

PRODUCT STEWARDSHIP – INGREDIENTS AND TRANSPARENCY

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Our success depends on producing quality products that people want to use. But they must also be products that people trust because they're intrinsically safe. Earning that trust is about being transparent about what goes into our products. Increasingly, it's also about products that are more sustainable.

We must document and demonstrate that ingredients are safe for people and the environment. That applies from the moment we source, transport and use the ingredients in production, to when consumers use and dispose of the products. And we must give clear and honest information to let consumers make informed choices.

Consumers are increasingly attentive when it comes to product ingredients. They're more concerned about health and the environment than ever. There's also increasing focus on our supply chains and the origins of the materials. Transparency is vital to produce the information that consumers depend on and that keeps us in step with regulations. We maintain it through information on our packs and online.

Our policies on ingredients are global, and they go beyond what the law demands. In 2020, overseeing how we follow them across the product lifecycle was down to our Safety, Quality and Regulatory Compliance (SQRC) function.

A hallmark of our evolving approach to ingredients is to anticipate regulatory and scientific developments so that we can adapt well ahead of time. As well as protecting our reputation, this is better business practice than working in a reactive way or waiting until late in the legislative cycle to make necessary changes to products. The more forward-looking we are, the more likely we are to take change in our stride and take a lead position in our industry on transparency.

Overlapping with this is our investment in scientific R&D, which we'll apply across our categories in the coming years to speed up innovation.

2020 highlights

For all our brands, we want to give information covering every stage of products' lifecycle, covering ingredients and the supply chain. It appears on product packs and online. Examples of this include ingredient panels on Finish, Vanish and Air Wick products in the US, Europe and other markets. These show what ingredients we use and why. Our Health brands, like Durex with its Naked Truth labelling, take a similar approach.

We also continue to improve our ingredient transparency websites, which cover products we sell in the US and Canada (www.rbnainfo.com) and share information in a way that's easy to understand. We're looking to build equivalents for other markets.

A centrepiece of our product stewardship work is reporting how we handle ingredients of concern. We also support the use of safer and more sustainable chemicals. We have adopted a science-based approach to innovation across Reckitt. Our research and development effort is built on eight global science platforms. These trigger insights and pool expertise to generate more sustainable, even safer and more effective new product innovations.





RECORDING OUR CHEMICAL FOOTPRINT

For the third year, in 2020 we took part in the Chemical Footprint Project (CFP). Through this, we track our progress on managing chemicals, choosing safer alternatives and using and reducing ingredients of concern. Our score was 81%, compared to 73.5% in 2019, and this was the second year we've quantified our footprint. The improvement was down to being more transparent about our footprint, which we've achieved by working with partners on safe and effective alternative ingredients, and with suppliers. We're also continuing to invest in tools to make the measurement more accurate.

Other highlights of 2020

Launching products with smaller chemical footprints The Veet Minima Silky Fresh range includes fragrance and dye-free wax strips and hot sugar waxes, as well as hair removal creams with no urea. We also continued our programme to remove the fragrance ingredient lilial from our portfolio. (For more information on the ingredients we've removed from our portfolio, refer to the table on page 3). Lilial-free versions were due to start replacing current products in early 2021, with no negative impact on fragrance.

Other launches included:

- Durex Natural lubricants in the US, free from parabens and glycerine
- Durex Pro-pH balancing range, which is paraben-free, includes natural-origin materials and has biodegradable wipes
- Air Wick Botanica with renewable and natural fragrances
- Dettol alcohol-free hand sanitiser (a Reckitt first) in China, with bio-renewable actives (lactic acid and citric acid, sourced from cane sugar and corn, respectively) to boost effectiveness. It will roll out to other countries in 2021. It's been proven to kill 99.9% of bacteria and viruses and kills COVID-19.

Improved nutrition Reckitt's dedication to improving our nutrition products is key to our pursuit of a healthier world. Guided by the latest evidence-based medical research, nutrition science and expert recommendations, our team will use the six components to good nutrition – proteins, carbohydrates, fats, vitamins, minerals and water – as guiding pillars in this pursuit to support the nutritional needs of our consumers through every stage in life and across all geographies.

Our first nutrition commitment focused on sugar, which is a carbohydrate essential to providing energy to the body. While there are many types of sugar, lactose is our preferred carbohydrate source as it naturally occurs in human breast milk. In September 2020, we outlined our specific

commitments on sugar for our infant and child nutrition portfolio, to be implemented by March 2024. We look forward to the future and extending our strong foundation of trust from decades of leadership in nutrition science.

Antimicrobial stewardship We're members of the Global Respiratory Infection Partnership (GRIP). This initiative brings together healthcare professionals who advocate an evidence-based approach and intervention for antimicrobial stewardship, with good hygiene practices and infection prevention being one of the pillars of the global WHO strategy. This year, we supported a GRIP global conference for healthcare professionals on the importance of not using antibiotics inappropriately to treat upper respiratory infections. A second event developed a roadmap for pharmacy to tackle antimicrobial resistance. This recognised the role of both effective relief of symptoms and good hygiene practices.

Looking to 2021 and beyond

We are committed to transparency and want to give our consumers all the information they need to make informed decisions about the products they're bringing into their homes, which means giving information that goes above and beyond legislative requirements. We understand that consumers want to know more about the products they buy. To support this growing expectation, we are committed to being clear, honest and transparent and partnering with our suppliers.



Product stewardship – ingredients and transparency continued

The information we provide helps our consumers understand the benefits of our products, together with the ingredients we use, why we use them – and where they come from, in the case of natural raw materials. One way we do this is through the ingredient panels on pack for specific brands, described on page 1. As part of our journey to full disclosure, they clearly communicate what ingredients we use and why we use them. We also have web-based information that expands on the information given on labels.

We're also strengthening our approach to ingredients to make sure we use those most resilient ones for the long term. This means finding purer, simpler ingredients wherever we can, while maintaining product efficacy so consumers can rely on them. To do this, we're updating our tools to help teams choose safe and effective alternative (SEA) substances. This involves evaluating the materials we use and working with stakeholders like the Green Chemistry & Commerce Council (GC3), who help us put emerging principles on sustainable chemistry into action.

Managing ingredients of concern and safe alternatives

We maintain a consistent global approach to minimising and eliminating substances of concern. We do this through our Restricted Substances List (RSL). As we add ingredients to the RSL, we start rework programmes to remove them from the portfolio. It means we've steadily reduced substances of concern since 2012, as the RSL has become a key part of product development.

| Ingredient to remove | Completion date | Comments |
|--|-------------------------------------|---|
| Lilial | 2023 | Removal in progress, ahead of regulation |
| Triclocarban (TCC) | 2019 | Removal from bar soaps |
| Fluorosurfactants | 2018 | Removal |
| Polyethylene (PE) and Polyurethane (PU) microbeads | 2018 | Removal |
| Parabens (butyl, propyl, isoparabens) | 2015 (rest of the world); 2013 (EU) | Reduction programme (excluding medically licensed products) |

Our Ingredient Steering Group provides governance of our ingredient policies. We also keep a watch list of ingredients with emerging concerns or evolving standards. Our RSL policy defines our commitment and approach, which often means we set global limits or bans on some ingredients beyond what regulations demand. It also includes guidance for formulators on how to choose better alternatives, for example, for colourants and polymers.

Alongside the RSL, the Ingredient Steering Group oversees how we adopt safe and effective alternatives in new or reformulated products. To help us develop safe products with the lowest possible environmental impact, we use the key concepts of green chemistry in product development:

- Designing safer products
- Preventing waste
- Designing for energy efficiency
- Designing for degradation, reuse or recyclability
- Designing for bio-based or renewable raw materials.

Our Ingredient Steering Group is a global, cross-functional task force to screen new and safer alternatives to use across our portfolio. We also screen and test new ingredients to make sure they're effective and safe. In doing so, we will collaborate with industry groups and suppliers to make safe and effective alternatives more available.

Preservatives are one issue we're working to resolve. We want our products to reach our consumers in the best possible condition and that's why we use preservatives to prevent any microbial growth or other unwanted changes. The lack of a wide array of safe preservatives is one of the industry's current challenges, and at the same time, preservatives are under more scrutiny from consumers and regulators. This makes them a priority for developing safe and effective alternatives.

CASE STUDY



VEET MINIMA: FUTURE-PROOFING CHEMICAL CONTENT

Our team wanted to cut down the number of chemicals in Veet Minima hair removal products, and address odours which some consumers found off-putting. They embarked on the biggest reformulation of the range for 30 years, while also strengthening the purity of the ingredients used across the brand.

The team also took the chance to remove or replace other ingredients that could become an issue in the future with regulators or consumers. Veet creams now have 35% fewer chemicals and ingredients, and have lost their ammonia smell, which came from urea used as an ingredient.

We also developed new parts of the Veet range to boost its low-chemical credentials. These included hypoallergenic, fragrance and dye-free cold wax strips with 50% fewer chemicals and ingredients, and hot sugar waxes, also without dyes and fragrances, and with 100% natural ingredients.

Product stewardship – ingredients and transparency continued

Looking beyond the RSL

The Restricted Substances List (RSL) is an effective mechanism for us to keep up transparency about ingredients. But we want to go further. We'll do this by going beyond responding to concerns from our industry, regulators and consumers. As much as possible, we want to set the agenda on ingredients ourselves. This means taking the initiative to understand what future priorities will be, rather than only responding to new regulation as it emerges. Using insights from work like our participation in the Chemical Footprint Project helps us embed this approach.

There are wider benefits. The stronger and clearer our position, the easier we make it for our partners and suppliers to support it. This approach is at the heart of our drive to look forward as much as possible to pre-empt concern and manage our response efficiently.

Coping with the COVID-19 challenge

In 2020, we've worked through the challenges posed by the pandemic by focusing first on the substances that most concern scientists, regulators, the industry at large or consumers. We've also prioritised disinfection products like Lysol and Dettol, or OTC pain relief products like Nurofen, as demand for them has been much higher in 2020. In some cases, we had to delay phasing out some ingredients, like the fragrance component lilial, so that we could keep producing much-needed antibacterial products to combat COVID-19. We still plan to replace these ingredients within our planned timescales and regulatory controls. Despite the shifting priorities in 2020, we still exceed legal timelines.

How we stay transparent

We have global standards for product quality and safety. They keep our products consistent and reliable, and in many cases they go well beyond local regulations. In 2020, it was our Safety Quality and Regulatory Compliance (SQRC) function's job to oversee how we follow these standards. For more information, refer to the [Product quality and safety insight](#).

Our quality assurance functions keep a close eye on the quality of processes and products from the overall global level, to regions and individual sites. They also regularly audit key suppliers. This gives us continuous improvement in our raw materials, ingredients and components that's ultimately reflected in our finished products.



CASE STUDY

AIR WICK BOTANICA – USING NATURE'S BOUNTY

The Air Wick Botanica range responds to consumers' concerns about the make-up of products and their environmental impact, by using responsibly sourced, natural ingredients.

The scented oils, room sprays and candles use ingredients like a naturally derived solvent and a natural wax. They also use new sustainable packaging. The room spray bottle is 99% post-consumer resin (PCR), and the reeds pack is plastic-free, while their design includes PCR glass.

Product stewardship – ingredients and transparency continued

The Global Safety Assurance team evaluates the safety of new products and changes to existing ones based not just on how we design them to be used, but also how they could be foreseeably misused. The team monitors product safety in the market, passing on insights to product development teams. Our consumer safety policy has guidelines, standards and procedures for the whole product life cycle.

The Ingredient Steering Group oversees our whole approach. It includes leaders from across the R&D, SQRC and Sustainability teams. They pinpoint new issues, formulate our response, and coordinate any action we take, like changes to products. The group assesses priority ingredients against regulations, also bearing in mind consumer and environmental safety, sustainability and public perception, and exploring whether we can replace them with safe and effective alternatives.

Partnerships with our suppliers, customers, associations (such as GC3), academia and civil society support our approach. We participate in the Chemical Footprint Project, for instance, which Walmart, one of our key customers, also backs. We also currently work with the University of York in the UK, funding research on how materials degrade in the environment when they're disposed of.

Our approach to ingredients

We want the safest and purest ingredients for our products, and we want to use only the ingredients we need, and nothing more. We've supported reductions in hazardous chemicals and committed to them in our sustainability reporting. We committed to voluntarily banning PVC packaging of household products by 2009, formaldehyde in 2006 and polyethylene (PE) beads by 2018. We also backed the California Ingredient Disclosure Bill in 2017 by disclosing product ingredients we use in North America, and we continue to support the agenda behind the legislation.

We're in tune with our industry's awareness of chemicals of concern, and that of our consumers, NGOs and regulators. Our customers increasingly have their own RSLs that suppliers like us must follow. It's important to engage closely with all these stakeholders to keep standards high and fix the right priorities as we move forward together. Participation in the Chemical Footprint Project (<https://www.chemicalfootprint.org/>) is part of this effort. It helps us benchmark our approach to chemicals management, inventory, measurement, public disclosure and verification.

Partnerships and collaborations

Green Chemistry Commerce Council (GC3)

We're part of the GC3's Sustainable Chemistry Alliance group, which promotes policies to accelerate development of sustainable chemistry processes and products. Public policy can trigger innovation that leads to safe and effective alternative ingredients. The GC3 Sustainable Chemistry Alliance has backed the Sustainable Chemistry Research & Development Act, which would give national support for commercialisation, training and education on chemistry research. The Bill has been recently passed and we're working with the GC3 Sustainable Chemistry Alliance to support its implementation.

<https://greenchemistryandcommerce.org/>

European Chemical Industry Council – CEFIC

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

Academic partnerships

We continue to support the Ecorisk2050 EU project to better understand the future environmental risks of chemicals. <https://ecorisk2050.eu/>

We're sponsoring the Natural Environment Research Council's new Centre for Doctoral Training (CDT), specialising in managing chemical risks in the environment. From 2021–22, the centre will support three intakes of 13 students.

We also co-sponsor research at the University of York in the UK on the environmental risks associated with polymers.

WHAT IS GREEN CHEMISTRY?

Green chemistry, or sustainable chemistry, is about developing and using chemicals and materials that:

- Are less toxic to health and the environment
- Have lower energy consumption and related emissions
- Have less impact on natural resources
- Are designed to lead to less waste and more reuse or recycling of chemicals and materials across a product's life cycle.

Products using green chemistry show improvements in at least one of these areas, without performance suffering significantly in the others. This could be in how they're produced, used or disposed of, compared to products that use chemicals and materials in similar ways.



CASE STUDY



LOOKING AHEAD

We look for continuous improvement when it comes to the ingredients we use in our products. That means we never stop learning, says Heather Barker, Global Head of Regulatory Hygiene. "Science isn't static. We're continually learning about ingredients and how to make better choices by offering people products that will delight them.

"We want to bring meaningful consumer education and transparency to what is in our products and why," says Heather. "People are looking for more natural ingredients in their products, and we're working hard to make sure we add them in the right way. An ingredient from a natural source could end up having more impurities than the same substance synthesised in a laboratory."

She adds: "Consumers also expect a product to be efficacious – to do what it claims. We aim to distil complexity so people can make informed choices for them and their family."

New 2020 product launches with naturally-derived ingredients include **Botanical Origin laundry products** and the **Botanica range from Air Wick**. We've also got third-party certifications by meeting criteria on ingredients used, and by using EU Flower, Nordic swan and USDA Biopreferred logos on specific product labels.

Explaining the safety of our ingredients

We want to be 100% transparent about our ingredients, through clear labelling on our products and online information. In 2020, 75% of our net revenue came from products where we disclose ingredient information on the pack or online. The other 25% are mainly hygiene products we sell outside Europe and the US, where regulatory requirements are often still evolving and we're working to shift labelling policy so we can give consumers more information.

We also include information about how to recycle or dispose of products, like asking consumers not to dispose of wipes by flushing. Differences in recycling infrastructure across the world make this a challenge, and we're looking at ways to help develop them.

Improving online information for consumers

Websites help us get detailed information to consumers efficiently. We've improved our US ingredients website by adding more technical details, including fragrance information, and by making it easier for consumers to search for information about popular brands. Our European website already has similar information, and we're planning to extend this approach to other markets and to our brand websites.

To keep customer satisfaction high, our Consumer Relations teams around the world respond when consumers get in touch, making sure we capture details of their experience in our Global Consumer Relations database. We track consumer satisfaction through brand perception analysis and by tracking complaints and enquiries to our consumer helpline. Currently, we get 27.71 complaints for every million units we sell.

Promoting the benefits of our products to consumers

Our products have health, hygiene and nutritional benefits, whether it's Dettol and Lysol protecting against germs, Nurofen offering pain relief or Durex protecting against sexually transmitted diseases. In line with our purpose – to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world – we help consumers understand these benefits. We do this through clear and accessible information about how to use our products, what the ingredients are and where they come from.

We continue to raise awareness among consumers and healthcare professionals about the need to protect against the microbes that produce respiratory illnesses. This expertise meant we were ready to respond when the COVID-19 pandemic struck. An example of our efforts here is our continued support of the Global Respiratory Partnership (GRIP). GRIP is committed to antibiotic stewardship and conservancy by changing current healthcare professional and patient behaviour in the treatment of upper respiratory tract infections to avoid building antimicrobial resistance.

We also design our products to have other benefits – so that they produce less waste, or need less energy or water to use, for instance. Some examples are Calgon, which makes washing machines more energy efficient by cutting limescale build-up; while Vanish makes clothes last longer by removing stains. Finish dishwasher tablets are the most effective on the market for the 'eco' cycle setting, and dishwashers use less carbon and water than doing the washing-up by hand. For more about how we're developing more sustainable products, see our [Sustainable product innovation insight](#).

Our animal testing policy

We want to avoid unnecessary animal testing. We won't conduct or commission animal tests on ingredients or finished products, or request our suppliers to, unless required by law, or there's no other way to resolve a specific safety concern. For more details, see our [Animal Testing policy](#).

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.

Or write to:

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