



# PLASTICS AND PACKAGING

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## Our performance in 2020

**Aim**                      **Progress**

**25%**                      **3%**

post-consumer recycled content (PCR) resin in our plastic packaging by 2025

**Aim**

**50%**

use 50% less virgin plastic in our packaging by 2030

**Aim**                      **Progress**

**100%**                      **54%\***

of plastic packaging reusable or recyclable by 2025

\* based on the Ellen MacArthur Foundation methodology and technical recyclability.

**Our customers, governments and businesses all put plastics and packaging waste towards the top of the list of urgent environmental issues facing the planet. We've set ourselves clear targets to tackle them. Now we're looking to scale up the first results.**

The past three years have seen a huge public focus on plastics and packaging. They're centre-stage for our customers, whether it's Amazon with their 'compact by design' standard, or Walmart with their target to make all packaging recyclable by 2025. People who buy Reckitt products, too, are demanding less packaging and more responsible materials. And regulation calls on companies like us to pay for the plastic packaging we put on the market through packaging taxes.

Of course, the challenge is one we accept readily – in fact we see it as an opportunity to improve our environmental footprint and meet a growing consumer expectation. Every manufacturer in the world has a responsibility to curb their use of materials, and plastics in particular. We've been working to tackle these issues for several years, and our efforts are paying off. Now the priority is to move from driving innovations towards large-scale impact.

We must use fewer materials in our packaging. Alongside this, we want the materials we do use to be recyclable, promoting a circular economy that cuts waste. We also want to use better materials, like post-consumer resins (PCR), bio-based plastics – or replace plastics with paper. In some cases, we're removing packaging altogether.

Our pledges demonstrate our commitment and frame our action. Our headline targets are to:

- Use 50% less virgin plastic in our packaging by 2030
- Make 100% of our plastic packaging recyclable and reusable by 2025
- Use 25% post-consumer recycled content (PCR) resin in our plastic packaging by 2025.

To achieve these targets, we can't work in isolation. We're strengthening our global, cross-sector commitments by joining the Consumer Goods Forum and their Plastic Waste Coalition, and working as part of the Ellen MacArthur Foundation's New Plastics Economy. We also have country-level platforms such as the UK and US Plastics Pacts. And we work closely with our suppliers on innovative solutions – companies like Veolia, Dow, Mondi and many more.



Success is also about sustainability becoming central to how we operate. Our brands review how to reduce their packaging footprint. We've made our Sustainable Innovation Calculator, which measures the sustainability of plastic and packaging inputs for every new innovation, fundamental to each stage of product development. We also train our pack designers in sustainability. This is how we make sustainable packaging part of innovation and decision-making from the start, not something that's retrofitted later. It also underlines how, for us, sustainability and business benefits converge. A pack made with less materials speeds us towards our pledge targets by cutting our environmental impact and, often, the cost.

We track the impact of these changes on our packaging and processes by reporting them through the New Plastics Economy Global Commitments. We give full disclosure in our external reporting, making them part of our own governance processes.

### Progressing on our pledges

We've moved forward on our plastics pledge targets in 2020. We've created more recyclable packaging, including more recycled plastics, and, perhaps most importantly, are progressively using fewer materials overall. This is in line with our new target to reduce the amount of virgin plastic we use by 50%. As well as looking at opportunities to reduce our existing packaging, we are also innovating new ways to drastically reduce our footprint. A good example is the new Lysol SMART refill solution launched in the US, which reduces the amount of plastic used by 75%.

## Plastics and packaging continued

### Progress against aim

Aim

100%

paper and board from certified or recycled sources, excluding third-party manufacturing sites

Progress

97%\*

92.35% in 2019

\* this figure is for H1 2020 and will be updated later in 2021.

We've strengthened our review of paper and board origins, so that we're even more rigorous about traceability to either certified or recycled origins for paper pulp. This has affected the data we get from suppliers. Our percentage of paper (pulp) from certified or recycled sources is higher than in 2019. But we narrowly missed our goal of 100% of paper and board to be from certified or recycled sources. We aim to reach this as soon as possible, and before 2025.

In some of our sectors product turnover can be slow, especially in Health, with its regulatory requirements. The cycle from idea to product launch can easily take as long as two years, requiring us to demonstrate the stability of products over time. And of course we must also ensure that our products are not just attractive and sustainable, but also safe. Even so, work we've done since 2018 to develop our plastics pledges, and to research, test and trial our concepts has produced tangible results in 2020, including:

#### Reducing plastic and packaging

- We removed plastic clamshells from Mucinex in the US.
- We replaced the plastic laminate on Veet hair removal cream bottles with a paper skillet.
- An optimised plastic tub was introduced for Vanish in Mexico, which reduced the amount of material required. We've also started to transition from bottles to flexible pouches here.

- In our vitamin, mineral and supplements category, we launched Blackwell in the US, with a formula-fill weight of almost half its predecessor product but double the amount of product. Taking an 'ecommerce first' approach in development also meant we could remove the cardboard box used to protect bottles sold in brick-and-mortar stores.

#### Making products more recyclable

- Our fully recyclable stand-up pouches for Finish All in 1 achieved technical validation through our partnership with global packaging company, Mondi. Full roll-out in 2021 will cover European production of the Finish Quantum range.
- We replaced the non-recyclable pump from the Durex 100ml Lube bottle with a cap, making the bottle fully recyclable.



#### Increasing recycled content

- We launched a 50% PCR Finish Rinse Aid bottle in Germany in early 2020, with other markets due to follow in early 2021. Finish detergent gels contain 35% PCR packs that will roll out in 2021, starting in Italy.
- India introduced PCR for the first time on Harpic products, as part of our collaboration with Banyan Nation, a local company helping global brands use more recycled instead of virgin plastic (see case study, right).

### CASE STUDY



## DETTOL HANDWASH GOES 100% PCR

In October 2020 we launched our first 100% PCR bottle for Dettol liquid handwash in India. The 200ml black bottle helped raise public consciousness about plastic recycling while also addressing hygiene concerns around the COVID-19 pandemic.

Proceeds from sales of the handwash will go to the ASSOCHAM foundation for plastic waste recycling, among other environmental causes.

### CASE STUDY



## YOYO – COLLECTING MORE PLASTIC FROM CONSUMERS

Even in countries with good recycling infrastructure, the supply of good-quality recycled plastic is under pressure because households don't recycle enough plastic.

In France, households use an average of 7kg of HDPE plastic a year. But only 30% of that is recycled. We teamed up with French start-up Yoyo for a pilot project to see if we could change consumers' behaviour and collect more HDPE plastic bottles.

We gave 150 households in Lyon Vanish-branded grocery-type recyclable bags to make it simpler to sort their plastic waste. Despite COVID-19, we managed to collect all the households' HDPE for five months. We are now working with our packaging supplier, Veolia, to see if we can add the plastic we collected back into our packaging for re-use.

- Our Air Wick PET blisters have been through a second phase of PCR addition, which has gradually increased the amount of PCR to over 85%.
- Launching a 75% PCR recycled high-density polyethylene (HDPE) bottles for a Cillit Bang eco-product in Germany, alongside perforated sleeves for the trigger spray to increase recyclability rates.
- Calgon Ecological+ with 75% PCR bottles was launched in Italy and will roll out on EU shelves throughout the first half of 2021.

Projects like these are a foretaste of how we want to move forward in the years to 2025 and beyond. Our technical progress is encouraging, given the challenges involved in replacing some plastics such as using and obtaining some substitutes. But our priority now is to increase the scale and impact of these programmes, across regions, over the next two to three years.

Overall, we've added 1,700 metric tonnes of PCR to our processes. We may only be at 3% of our PCR target currently, but we forecast this will rise to 10% in 2021–22.

### Looking for transformational impact

We've long sought to minimise our use of materials by making bottles, packs and lids smaller and taking the unnecessary air out of packaging. We're now looking for new ways of getting our products to consumers that are more transformational – but still work well for people, as well as shrinking our environmental footprint.

These include refilling and re-use. A bottle refilled with fresh product is a bottle kept out of the waste cycle, and a bottle we don't have to use material or expend resources to replace. In the US, Lysol SMART saved 75% plastic compared to the traditional format of buying new bottles again and again. We're working with the recycling company Terracycle on more refill ideas. Terracycle recycling programmes are set up for flexible packaging for some of our brands in the UK, including Finish, Dettol, Air Wick and Vanish. These products are not able to be collected through kerbside recycling, but can be delivered to drop-off locations or collected at home, before being sent to Terracycle for recycling.

For the next generation of products, we're investigating other ideas like:

- Even more effective refill solutions, reducing and in some cases, eliminating the need for packaging
- Using more safe-to-use concentrates to cut down on packaging materials
- Replacing a bottle of liquid product with a compressed solid alternative.

The overall result will mean we use less plastic, as well as reducing the amount of water and air we transport around the world.



Using alternative materials is another key element of our approach, whether it's plastic substitutes, recycled plastic or paper, or novel materials like bio-based plastics. Our Air Wick Botanica room spray bottle, for instance, has 99% recycled content, and we plan to extend this initiative across other brands as we move towards our global 25% recycled content target for the whole company.

We are also finding ways to address our consumption of other materials, like metal and glass. We're working alongside our suppliers to track our progress here.

### Facing recycling challenges

Looking beyond our own processes, we're influencing consumer behaviour to boost recycling rates globally. In the UK, for instance, only around 25% of household plastic goes to recycling. In the US, it's only around 9%. So we're helping to improve or create recycling systems in areas where infrastructure is lacking. The more good-quality plastic that goes into recycling, and the better the systems for processing it, the better the supply of materials like PCR, and the more viable the cost (see Yoyo case study, left).

In 2020, we joined the Holy Grail project, which is developing an industry-wide watermark and tracing system to improve sorting in the recycling infrastructure. In 2021, we'll choose products to submit for watermarking and labelling trials.

COVID-19 has created some new recycling challenges for us. High demand for disinfectants has outstripped the supply of PCR for bottles.

## Plastics and packaging continued

This could increase our footprint in this product area, as we used more packaging but couldn't increase the percentage of recycled material as much as we wanted. Recyclers collected less plastic, restricting the supply of waste feedstock for PCR. Also, crude oil prices fell, increasing the cost gap between virgin and recycled plastics. And extra urgency to produce hygiene products left us with longer lead times on packaging trials, particularly with our teams being unable to use labs during lockdowns.

Despite these short-term setbacks, we expect to push ahead strongly in 2021 with efforts to back recycling infrastructure through partnerships, and to boost our own innovation pipeline. Teams are already moving forward on this agenda, with ideas like using vacuum techniques to make Finish boxes and recyclable pouches more compact, and cutting packaging weight. Across Reckitt products we'll also be increasing the use of recycled board, and removing metallised material from cartons so they can be recycled.

### Joining forces for more impact

Whether it's researching new materials formulations, sharing ideas, or helping to improve recycling systems in parts of the world where they're less developed – to succeed we must work alongside others, so that new ideas achieve more, faster.

In 2020, Reckitt joined the Consumer Goods Forum to work with many retailers and manufacturers on sustainability issues. In 2020 the Forum introduced guidelines for making plastic packaging easier to recycle.

Alongside our participation in the UK Plastics Pact, we also joined the US Plastics Pact, a collaborative initiative to move towards a circular economy for plastics in the US by 2025. As a founding Activator, we'll work with others on defining a list of problematic or unnecessary packaging by 2021 and eliminating it by 2025. Also, by 2025 the USPP aims to:

- Make all plastic packaging 100% reusable, recyclable or compostable
- Recycle or compost 50% of plastic packaging
- Make sure plastic packs contain an average of 30% recycled or responsibly sourced bio-based content.

Other highlights from our partnerships in 2020 include:

**Stimulating the market for recycling** with global waste management services provider Veolia. Our partnership to develop PCR by turning an affordable material into a clear, clean and odourless feedstock has continued in 2020, following our 2019 work pioneering rigid Finish containers for use with detergents. We've now launched our first Vanish packaging containing 35% PCR. The big technical challenge was to make sure the iconic pink colour wasn't visibly different from virgin plastic packaging.

**Defining our approach to using bioplastics in a responsible way**, working with the European Bioplastics organisation and University of Amsterdam. We've focused on responsible sourcing, and how to confirm through life cycle analysis that impacts are better than virgin stock, and that bioplastics are compatible with local recycling infrastructure.

### Looking to the future

Our targets take us to 2025 and 2030, but our thinking goes further. Our long-term emphasis is on delivering our products in new ways that minimise or eliminate packaging, and still work well for consumers. Our work on refilling and re-use is an example. By 2025, all our plastic

packaging will be recyclable and our use of better materials like PCR will be rising. Our new Polymer Science function in the global packaging team is responsible for the next generation of plastics; and finding new ways of recycling, including dissolution and chemical recycling. Right now, we're enhancing mechanical PCR as a first priority.

### Listening to our stakeholders

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

Email us at [sustainability@reckitt.com](mailto:sustainability@reckitt.com).

Or write to:

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