

OUR SUSTAINABILITY AMBITIONS

OUR SUSTAINABILITY AMBITIONS

Rejuvenating growth, sustainably

Reckitt's purpose is to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world. It's the basis of our business strategy, delivered through our three business units – while our sustainability agenda frames our ambition to make the greatest positive impact we can on society and the planet.

Our Compass



Our fight

This time last year, we said we had a fight on our hands. A fight to make access to the highest quality hygiene, wellness and nourishment a right and not a privilege; a fight to make the daily necessities of information and products promoting good health and hygiene available to us all. That is why in 2020 we also launched our Fight for Access Fund, to ringfence an annual investment equivalent to 1% of adjusted operating profit to improve access to high-quality products, providing education and information, and driving availability.

No year could have demonstrated this truth better than 2020, with the devastating effects COVID-19 has had on health and livelihoods all around the world. The pandemic naturally led to a huge increase in demand for our disinfectant brands like Dettol and Lysol, hygiene

protection being the first step in reducing transmission. Our immediate priority was to help people by keeping our operations running safely and making a huge amount of extra product available. And we played our part in getting the hygiene message out through one of the largest public health education campaigns in history.

Dettol's #HandWashChallenge, which encouraged people to wash their hands, started in India in April and by November 2020 had generated more than 125 billion views around the world. This was no traditional public health campaign. Using TikTok, it invited people to create their own dance moves around washing their hands, set to a bespoke soundtrack with a branded Dettol banner.

Societal impact through our purpose-led brands...

This is a core example of Reckitt's philosophy of empowering people to improve their own hygiene, wellbeing and nutrition. It's why all our brands are increasingly following a purpose-led path, starting with innovation, which maximises the benefits to consumers while balancing the wider impacts we have on society. Many of our brands already champion an issue which is authentically and meaningfully connected with the product. For example, Vanish and its partnership with British Fashion Week, promotes cleaning and reusing clothes while Dettol and Harpic focus on water and sanitation for health and hygiene.

Our bold ambition by 2030 is to reach half the world with brands that help people live cleaner, healthier lives and enable a cleaner, healthier world. We also aim to engage two billion people each year to make a positive societal impact, through our partnerships, programmes and campaigns. Whether through our brands or our Fight for Access Fund, or our value chain, the impacts we create contribute towards delivering the UN's Sustainable Development Goals (SDGs).

And our target by 2022 is for all of our global brands to deliver on their purpose and build connected causes, aligned with the SDGs, that we should fight for, and where we can have the most impact.

...and sustainability as a whole through our company

Major megatrends are fuelling and strengthening our brands, and are reflected in our overall business strategy. Urbanisation and global warming mean denser populations living in warmer places needing more effective hygiene – and hygiene is the foundation of health. The growing pressures on public health systems are increasing demand for self-care through good health and hygiene. Growing populations need improved nutrition. And, with more people on the planet, sexual wellbeing is an ever-higher priority. Underpinning all our growth opportunities are developments in technology, which are transforming not just what people buy, but how they buy.

FOR A CLEANER, HEALTHIER WORLD: OUR 2030 AMBITIONS

Our strategy

Our purpose:
to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world

Our fight:
to make access to the highest quality hygiene, wellness and nourishment a right, not a privilege

Our compass:
doing the right thing, always

Our DNA:
200 years of people-led, scientific innovation and social impact

Purpose-led brands

- 50%** of net revenue from more Sustainable Products by 2030
- 50%** reduction in our product carbon footprint by 2030 and water footprint by 2040
- 65%** reduction in chemical footprint by 2030
- 50%** reduction of virgin plastic in packaging by 2030

Healthier planet

- Carbon neutral by 2040
- Water positive in water stressed sites by 2030
- 65%** reduction in GHG emissions in operations by 2030
- 100%** renewable electricity by 2030

Fairer society

- An **inclusive** culture, where everybody is treated fairly and equally
- Our teams represent the **diverse places where we work** and the people we serve
- 50/50** gender balanced management at all levels by 2030

A cleaner healthier world through the power of our purpose-led brands

Reach half the world with brands that help people **live cleaner, healthier lives**

Engage 2bn people in our partnerships, programmes and campaigns

A lasting difference in communities through our **'Fight for Access Fund'** and our programmes

Working with our partners to help deliver the **UN Sustainable Development Goals**

Our sustainability ambitions continued



Our business strategy recognises these megatrends, and our business growth is anchored in responding to them. We don't just manage risks, but create opportunities through these trends by delivering our purpose: the relentless pursuit of a cleaner, healthier world. Business is increasingly expected to contribute positive societal impact. This expectation has grown through the pandemic, but is also at the heart of the SDGs. It's the contribution of business as a global corporate citizen. For Reckitt though, that contribution is not new. It's embedded in our 200-year heritage. It's the legacy of James Reckitt and the social impact he created when first setting up his business, for his teams and the local communities.

This has led to our ambitions for 2030, delivering our purpose. By reaching half the world with brands that enable a cleaner, healthier world, we're finding ways to win our fight. Our ambitions and activities to deliver them are framed by the three pillars of:

- **Our purpose-led brands**, where we can reach two billion people with programmes, partnerships and campaigns, and with innovations that are even safer, more effective and more sustainable to enable a cleaner, healthier world
- **A healthier planet**, where combatting climate change while protecting and even regenerating ecosystems and biodiversity help enable a healthier planet and public health associated with it
- **A fairer society**, where as an employer and in our value chain we can enable a fairer, more diverse and inclusive society.

Some of our work will be an extension of what we're already doing, and in other cases we'll build new and stronger activity, and positions for the future. We'll build these activities, developing our approach as we work with partners and communities around the world. For us, and indeed many people, solutions to global challenges are always being developed. It's fair to say that nobody has all the answers yet. But we're working hard to find ways forward which will make the greatest positive impact, while progressively avoiding any negative impacts.

No company can be a leader in every aspect of sustainability. We need to be most ambitious where we can make the biggest difference by innovating and achieving at scale. For Reckitt, this is through our purpose-led brands; how we enable a healthier world through our products and value chain; and how we enable a fairer society as an employer and within our value chain.

Even so, we must deliver credibly against our ambitions for our entire sustainability agenda. Just because we emphasise certain key areas, it's not acceptable to overlook others where we may have an impact.

Joining forces to win bigger

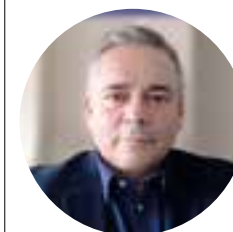
Our agenda covers major societal challenges that we simply cannot solve alone – issues like climate change and the circular economy. For example, one of our circular economy goals is for 100% of packaging to be recyclable or reusable by 2025; but in the US, one of our largest markets, you cannot currently use recycled plastic in some products, such as infant formula packaging. In many countries the recycling infrastructure is weak, which makes it even harder to collect and then reprocess plastics to recycle them. At best, they're recycled, but this is often a small proportion of the overall packaging. Packaging not recycled may be incinerated or landfilled; at worst it simply pollutes the environment. Solving issues like these means working in concert with multiple stakeholders such as our industry peers, retail customers, the waste management industry and governments. And this kind of change takes time – as does, for example, building our response to climate change in our manufacturing sites and suppliers, or regenerating key ecosystems such as the Great Plains in the US, where our programme with Air Wick will require working with farmers and local communities.

Downstream (when our products reach customers and consumers), the largest impact comes from how people use and dispose of our brands. Product innovation that helps consumers in these areas is critical to our sustainable growth ambitions. Our brands can also build awareness so that these changes become new habits for consumers. This is where our programmes and campaigns can create more impact by reaching billions of people.

We must also be alive to changing expectations. Lockdowns all over the world massively accelerated the trend towards shopping online this year. This shift towards e-commerce means more pressure on logistics and delivery services. Product weight affects both cost and carbon emissions. So we need to think about how we can reduce the weight of our products without losing any of their effectiveness. These trends are driving our sustainable innovation process and our aims to reduce our products' carbon and water footprints, use more sustainable ingredients and packaging, and connect to consumers in different ways.

An urgent – and inspiring – opportunity

We're running out of time to meet the UN Sustainable Development Goals. The clock is ticking. We have to act quickly and it's my belief that the companies that do so will be rewarded. While we're making progress, there is still so much more for us to do. That's why we're investing more than £1 billion over the next ten years in our relentless pursuit of a cleaner, healthier world.



Miguel Veiga-Pestana

Head of Corporate Affairs & Chief Sustainability Officer

Listening to our stakeholders

Reporting effectively across our many sustainability issues and providing 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