reckitt

REDUCING WASTE

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Our performance in 2020

Aim	2020	Aim	2020
30% reduction in waste from manufacturing	28%† reduction in waste per unit of production versus 2012	100% waste to landfill	96%† of our manufacturing operations with zero waste to landfill

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

We've come close to the point where our sites send no waste to landfill. Now we're building on that to reuse and repurpose waste and, most importantly, produce as little of it as we can. It makes environmental sense, but it's also good business.

Waste is one of the biggest challenges facing our planet. Businesses like Reckitt have a responsibility to limit their impact and make sure not only their own operations but also their supply chains generate as little waste as possible, whether it's from production or packaging.

Cutting waste from manufacturing to disposal

We focus on waste all the way from when we source and process ingredients to when consumers use our products. We have most control of this in our manufacturing processes. Minimising waste here makes us not just a good corporate citizen, but a better business: a less wasteful business is a more efficient and cost-effective one. We've had considerable success here in recent years. In 2013, 48% of our sites sent zero waste to landfill. In 2020, 96% had reached this target, as we both reduced waste and recycled, reprocessed or found better disposal options such as waste-to-energy. That drive to avoid waste has meant a 28% reduction since 2012.

Reducing waste continued

We also focus on what happens to our products once consumers buy them. This means working to cut down on packaging waste by developing more recyclable and reusable packaging. Our Plastics and packaging insight has more on this.

In 2020, we continued to develop and track the impact of initiatives to cut waste in our manufacturing sites. While we're close to our zero-waste-to-landfill target, two of our US sites are an exception because the waste-to-energy facility they used has now closed. We're looking for alternatives in the region to prevent waste going to landfill, as well as continuing to reduce waste in these factories in the first place. We're also bringing the Mead Johnson business we acquired in 2017 into line with our waste standards, and they're included in our targets for 2030.

Following regulations, updating standards

We continue to follow and aim to go beyond local and national regulations on waste management. In 2020, we reviewed all of our global environmental standards, including waste management, raising the bar on what we expect within the business. Among other things, it means we comply with waste legislation and set clear targets and objectives for people involved in waste management. This is our baseline and our approach, embodied in our waste management standard, is to progress through a waste hierarchy so we eliminate waste wherever possible. Where waste arises, we aim to reduce, recycle or recover materials. By segregating waste, we increase recycling and we work to find ways to recover materials so that we or others can reuse them.

Our factory at Chonburi in Thailand already avoids sending any waste to landfill, and has taken its waste management to the next level. No waste is incinerated – our first Nutrition site to achieve this. We did this by converting more waste streams to material which could be used by others, for example developing a new supply stream of spent processed milk and powder for farmers who can use it as animal feed. This points the way to a growing part of our work on waste – to reuse and repurpose it. We're also able to cut waste directly from our product packaging, for instance by removing secondary shrink-wrap from Durex products in China and Thailand.

In our supply chain we're working to cut waste by monitoring site waste, promoting waste reduction and urging our suppliers to use more recyclable and reusable materials. In 2020, we partnered with Manufacture 2030, a programme which allows retailers and manufacturers to measure environmental impacts. The programme will initially reach 289 third-party manufacturers spanning 40+ countries. More suppliers will join the programme through 2021 and beyond. We'll be actively supporting suppliers in reducing their environmental impacts to create a cleaner world. Through Manufacture 2030's cloud-based platform, the Bee, we encourage environmental performance improvement at an individual factory level, including waste efficiency.

Waste in our manufacturing and warehouse operations

	Units	2012	2016	2017	2018	2019	2020†	% Change vs 2019	% Change vs 2012
Waste per unit of production[2]	Tonnes per 1,000 CU	0.01170	0.00940	0.00919	0.00863	0.00849	0.00841	-1%	-28%
% of sites with zero waste to landfill	% of manufacturing sites	–	98%	100%	93%[1]	96%[1]	96%[1]	n/a	n/a
Hazardous waste per unit of production[2]	Tonnes per 1,000 CU	0.00160	0.00126	0.00133	0.00140	0.00163	0.00180	10%	13%

1 Includes zero waste to landfill status of our IFCN sites, acquired in 2017.
2 Pre-acquisition data for our IFCN business unit is not currently available. To ensure comparison with our 2012 target baseline, 2020 data shown excludes IFCN. Including IFCN, 2020 (manufacturing and warehouse waste was 0.0120 tonnes per 1,000 CUs and hazardous waste was 0.00173 tonnes per 1,000 CUs).
† Assured by ERM CVS as part of their limited assurance scope; for details, see our Sustainability governance, reporting and assurance insight.

Reducing waste continued

Waste from manufacturing and warehouse operations by type and disposal method

	2016*	2017*	2018	2019	2020
Total waste generated (mT)	71,410	70,064	95,822	95,881†	98,488†
Total waste recycled, reused (mT)	68,174	64,051	81,947	66,301†	69,813†
% waste recycled	96%	91%	86%	69%†	71%†
Total waste disposed (landfill) (mT)	2,696	6,031	13,875	29,580	5,365

* Prior to IFCN acquisition.
† Assured by ERM CVS as part of their limited assurance scope; for details, see our sustainability governance, reporting and assurance insight paper.

Managing waste from our operations

Each of our manufacturing sites is accountable for managing and disposing of its waste. Our Global Waste Management Standard applies across all our manufacturing sites, covering every aspect of waste management, recycling and compliance. Sites report monthly on their progress and are assessed through our performance management process, as part of our overall Global Environment Standards management and compliance assessments. Also, detailed site audits, part of our annual audit programme, assess standards and controls on waste and other environmental risks and performance. The audits include assessment of proper disposal of all waste, including hazardous waste. In 2020, COVID-19 disrupted initial audit plans, but we were able to run virtual audits in the second half of the year and completed our programme for 2020.

Cutting waste beyond manufacturing

Our manufacturing sites are part of our global ISO 14001 environmental management certification. This, as well as our company waste standards, means they develop measures and controls to reduce waste and manage its disposal carefully. The standards encourage recycling and reprocessing of waste, with site environmental specialists identifying the best ways to do this locally.

Beyond our manufacturing operations, we have similar aims. Our offices are also helping to cut waste. In India, our team has redesigned invoices to dramatically reduce waste paper. Invoices have to be printed out in India for legal reasons, but in their old form the documents ran to nine pages. We estimate this used as much as 99% of Reckitt India's stationery. The new layout has cut the document down to just two pages, saving a projected five million sheets of A4 paper in 2020. As well as cutting waste and the use of paper, it's also saving 100 tonnes of carbon emissions a year.

Overcoming challenges

Keeping waste to a minimum means more than just making our own production processes more efficient. For instance, changes in quality control, manufacturing equipment, labelling or consumer preferences can lead to unused or obsolete stock. We try to avoid issues like this by planning well and working with consumers to be able to anticipate how their preferences might change. This planning reduces waste at our manufacturing sites, eliminating materials that we wouldn't use as we change the products we make. We also work with consumers, helping them recycle packaging. We aim to choose materials and design packaging so that it's readily recyclable. For example, we only use one type of material in our award-winning trigger sprays, we've stopped using laminates of different plastics and we use new flexible films that can be recycled. More information on this is in our Plastics and packaging insight. For packaging that's harder to recycle, we've also developed programmes to help consumers dispose of it and allow it to be reprocessed. An example is our partnership in the UK with Terracycle, a free scheme where people can drop off waste packaging which is then repurposed through reuse, upcycling or recycling.

Another challenge for us is the high cost of alternatives to landfill in some regions. Recycling waste for a new purpose or even waste-to-energy is preferable to landfill. But it can often involve more costs. It may mean extra costs for upcycling, transporting and storing the material because there are several stages before it's reused. Also, facilities could be further away. We continue to find environmentally preferred and cost-effective ways of managing waste and move up the waste hierarchy in how we dispose of waste.

Recovering, reusing and repurposing materials

Where we can, we'll rework and reuse materials to avoid waste altogether, but our overriding aim is to maintain the safety and quality of our products. At our factory in Anhui, China, for instance, instead of having waste sludge from processing and manufacturing incinerated, we now send it to a supplier who makes it into fertilizer. Our team worked with third-party inspectors to make sure the material passed safety inspections.

At our Hygiene products factory in Tatabanya, Hungary, the team uses an ultrasonic washing machine to recover and rework plastic hooks from packaging that didn't initially make manufacturing standards but can be reworked to the required level. As well as being environmentally better by saving 95% of hooks from recycling, it saves €50,000 a year in recycling costs.

Recovering and reusing plastic hooks at our Tatabanya factory

In South America, our colleagues are looking at innovative ways of repurposing waste, for example our waste latex from our Brazilian Durex factory becoming soles for shoes. Similarly, our factory in Cali, Colombia, sends 12 tonnes of waste corrugated cardboard a month to Smurfit Colombia, which supplies its cardboard boxes. It also sends two tonnes of waste polyethylene a month to make coloured plastic bags for sorting waste at recycling points. And the team is piloting the use of laminate waste from doy packs to make plastic storage pallets. When production starts, they estimate this will cut laminate waste by 30 tonnes a year.

Looking ahead – our focus for 2021 and beyond

This year we announced new targets for 2025 and beyond. Our ambition for zero waste to landfill from 100% of our sites continues. We've also set our sights on reducing waste from manufacturing and warehouses by 25% by 2025. This builds on the 28% reduction since 2012 levels that we achieved by 2020 and extends our goals across our newly established Nutrition business unit.

We'll carry on looking for better ways to avoid, reduce, dispose of or recycle our waste. For example, by committing to 'green chemistry' principles, we're starting to identify more recycled ingredients. For more on this, see our Product stewardship – ingredients and transparency insight.

Our brands are also getting in on the act, encouraging consumers to behave in ways that avoid generating waste. An example is the partnership between Vanish and the British Fashion Council.

Our Cali factory is undertaking a pilot, using plastic waste to make pallets

CASE STUDY

VANISH MAKES FASHION MORE SUSTAINABLE

Vanish has started a partnership with the British Fashion Council (BFC) to make the fashion industry more sustainable, and to get people to find new uses for old clothes instead of throwing them away. Vanish also sponsored the 2020 London Fashion Week and is a founding partner in the Institute of Positive Fashion, the BFC's new initiative to help make the British fashion industry more resilient by adopting circular principles. Vanish is co-sponsoring research on what it will take to create a viable circular fashion industry in the UK. It will also run a year-long programme with industry experts and influencers to get people to think differently about old clothes so they can be used again and again. That includes looking after clothes better, wearing them for longer and buying more used clothes. This aligns with Vanish's purpose to give clothes many lives.

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:

The Sustainability team
Reckitt Benckiser Group plc (Reckitt)
103–105 Bath Road
Slough
Berkshire
SL1 3UH
UK