002	
Brominated Flame Retardants	100%	end 2007	
APE's / NPE's	99%	end 2006	Stability for 2 remaining products subsequently identified due by Q4 2008 for Q1 2009 implementation
Formaldehyde	100%	end 2006	
Dichlorvos	100%	end 2006	
Glycol Ethers (Monoethylene series)	100%	end 2006	
Paradichlorobenzene (PDBC)	100%	end 2006	
Red Devil Lye (100% NaOH)	100%	end 2005	

* NB: 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 in to line with previously-completed ingredient removal programmes.

Principal Quality Issues 2002-2007*

	Quality issues		
	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

* We define our principal quality issues in two ways: all consumer recalls (the recall of a product from the public) are a principal quality issue by default; also, all other quality issues which exceed pre-defined financial thresholds in terms of the cost of correcting them (e.g. scrapped materials or finished goods) are a principal quality issue. There is no difference between the way we identify and report principal quality issues internally and their reporting here (except that internally we include more detailed information in areas such as cause and corrective and preventative actions).

Safe Behaviour Tips

© A.I.S.E.



Keep away from children.



Keep away from eyes. If product gets into eyes rinse thoroughly with water.



Rinse and dry hands after use.



People with sensitive or damaged skin should avoid prolonged contact with the product.



Do not ingest. If product is ingested then seek medical advice.



Do not change container to store contents.



Do not mix with other products.



Ventilate the room after use.

Responsibility in our operations

Our employees and employment practices, business conduct, and health & safety at work

Employees

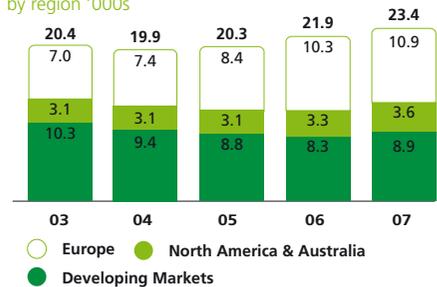
Our employees are a highly capable and talented group of people who drive our business forward, bound together by a common culture to bring our vision and strategy to life.



In recent years Reckitt Benckiser has increased its average number of employees in absolute terms, due to acquisitions (e.g. of Boots Healthcare International, in 2006) and due to the overall growth of and further investment in the Company's business.

The average number of people employed by the Group during 2007, was 23,400.

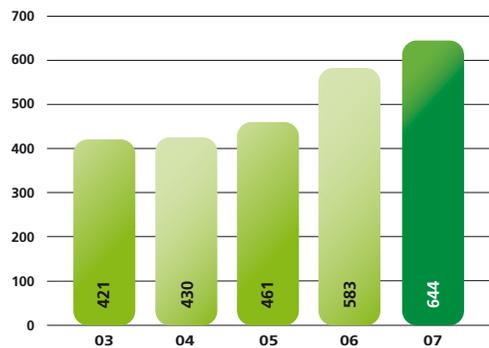
Average number of people employed by region '000s



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 2007, including Directors, was £644 million.

Employee remuneration (£ millions)



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 national diversity and international mobility amongst our employees, which 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 2008, our Global Training Programme provides 16 short courses in: Leadership (4); Business & Organisation (4); People Management & Development (2), Marketing (3), Sales (2), and Finance (1).

Other 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	Number of nationalities 31.12.2007
Board (10 people)	6
Executive Committee (9 people)	8
'Top 40' (40 people)	14
'Top 400' (438 people)	47
'Global Employees' *	94
% women employed	% women 31.12.2007
Board (10 people)	10%
Executive Committee (9 people)	0%
'Top 40' (40 people)	7.5%
'Top 400' (438 people)	16%
'Global Employees' *	40%

* comprising data for 16,958 global Group employees, which equates to 72% of the average number of people employed by the Group during 2007.

Employees pictured left, from top left to bottom right: Finance Analyst; Data Standards & Data Quality Analyst; Accounts Administrator; Company Secretary's Assistant; Managing Director, India and Regional SVP, South Asia; IS Graduate, Southern Europe

Social and ethical responsibility

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. Our top 2,500 senior and middle managers – in addition to many other employees – use an online assessment and feedback system for the PDR process.

Business conduct

Our Code of Business Conduct (available at: www.reckittbenckiser.com) sets out the principles and ethical values we want to uphold.

Senior management 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.

We have previously trained our regional, national and functional management teams worldwide on our Code of Business Conduct and crisis management arrangements. In 2007 we provided follow-up and refresher training to a number of regions and functions.

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 the Board Audit Committee.

Internal Audit comprises a global team responsible for assessing, monitoring and auditing financial and non-financial risks to the business of the Company. Full details of the Company's internal control and risk management arrangements are provided in the Annual Report & Financial Statements 2007 (see pages 6, 7, 14 & 15), available at www.reckittbenckiser.com

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 (see page 21).

To protect human and labour rights at work we operate our Code of Business Conduct (see business conduct in previous column) and Global Manufacturing Standard (see page 16).

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 23).

For example in November 2007 Reckitt Benckiser – and 150 other global companies – signed the Bali Communiqué to world leaders calling for a comprehensive, legally binding United Nations framework to tackle climate change (www.balicomunique.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.reckittbenckiser.com

Since 2008, 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 Global Hazard and Risk Assessment which covers all of our worldwide

manufacturing, warehouse and R&D facilities individually, to assist in understanding what and where our greatest potential OHS hazards are, so that we can better control them.

During 2007, to further reduce OHS hazards, we rolled-out two new mandatory Group H&S Standards covering Hazardous Material Handling and Safe Operation of Trucks & Fork Lift Trucks.

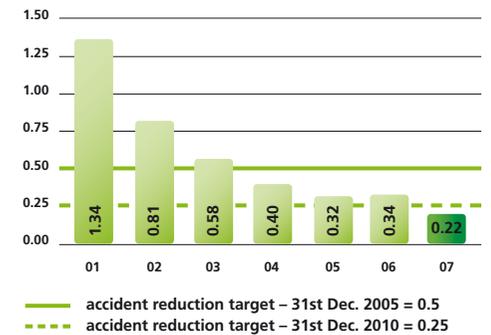


In 2007, our Group Environmental and Health & Safety (EHS) function conducted H&S audits and assurance at 29% of our global manufacturing facilities. Facility H&S audits / reviews were also conducted by country, regional and area EHS personnel, and by external expert consultants.

Employee health and well-being initiatives undertaken during 2007 included:

- ergonomic and lighting assessments, seeking to better “design the workplace as a healthy environment”
- comprehensive Employee Assistance Programmes (EAP's), assisting employees to deal with a range of personal issues from bereavement to work-life balance
- HIV/AIDS information programmes at our southern African manufacturing facilities in South Africa and Zimbabwe

Lost working day accident rate (LWD AR)* at manufacturing, warehouse and R&D facilities# per 100,000hrs



* a function of: 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

as part of the continual improvement in our OHS management and reporting arrangements, in this report we include for the first time OHS data on the global warehouse facilities under our management control (for 2007 data only). R&D facility data has been included since 2006. Our LWD AR performance for 2007 is similar both with and without our warehouse results.

In 2007, we achieved a 35% reduction in the lost working day accident rate (LWD AR) at our global manufacturing, warehouse and R&D facilities compared to 2006. Overall, 2007 represented an 84% reduction in accident rate compared to 2001.

During 2008, we shall be implementing:

- a new mandatory Group H&S Standard on Behavioural Safety, drawing on the success of such programmes at our facilities in Europe, North America and Africa Middle East during 2007
- five new mandatory Group Process Safety Standards, to ensure that our higher risk processes and principal occupational health issues are precisely specified and monitored across our global operations

Responsible supply chains

We work hard to ensure that our supply chain demonstrates responsible and ethical business conduct

The Company's 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.

Report of the Directors
Annual Report & Financial Statements
2007

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. 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 and they can be important both locally and nationally in terms of their economic, environmental and social contributions.

Our supply chain programmes

We focus our responsible and ethical supply chain programmes on key supplier categories, as defined by our evaluation of:

- the nature of our relationship with each supplier category (i.e. what they supply to us and how much involvement we have with their activities)
- the potential risk of responsibility/ethical issues in each supplier category

Currently, 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

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 (see below)
- provisions within our Code of Business Conduct (see pages 15, 20 & 21)
- our safety and quality management systems and specifications (see pages 12 & 13)

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 responsibility or ethical issues when they come across them

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

Our Global Manufacturing Standard

Developed with expert external advice in 2003, and launched worldwide in 2004, our Global Manufacturing Standard (GMS) provides a process of both self-certification and audit against international standards for human rights, working conditions, health & safety and environmental protection.

It covers seven specific, fundamental principles:

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

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.reckittbenckiser.com); whilst our internal GMS Implementation Guidelines are available on request.

Self-certified compliance reviews against the GMS are carried out by the third-party manufacturers who make products on our behalf, followed up by audits of those suppliers located in our Developing Markets region and – on a sample basis – those located in our other regions.

These audits are carried out by Reckitt Benckiser Regional Supply, Quality and EHS functions.

More than 90% of our tier-one third-party manufacturers in our Developing Markets region (East Asia, South Asia, Africa/Middle East and Latin America) have been audited by us against the GMS. Due to the ongoing movement of suppliers into and out of our supply chain each year, we are continually auditing new suppliers to maintain this level of performance.

Where any actual or potential non-compliance is identified, we work with the company concerned to develop improvement plans, and monitor their implementation. To date the issues which we have come across have been usually associated with environmental and health & safety management, and occasionally working hours. If any required improvements are not made in an appropriate timeframe, we would review our business relationship with the company concerned.

Improving health and hygiene in communities



Making life better

We want to make life that bit better – through our products and through the support we give to our local and global communities.

So, each year we try to 'give back' some of the wealth that we create as a business by helping the parts of society that need our support most.

In 2007, we gave more than £1.5 million worth of support to community programmes worldwide. Our employees also gave their time and money to many fundraising projects. Our main focus is still Save the Children, our global charity partner, because most of our products are bought by families. And, in line with our business expertise, we also choose to focus our support on health and hygiene programmes.



Nearly 10 million children die each year from preventable diseases. It takes just £10 to save a life, so thanks to Reckitt Benckiser's 'Save 150,000 lives' campaign, more than 100,000 children have been saved already.

Jasmine Whitbread,
CEO, Save the Children



In the Reckitt Benckiser Global Challenge 2007, 50 employees from around the world took part in a sponsored trek in the foothills of the Himalayas. The group raised over £150,000 and it was so successful, we are planning another for 2009!



Save 150,000 lives campaign

We have worked closely with Save the Children since 2003. In 2006, we launched our 'Save 100,000 lives' campaign. The original target was to raise £1 million by the end of 2008, to fund basic health and hygiene projects in Angola and Tanzania and save 100,000 children from entirely preventable diseases like malaria and measles. Having achieved that target in 2007, we have now raised our goal to £1.5 million, so we can save 150,000 lives. We will achieve this through

corporate donations, payroll giving, on-pack promotions and local fundraising, for example, a one-day product sale in Germany in 2007 (picture far left) raised over £30,000.

Children's Emergency Fund

In 2007, we made an even stronger commitment to Save the Children by pledging £100,000 a year for the next 5 years to its Emergency Fund, which provides money and emergency response teams immediately when a disaster strikes (as shown in the picture to the right).



Update on Tanzania

In Lindi and Singida, two of the poorest districts, Reckitt Benckiser have funded Save the Children to support child healthcare and give children better access to life saving services such as mosquito nets and malaria treatment. By providing training and building capacity in the District Health Authorities, we aim to achieve lasting change and reduce child and new born mortality.



Habibas' story

'Many children used to die of malaria in our village. I had no idea mosquito nets could stop that – or that the clinic could treat us if we got the fever. I attended the Save the Children meeting and learnt how to protect us, then I went to the clinic and collected the voucher to get a net for me and my first child. When I was pregnant I got a second voucher. I couldn't afford the nets without them. Now my family is protected and I am so glad.'

Tomas' story – a trained healthworker

'I am Tomas Jama Nicolau, chief nurse at Tchicala Tcholohanga Health Centre. I am thankful to Save the Children as the programme is improving health delivery here. Health workers have received critical training in mother and child health, vaccinations, drug use, malaria and diarrhoea treatment. Tchicala municipality now has some of the best health outcomes in the province and we are appealing to Save the Children to continue with this good work. Thank you very much for your support!'



Update on Angola

We have been funding Save the Children in the Huambo province – an area devastated by civil war. Besides giving access to immunisations, vitamin A supplements to prevent blindness and malaria prevention and treatment, the project works with mothers to promote breastfeeding and basic hygiene. By training medical staff and working to create policy change, the charity is changing behaviour too.



Without you, none of this would have happened. Thank you so much for your support. You are making a dramatic difference to the lives of children and mothers here.

Simão Chatepa
Provincial Co-ordinator, Huambo Province
Save the Children, Angola

Local community support around the world

Our people were, as always, generous with their time, money and energy for local projects during 2007 and in many cases, we matched whatever they raised.

In Europe, employees in Germany donated products, funds and over 600 hours of their time to support two regional and two international charities, as well as raising money on Red Nose Day. In Poland, we donated gifts, products and funds to three local organisations, including a children's home and a fire service. Our four UK offices each supported local family, children's and health charities like Home-Start and Prospect Hospice. Stuart Shaw (pictured right) walked 213 miles across the UK, from west coast to east, raising £5,000, while Tom Marriage cycled from Land's End to John O'Groats.



North America, Australia and NZ raised funds for family and children's charities. In the US, besides fundraising for local charities such as Dress for Success, employees gave to charities, schools and universities, and we matched their donations. Australia continued its support for Lifestart, a disabled children's charity, and a children's mentoring programme.



In Developing Markets, some of our people in Malaysia ran the Kuala Lumpur Rat Race (pictured below), a 4.5 km fun run that supports 20 local charities and raises awareness of climate change.



Further information

Our global brands

and their 2007 net revenue



Other Businesses

Pharmaceuticals (4% net revenue at £211m) comprises our Suboxone and Subutex prescription drug business for the treatment of opiate (e.g. heroin) addiction.

Adams Respiratory Therapeutics, Inc. ('Adams') On 30 January 2008 Reckitt Benckiser completed the acquisition of Adams as an indirect wholly owned subsidiary. The data and information in this report, for the year 2007, does not include Adams.

Household

Fabric Care

Net revenue £1,241m

24%
of net revenues

Fabric Treatment, worldwide No.1 – led by **Vanish**
Water Softeners, worldwide No.1 – led by **Calgon**
Garment Care, worldwide No.2 – led by **Woolite**

Surface Care

Net revenue £951m

18%
of net revenues

Multipurpose Cleaners, worldwide No.1
– led by **Lysol, Dettol & Bang**
Lavatory Care, worldwide No.1 – led by **Harpic & Lysol**

Dishwashing

Net revenue £616m

12%
of net revenues

Automatic Dishwashing, worldwide No.1 – led by **Finish**

Home Care

Net revenue £779m

15%
of net revenues

Air Care, worldwide No.2 – led by **Airwick**
Pest Control, worldwide No.2 – led by **Mortein**

Health & Personal Care

Net revenue £1,199m*

23%*
of net revenues

Personal Care

Antiseptic Personal Care, worldwide No.1 – led by **Dettol**
Depilatories, worldwide No.1 – led by **Veet**
Acne Treatment, worldwide No.2 – led by **Clearasil**

Health Care

Medicated Sore Throat Relief, worldwide No.1 – led by **Strepsils**
Cough Relief, worldwide No.2 – led by **Mucinex**
Leading positions in Analgesics and Upper Gastro Intestinal Relief in Europe and Australia – led by **Nurofen & Gaviscon**

Food

Net revenue £191m

4%
of net revenues

Mustard, worldwide No.1 – led by **French's**

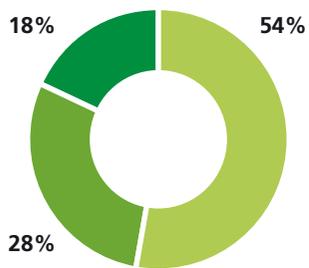
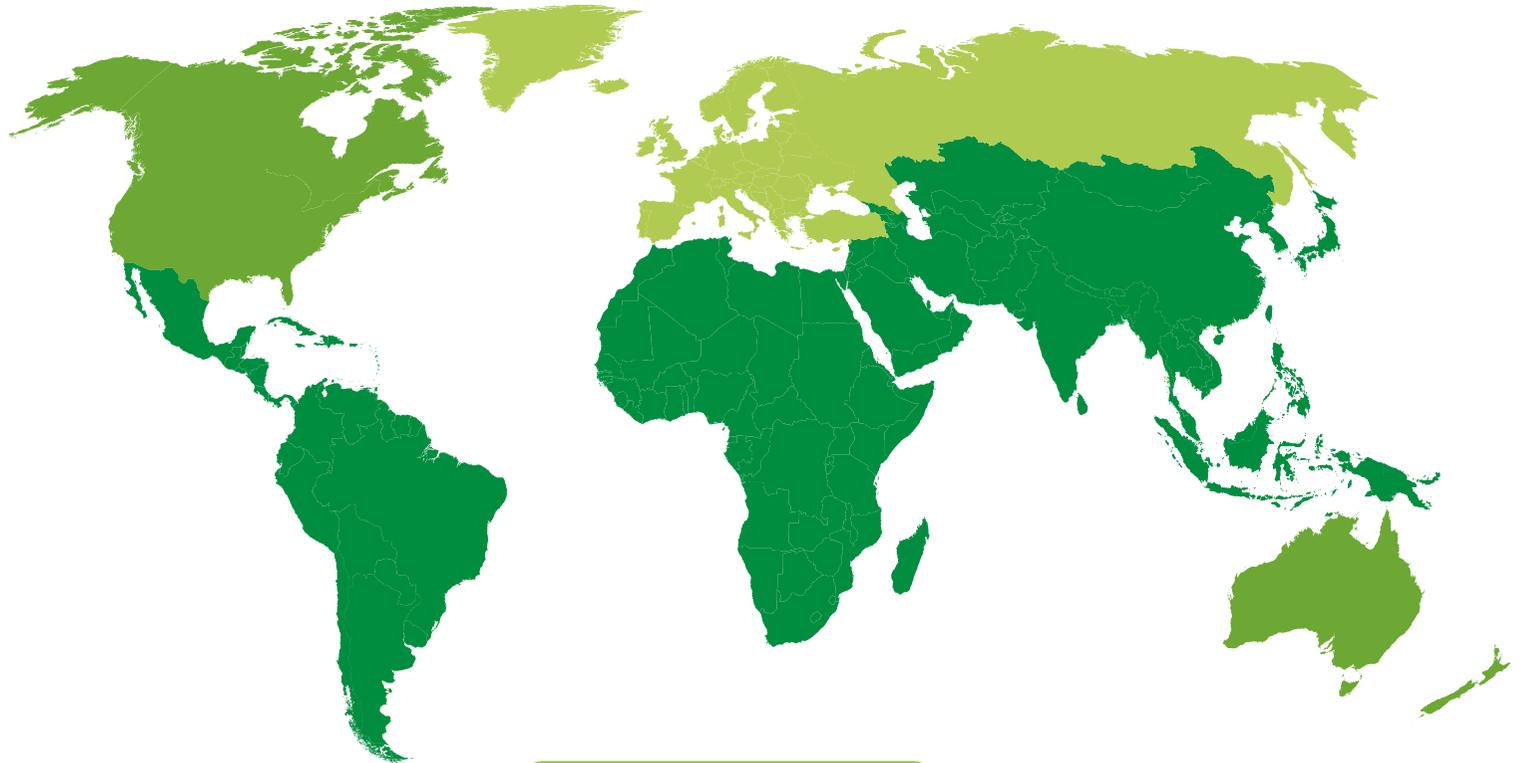
NB: Net revenue values stated are at constant exchange rates

* excluding pharmaceuticals & 'Adams' (e.g. Mucinex)

Our global operations

Sales in 180 countries, operations in 60 countries, manufacturing facilities in 30 countries

Our business is structured through a matrix of three geographical areas (Europe, North America & Australia, and Developing Markets) and six core functions (Category Development and Research & Development, Global Supply, Global Sales, Information Systems, Finance and Human Resources).



Breakdown of 2007 net revenue by area

- Europe
- NAA
- Developing Markets

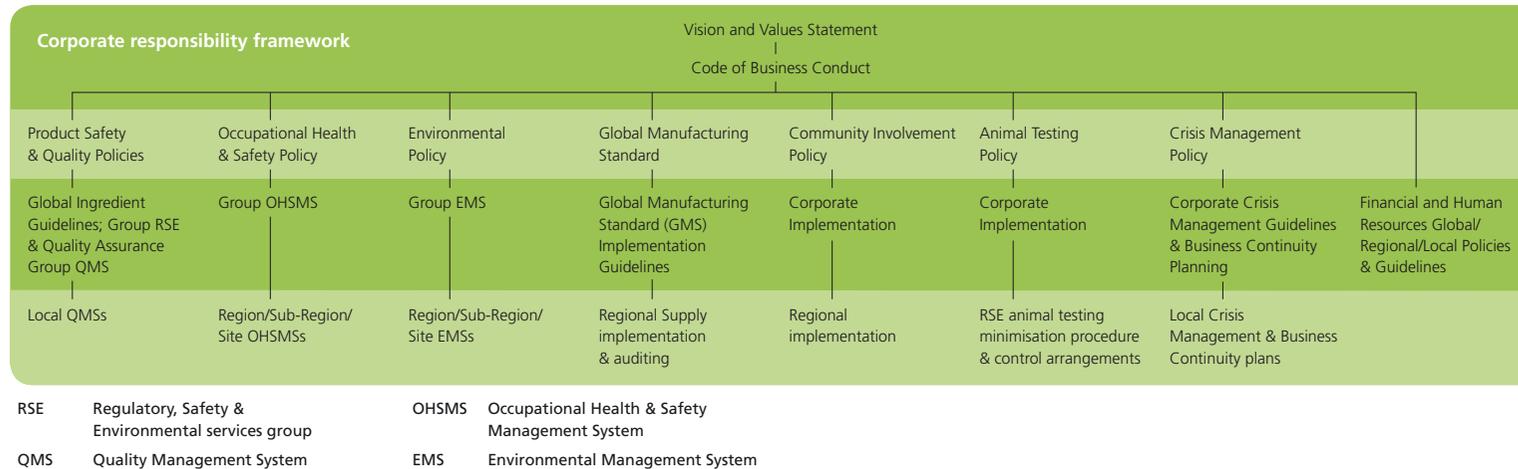
Three geographical areas:

- **Europe** including Eastern Europe, the Russian Federation, Turkey and Israel
- **NAA** North America (including Canada) and Australia/New Zealand
- **Developing Markets** Latin America, Africa/Middle East, South Asia and East Asia

	Manufacturing facilities as at 31.12.2007
Europe	15
Asia	11
North America	6
Africa/Middle East	6
Latin America	4
Australia/New Zealand	1

Governance, responsibility and strategy

How we work



International standards and guidelines

International standards and guidelines relating to sustainability and corporate responsibility to which Reckitt Benckiser subscribes include:

- the United Nations (UN) Declaration of Human Rights (www.un.org)
- the United Nations (UN) Convention on the Rights of the Child (www.un.org)
- the International Labour Organisation (ILO) eight Fundamental Conventions (www.ilo.org)

- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (www.oecd.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 16).

Corporate responsibility framework

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

Further information on the content of these policies and control arrangements, and the programmes and procedures associated with them, is provided throughout this report; copies of the policies themselves are available at: www.reckittbenckiser.com

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 and the global HR function manage our human resources, employee remuneration and benefits, employment practices and organisational development/training.

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

The Association of British Insurers (ABI) has stated that our Annual Report 2007 makes “Full Disclosure” on environmental, social and governance matters, in line with their February 2007 Guidelines on Responsible Investment Disclosure.

Elizabeth Richardson
Company Secretary

matters at least annually, which includes a formal review of the Company’s performance and strategy, providing oversight to ensure that the Company has in place effective policies, systems and procedures for managing ESG matters and mitigating significant ESG risks. 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 2007 (pages 14 & 15), available at: www.reckittbenckiser.com

Key areas of internal control and performance, including compliance with our Code of Business Conduct (see page 19), are independently reviewed and assured by both internal and external organisations, including Internal Audit, and their findings regularly reported to senior management, the CEO, the Board Audit Committee and the Board.

We welcome the views of external parties on ESG matters and have a proactive stakeholder engagement process (see page 23) 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 non-executive and independent Directors and their compensation arrangements are provided on pages 12–23 of our Annual Report & Financial Statements 2007 (available at: www.reckittbenckiser.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 and understanding impacts

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.

At Reckitt Benckiser, we begin by identifying ‘significant aspects’ (the ways in which our activities, and those of our suppliers and products, materially interact with the environment, society and the economy). Our significant sustainability aspects are listed to the right on this page.

Identifying and understanding risks

We have comprehensive processes 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 Environmental, Social and Governance (ESG) matters and reputational risks. Our Annual Report & Financial Statements 2007 identify three areas of potential ESG and reputational risk:

- potential industry sector/product safety risks: regarding which the Company has comprehensive management processes in place to ensure that its products are both suitable and safe for their intended use (see page 12)

- potential supply chain risks: including labour standards; health, safety and environmental standards; raw material sourcing; and the social, ethical and environmental performance of third-party manufacturers and suppliers and their supply chain (see pages 8 & 16)
- potential product quality risks: for which the Company has comprehensive quality management processes and procedures, including Group, regional and site-level quality functions (see page 13)

Strategy and priorities

These aspects and risks are common to fast moving consumer goods (FMCG) companies with well-known brands and are essentially determined by our industrial sector (Household Goods and Personal Care) and the products we make and sell.

The challenge to us and our peers 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 life cycle of our products and managing our business in a responsible and ethical manner.

Our sustainability strategy and focus is:

- to achieve continual improvement in our overall environmental performance (Environmental Sustainability), focussing on those issues where we can make a real difference, namely:
 - mitigating climate change
 - a sustainable supply chain
 - resource use efficiency and reduction
 - water discharges, waste and packaging reduction, re-use and recycling
- to manage our business in a socially and ethically responsible manner (Social & Ethical Responsibility), with a focus on:
 - product safety
 - employee health & safety
 - responsible and ethical operations and supply chain
 - local and global community involvement.

Our significant sustainability aspects

Environmental

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

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

Stakeholders and external benchmarking

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

Our key stakeholder groups

Workplace

- Employees

Marketplace

- Consumers
- Customers
- Regulators
- Shareholders and other financial stakeholders
- Suppliers
- Trade associations

Community

- Local communities
- Government
- Non-governmental organisations (NGOs) and consumer organisations
- Society

External stakeholders

We talk to our external stakeholders as part of normal, day-to-day business (e.g. working with suppliers on new product development, talking to customers and shareholders), in connection with specific sustainability issues, and in the ongoing development of our non-financial reporting.

For example, during 2007 we were particularly active in our engagement with employees, customers, consumers, suppliers and our community programme partners on our Carbon 20 programme (see pages 4-7) and on other sustainability issues.

Areas of interest arising from our engagement in 2007 included; our maintaining high standards of product safety (e.g. through the implementation of REACH, see page 12); the sustainable sourcing of palm oil (see page 8); and the potential impacts on and opportunities for our business associated with climate change (see pages 4-7). All these issues are addressed in this report, and we continue to talk to our stakeholders about these and the other issues that interest or may affect them.

Employee engagement

We undertake regular surveys to understand employees views about how the Company is run and organised, and to determine how satisfied employees are and where they think we can make improvements.

During 2007, we undertook employee engagement surveys in 20 countries in our European region and 9 countries in our Developing Markets region. In 2008, we shall be undertaking employee surveys in North America, Australia and New Zealand.

Sustainability issues, such as health & safety, are included in our regular meetings with the European Workers' Council and other employee representatives.

Working with trade associations and other groups

Our work with trade associations and other groups in 2007 included:

- A.I.S.E. (the International Association for Soaps, Detergents and Maintenance Products) in Europe e.g. Charter for Sustainable Cleaning and the Save Energy & Water project www.aise.eu
- Soap and Detergent Association (SDA) in the United States, which in June 2008 published a progress report on its commitments under the U.S. Environmental Protection Agency (EPA) high production volume (HPV) chemical programmes www.cleaning101.com
- Corporate Leaders Group (CLG) on Climate Change, which in 2007 organised the Bali Communiqué, whereby business leaders of 150 global companies – including Reckitt Benckiser – called on world leaders for a comprehensive, legally binding United Nations framework to tackle climate change, ahead of the UN climate negotiations which started on 3 December 2007 in Bali, Indonesia www.cpi.cam.ac.uk/bep/clgcc
- Roundtable on Sustainable Palm Oil (RSPO) promoting the growth and use of sustainable palm oil www.rspo.com

External Benchmarking & Awards

In 2007 external benchmarks we were:



- a 'Sustainability Leader' in the European (STOXX) Dow Jones Sustainability Index www.sustainability-indexes.com



FTSE4Good

- a member of the UK, European and World FTSE4Good Indices www.ftse.com/ftse4good



- 'Platinum' rated and Sector Leader in both the Corporate Responsibility Index and Environment Index of the UK's Business in the Community (BitC). In fact we scored 99% or more across all of BitC's 2007 indices (Corporate Responsibility (CR), Environment, Community and Workplace). And, as Sector Leader in the overall CR Index, led amongst not only our manufacturing sector peer group who took part but also amongst our retail customers who took part www.bitc.uk

CARBON DISCLOSURE PROJECT

- a participant in the Carbon Disclosure Project www.cdproject.net

Basis of reporting

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

This report provides data and information for the period 1 January 2007 to 31 December 2007 across all Reckitt Benckiser Group companies, as follows:

- **Environmental:** the 43 manufacturing facilities and 7 R&D centres over which we had operational control on 31 December 2007. Consistent with our established approach to reporting data for newly constructed/purchased facilities, we shall report in our 2008 report on the two factories we opened in India during 2007
- **Health & Safety:** the 48 manufacturing facilities, 7 R&D centers and 8 warehouses over which we had management control for one or more months during 2007
- **Social:** all Group companies and facilities as at 31 December 2007, unless explicitly stated
- **Economic:** all Group companies and facilities, for our financial (calendar) year 2007, excluding Zimbabwe (see Basis of Consolidation on page 25 of our Annual Report 2007)

Greenhouse gas emissions data

Data on greenhouse gas (GHG) emissions from our facilities energy use are reported as carbon dioxide equivalents (CO₂e) and calculated in line with The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (World Resources Institute & World Business Council for Sustainable Development, 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 (1996).

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 2004-07 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 2001-05 is used for 2007).

Cash value added data

'Cash value added' data (page 3) is derived directly from data provided in the Company's Annual Reports, as follows: Shareholders = dividends paid + shares repurchased; Employees = wages & salaries + net pension & post-retirement costs (includes annual restricted stock); Governments = tax paid + social security costs charged; Retained in Business = change in net debt resulting from cash flows; Capital Providers = return on investments + servicing of finance.

Data comparability and reliability

In this report:

- we include health & safety results from the eight main warehouses under our management control for the first time, in 2007 data.
- we include nationality and gender data for the majority of our global employees for the first time (comprising data for 16,958 global Group employees, which equates to 72% of the average number of people employed by the Group during 2007). Until now we have not collated this data centrally.

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

On 30 January 2008 Reckitt Benckiser completed the acquisition of Adams Respiratory Therapeutics, Inc. ('Adams') as an indirect wholly owned subsidiary. The data presented in this report does not include Adams.

Evolution in scope of environmental performance data presented in this report

Year	Operational factories* providing data (%)	R&D centres providing data (%)	Comments
2007	43 (100%)	7 (100%)	2 factories were closed in 2007 (in Canada and Spain); 1 factory was acquired from a third party manufacturer (in India)
2006	44 (100%)	6 (100%)	3 factories closed; 1 new factory opened; and 2 new 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

* including one warehouse containing a production line.

Although we are confident in the overall reliability of the data reported and have 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 and health & safety data
- comparability of data from year to year may be affected by changes in the number and attributes of Group facilities, changes in the methodology for determining certain data and continual improvements in our performance measurement systems.

Independent assurance

Deloitte & Touche LLP (Deloitte) has provided independent assurance over selected information and data in this report (see page 27).

The economic data disclosed in this report on pages 3, 19 & 20, and the social data on employee numbers and remuneration on pages 14 & 15, are taken from the Company's Annual Reports 2001-07, which are subject to independent assurance and are available at: www.reckittbenckiser.com

All of our seven previous Sustainability/ Environmental Reports, for 2000-06, were also subject to external independent assurance/review, and are available at: www.reckittbenckiser.com

Other reporting documents and contact details

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

Our family of reports – all available at www.reckittbenckiser.com – are outlined below

Reporting strategy

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

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 22)
- independent, external guidance on the indicators that we should be using to measure and report on those significant sustainability aspects (see Note on far right)
- the indicators that are most practical to use and add most value across our business and supply chain

This report is primarily aimed at those audiences who have shown most interest in our sustainability performance: our employees, our trade customers, our shareholders/investors, consumers of our products, and NGOs (non-governmental organisations).

Other reporting documents



Annual Report & Financial Statements 2007

see pages 14 and 15 for information on our management of environmental, social and governance (ESG) matters and reputational risk, comprising 'Full Disclosure' in line with the Association of British Insurers (ABI) Guidelines on Responsible Investment Disclosure

Shareholders' Review & Summary Financial Statement 2007

see page 9

We also publish:

- an Interim Report of our half-year financial results
- quarterly financial results
- a four page excerpt of this Sustainability Report
- 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

Contact details

For further information on Reckitt Benckiser please visit our web site at: www.reckittbenckiser.com

If you have any comments or queries on this report, please contact:

Edward Butt

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

Tel: +44 (0) 1753 217 800

Fax: +44 (0) 1753 446 415

email: sustainability@reckittbenckiser.com



Note

Standards and guidelines we have taken account of in preparing this report include:

- PAS 2050 - Specification for the assessment of the life cycle greenhouse gas emissions of goods and services, British Standards Institute, draft 2 v.3.1, February 2008
- Guidelines on Responsible Investment Disclosure, Association of British Insurers (ABI), 2007
- Sustainability Reporting Guidelines – Version 3.0, Global Reporting Initiative (GRI), 2006
- Companies Act, 2006
- Environmental Key Performance Indicators - Reporting Guidelines for UK Business, Department for Environment, Food & Rural Affairs (DEFRA), 2006
- *The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard (Revised Edition)*, World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 2004
- Risk & Opportunity: Best Practice in Non-financial Reporting, Sustainability, 2004
- AA1000 Assurance Standard, Institute of Social & Ethical Accountability (AccountAbility), 2003
- Indicators that Count: social and environmental indicators, a model for reporting impact, Business in the Community (BitC), 2003
- Health & Safety in Annual Reports, Health & Safety Commission (HSC), 2001
- BS EN ISO 14031 Environmental Performance Evaluation Guidelines, 1999

GRI content index

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



We continue to report in line with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) and other relevant standards and guidelines (see note on page 25).

This **GRI Content Index** provides a navigational tool for those looking for specific information in relation to the GRI's G3 guidelines (www.globalreporting.org).

A GRI Application Level Table and a more detailed GRI Content Index, including the indicators that we have not reported on, is provided at www.reckittbenckiser.com

Requirement of G3 Guidelines	Section	Page
1. Strategy and Analysis		
1.1 CEO's Statement	CEO's Statement	1
1.2 Key impacts, risks and opportunities	Governance, Responsibility & Strategy	22
2. Organizational profile		
2.1 – 2.7, 2.9 Organisational Profile	Products and Performance; Further information	2, 3, 19, 20
2.8 Significant changes	Our Global Brands; Basis of Reporting	19, 24
2.10 Awards received	Stakeholders and External Benchmarking	23
3. Report Parameter		
3.1 – 3.3, 3.6 – 3.11 Reporting Parameters	Basis of Reporting	24
3.4 Contact point	Contact Details	25
3.5 Defining report content	Governance, Responsibility & Strategy; Stakeholders & External Benchmarking; Reporting Strategy	21-23, 25
3.12 Table of Standard Disclosures	GRI Content Index	26
3.13 External assurance policy and practice	Basis of Reporting; Independent Assurance Statements	24, 27
4. Governance		
4.1 – 4.11 Governance arrangements, including ESG governance	Governance, Responsibility & Strategy	14, 16, 21-22
4.12 – 4.17 Stakeholder engagement	Stakeholders and External Benchmarking	22, 23
Disclosures on Management Approach		
Economic	Governance, Responsibility & Strategy; Annual Report & Financial Statements 2007 www.reckittbenckiser.com	21-22; online 12-23
Environmental	Our Environmental Commitment; Governance, Responsibility & Strategy	9, 21-22
Labour, Human Rights, Society	Responsibility in our Operations; Responsible Supply Chains; Governance, Responsibility & Strategy	14, 16, 21-22
Product Responsibility	Safe Products, Quality Products; Governance, Responsibility & Strategy	12-13, 21-22
Economic Performance Indicators		
EC1 Economic profile	Our Financial Performance improves lives; Improving Health and Hygiene in Communities	3, 17-18
EC2 Implications of climate change	Tackling Climate Change	4-7
EC3 Defined benefit plan obligations	Annual Report & Financial Statements 2007 www.reckittbenckiser.com	online 38-40

Requirement of G3 Guidelines	Section	Page
Environmental Performance Indicators		
EN1, EN8 Use of materials and water	Reducing our use of Resources	9
EN3, EN5, EN6 Reducing energy use	Tackling Climate Change; Energy Use	4-7, 9
EN12 Biodiversity	Sustainable Supply Chains	8
EN7, EN16, EN17, EN18 Reducing greenhouse gas emissions	Tackling Climate Change; Air Emissions	4-8, 10
EN20 Significant air emissions	Reducing Our Emissions; Water Discharges and Waste	10
EN21, EN 10 Water discharged, recycled and re-used	Reducing Our Emissions; Water Discharges and Waste	10
EN22, EN 24 Waste and hazardous waste	Reducing Our Emissions; Water Discharges and Waste	10
EN26 Environmental impacts of products	Tackling Climate Change; Sustainable Supply Chains	4-8
EN28 Environmental fines	Our Actual Environmental Impact	11
EN29 Environmental impacts of transport	Tackling Climate Change; Sustainable Supply Chains	4-8
Social – Labour Performance Indicators		
LA1, LA13 Workforce profile and diversity	Responsibility in Our Operations	14
LA3 Employee benefits	Responsibility in Our Operations	14-15
LA6, LA7 Health & safety data	Health and Safety at Work	15
LA8 Programmes to address serious diseases	Improving Health and Hygiene in Communities; H&S at Work	15, 17-18
LA10, LA11, LA12 Training, performance review and career development	Responsibility in Our Operations	14-15
Social – Human Rights Performance Indicators		
HR2 Human rights screening of suppliers	Responsible Supply Chains	16
HR5, HR6, HR7 Managing human rights risk in operations	Responsibility in Our Operations; Responsible Supply Chains	14-16
Social – Society Performance Indicators		
SO1 Impact on communities	Improving Health and Hygiene in Communities	17, 18
SO5 Public policy positions	Public Policy and Lobbying; Stakeholders and External Benchmarking	15, 23
SO6 Contributions to political parties	Annual Report & Financial Statements 2007 www.reckittbenckiser.com	online 16
Social - Product Responsibility Performance Indicators		
PR1, PR3 Product health and safety assessment, information and labelling	Safe Products, Quality Products	12-13
PR5 Customer satisfaction	Safe Products, Quality Products	12-13

Independent assurance statement

Independent assurance report by Deloitte & Touche LLP to Reckitt Benckiser Group Plc on the Group Sustainability Report 2007 (“the Report”)



What we looked at: scope of our work

Reckitt Benckiser Group Plc (“Reckitt Benckiser”) has engaged us to give limited¹ assurance on:

1. *Selected sustainability performance data* – Whether the Group level 2007 sustainability performance indicators listed in the table on the back cover of the Report are not materially misstated;

2. *Reckitt Benckiser’s declarations regarding the application of the Global Reporting Initiative 2006 Sustainability Reporting Guidelines (“the GRI Guidelines”)* – their self-declaration on page 26 of the Report that they have applied the GRI Guidelines at level A+; and

3. *Reckitt Benckiser’s explanation of their Carbon 20 measurement methodology and how it complies with PAS 2050 draft 2 v.3.1 February 2008 (“PAS 2050”) and the WBCSD-WRI GHG Protocol (“the GHG Protocol”)*, as stated on pages 4 and 5 in the Report and in the Carbon 20 Basis of Reporting at www.carbon20.info²

Our work is based at Group level only and did not include visiting other Reckitt Benckiser operations. We were asked to carry out work to obtain all the information and explanations that we considered necessary to provide sufficient evidence for us to give limited¹ assurance over the subject matters 1, 2 and 3 set out above.

What we found: our assurance conclusion

Based on the assurance work performed, nothing has come to our attention causing us to believe that the 2007 selected sustainability performance data and Global Reporting Initiative (GRI) declarations nor the explanation of how the Carbon 20 measurement methodology complies with PAS 2050 and the GHG Protocol are materially misstated.

What we did: assurance process and standards

Our work was carried out by a multi-disciplinary team of sustainability assurance specialists in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000).

The work undertaken for the subject matters selected for this engagement consists of:

1. *Selected sustainability performance data:*

Interviewing the team at Reckitt Benckiser’s head office responsible for the data management process, and those with operational responsibility for performance in the areas we are reporting on;

Analysing and walking through, on a sample basis, the key systems and controls relating to the aggregation, compilation, validation and reporting processes of the selected sustainability data at Group level; and,

Reviewing the content of the Report against the findings of our work and making recommendations for improvement where necessary.

2. *Declarations regarding the application of the GRI Guidelines:*

Checking that the Report included a GRI content index, and, for each of the standard disclosures required by the GRI guidance at level A+, that the relevant indicator is provided; and

Reviewing the approach that has been applied to ensure that the Report provides a reasonable and balanced presentation of the Company’s performance during 2007.

Our work did not include specific work for each of the reported indicators (with the exception of the selected sustainability performance data listed on the back cover of the Report). Instead we have re-performed a sample of management’s own testing which they carried out to support their self-declaration that they have complied with the GRI Guidelines at level A+.

3. *Explanations regarding the Carbon 20 measurement methodology and measurement tool:*

Reviewing the approach taken to develop the Carbon 20 measurement tool and its underlying methodology through interviews with management and specifically, analysis of the explanations provided by management with regard to compliance with the standards indicated;

Analysing and walking through on a sample basis, the application of the described methodology into the working measurement tool; and

Checking on a sample basis that assumptions made in the methodology fall within the parameters of the standards indicated, and that the data has been sourced and applied as described in the methodology.

Our work did not consider the appropriateness of assumptions made or include specific work to test the reliability of the source data on which assumptions rely, or the accuracy of calculations made within the measurement tool.

Reckitt Benckiser’s responsibilities

The Directors are responsible for determining Reckitt Benckiser’s sustainable development objectives, for establishing and maintaining appropriate performance management and internal control systems, and for the preparation of the Report and the information and statements contained within it.

Deloitte’s responsibilities and independence

Our responsibility is to independently express conclusions on the three subject matters specified by Reckitt Benckiser set out above.

We have complied with Deloitte’s independence policies, which address and in certain areas exceed the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants.

We confirm to Reckitt Benckiser that we have maintained our independence and objectivity throughout the year, and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Our report is made solely to Reckitt Benckiser in accordance with our letter of engagement for the purpose of the Directors’ governance and stewardship. Our work has been undertaken so that we might state to Reckitt Benckiser those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Reckitt Benckiser Group Plc for our work, for this report, or for the conclusions we have formed.

**Deloitte & Touche LLP
London, United Kingdom
31 July 2008**

Footnote 1: The levels of assurance engagement are defined in ISAE 3000. A reasonable level of assurance is similar to the audit of financial statements; a limited level of assurance is similar to the review of a six-monthly interim financial report.

Footnote 2: This report provides no assurance on the maintenance and integrity of Company websites, including controls used to maintain website integrity, and in particular whether any changes may have occurred to the information subsequent to publication. These matters are the responsibility of the Directors of Reckitt Benckiser Group Plc.

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

www.reckittbenckiser.com

**Sustainability performance data in this report assured by Deloitte & Touche LLP
 (see Independent Assurance Statement, page 27)**

Environment (2007 data)	Page number
• Greenhouse gas emissions from manufacturing energy use (tonnes CO2 equivalents per '000 CUs; actual)	1, 6, 9 & 11
• Total waste at manufacturing and R&D facilities (tonne per '000 CUs; actual)	10 & 11
• Hazardous waste at manufacturing and R&D facilities (tonnes per '000 CUs; actual)	10 & 11
• Water discharges from manufacturing and R&D facilities (m ³ per '000 CUs; actual)	10 & 11
• Energy use at manufacturing and R&D facilities (GJs per '000 CUs; actual)	1, 9 & 11
• Water use at manufacturing and R&D facilities (m ³ per '000 CUs; actual)	9 & 11
• Top 5 raw materials used (million metric tonnes)	9
Product quality (2007 data)	
• Number of consumer recalls	13
• Number of quality issues for existing products and new products	13
Social performance (2007 data)	
• Average number of people employed by region	14
• Nationalities: of the Company's Board, Executive Committee, 'Top 40' and 'Top 400' senior management and 72% of the average number of total global employees	14
• Gender split: of the Company's Board, Executive Committee, 'Top 40' and 'Top 400' senior management and 72% of the average number of total global employees	14
Health and safety at work (2007 data)	
• Lost working day accident rate at manufacturing, R&D and warehouse facilities (per 100,000 hours)	1 & 15
• Numbers of fatal and severe accidents	15
Financial performance (2007 data)	
• Cash Value Added (£) (based on figures derived from public, audited accounts)	3