



WATER

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Our performance in 2020

Aim	2020	Aim	2020
33% reduction in water impact per dose by 2020	13% [†] reduction since 2012	35% reduction in water use in manufacturing by 2020	39% ^{1†} reduction since 2012

¹ Manufacturing and warehouse only.

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

The water we use, and the water our consumers use, are vital measures in our overall sustainability. That's why we're looking hard at how to use less water, be more efficient with what we do use, and recycle the water we harvest on our sites.

Millions of people live in parts of the world where water is scarce, or not safe enough to drink. And because of climate change, these numbers are set to rise. This makes it vital for companies like Reckitt to play their part in managing water carefully. Not only is it good for the planet and its people, but it's good for business because it makes our supply chain more resilient.

We have to look closely at the water we use to run our business and make our products. But we must look just as intently at the water people need when they use our products, whether it's Finish dishwasher tablets or Enfamil infant formula. We've been focusing on both these measures in our value chain since 2012, as we push to cut our impact on water.

Our work also includes helping people get better access to clean water and sanitation in the communities where we work. And through the products we make, we back efforts to ease the problems of water-stressed areas in support of UN Sustainable Development Goal 6, which calls for clean water and sanitation for all.

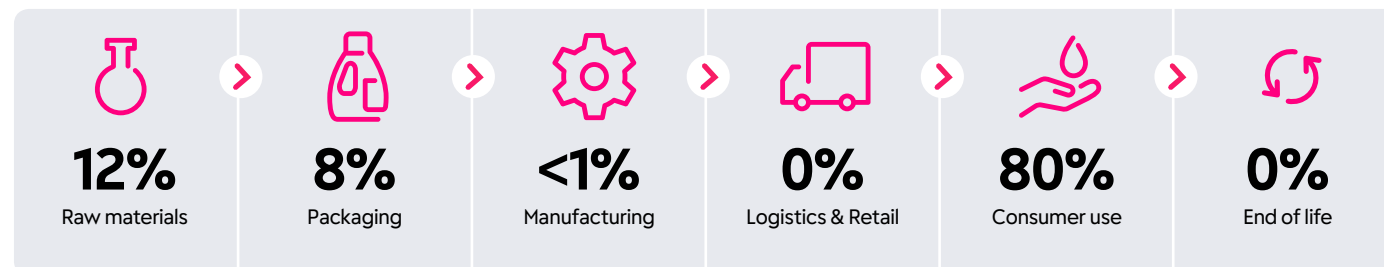
In the last few years, we've cut water use in our own operations substantially. But the water we use for manufacturing makes up less than 1% of our products' footprint. Individual sites have hit their water reduction targets, used water more efficiently and treated wastewater more effectively. Some sites now discharge no industrial wastewater at all. Because COVID-19 increased demand for our hygiene products in 2020, we had to boost production, and that's meant we've used more water overall than in 2019. But, per unit of production, we've improved our water efficiency.

The infant formula and child nutrition (IFCN) business we acquired in 2017 uses water as a key input in its ingredients and processes. So we've integrated this into our sustainable innovation programme and reporting systems. It will also be part of our targets from 2020 onwards.

We know there's much to do as we focus on water in the complete life cycle of our products. We're continuing initiatives to lower our impact in terms of how much water consumers use. They include reformulating our products using ingredients with a smaller water footprint, and showing consumers how they can save water when they use our products. For instance, our Finish campaign to save water, which started in Turkey and Australia in 2019, has expanded to the UK and US in 2020.

We're also looking well into the future. In 2020, we launched a new partnership with the Centre for Risk Studies at the University of Cambridge Judge Business School. This will help us further understand climate risks and opportunities for our business, which includes pinpointing areas where access to water could become a significant concern in the future, and understanding what we can do to deal with these risks.

Our water impact



Managing our water resources

We operate under a Group certification for ISO 14001, with all sites independently certified in 2020, except two which were delayed because of COVID-19 restrictions and are planned to be certified in 2021. Reckitt sites must also meet our Global Water Management standard. This goes beyond compliance, requiring all sites to reduce their water impact, which supports our planning for the future. All sites have a water management plan in place, and these are reviewed every 3 years as a minimum.

We've made progress on reusing and recycling water at several of our sites. Some, including Hosur, Mysore and Irungattukottai in India, and Bangplee in Thailand, have achieved zero liquid discharges. That means they're purifying, recycling or putting back into production all wastewater they generate on site. Some, including Hosur again, have started harvesting water, both to conserve it and as part of our wider catchment area approach to water stewardship.

Saving water

At our Anhui factory in China, the team saved water in 2020 by upgrading and automating the water circulation system to add a 'sleep' mode and an automatic shut-off when production ends. In Nottingham, in the UK, we've switched to electric chillers, replacing an absorption chiller and cooling tower and saving over 30,000m³ of water a year. And in Hull, also in the UK, the team have run a programme of incremental water efficiency improvements across many processes. They include vacuum pump controls, reducing pump flows and installing a new water filtration system. Individually they look small, but collectively they've cut the whole site's water consumption by 6% in less than a year and increased its water efficiency by 13% compared to the previous year.

At each stage of product development, we run models using our Sustainable Innovation Calculator (SIC) to make sure we're keeping water use to an absolute minimum. Our R&D teams use the SIC to check if new products are more sustainable than our existing products, and the measures include water. We're one of very few global consumer goods companies to do this. For more on this, see our [Sustainable product innovation insight](#).

Reusing water

We assess water scarcity at our sites using tools including the WRI Aqueduct tool, and through local site assessments. This shows where we can have the biggest positive impact, and where we need to do more. We look to improve water performance across all our sites, but especially in areas where water is scarce.

A priority for us is making sure we treat and reuse as much water as possible in these areas. This means challenging ourselves to find new ways to reuse water and use as little of it as possible.

Our factory in Agbara, Nigeria isn't the largest user of water across our global sites, but we still want to lower our impact on the surrounding environment. That's meant cutting down on the amount of water we use, which in this region is ground water. Because the water often has high ion content, making it unsuitable for production, pre-flushing used to be a recognised practice. Now we have a system for collecting the water that doesn't meet our production standard. This lets us divert it to non-production needs, significantly reducing our overall water use in the process.

Understanding our impact

We currently have 20 facilities in regions potentially affected by water-stress, and we have more to do to understand how we can mitigate risks by working in our sites' water catchment areas. This has already led to initiatives like water harvesting, which captures rainwater

so we can reuse it, or return it to agriculture. Our work with the Cambridge Centre for Risk Studies, begun in 2020 to help assess climate risk, will give us deeper insights into the developing risk of water scarcity, so we can make informed decisions to manage it effectively. This could include working alone or with others to create sustainable access to water. Water withdrawals in these areas in 2020 was 1,791,618m³ and water consumption was 1,199,662m³ (21% of our total withdrawals and 49% of total consumption).

How we performed in 2020 – the data in detail

We measure and report on the water we use in our operations, our water impact by product, and the wastewater we discharge by destination and volume. All our reporting is against a 2012 baseline, except our Infant Formula and Child Nutrition (IFCN) data, which we show separately. We were pleased to keep our leadership status for water stewardship in the Carbon Disclosure Project (CDP). In 2020, we kept our A- score for water security, which we first got in 2019. We've maintained the focus on disclosure, policies and water accounting that saw us improve from B- in 2018.





Product water footprint¹

Total product water use 2020
(Reckitt excl. IFCN)

	Units	Raw material	Packaging	Manufacturing	Logistics & Retail	Consumer use	End of life	Total/average
Water use 2020	total (million litres)	699,400	557,800	5,800	0	1,862,900	0	3,125,900 ⁺
	litres/dose	1.1	0.9	<0.1	0	2.9	0	4.9 ⁺
	% split	22%	18%	<1%	0%	60%	0%	100%

Total product water use reductions (Reckitt excl. IFCN)

	2012 (baseline)	2019	2020	% Change on 2012	% Change on 2019
Water use (litre/dose)	5.4	5.2	4.9 ⁺	-8%	-6%

	Units	Raw material	Packaging	Manufacturing	Logistics & Retail	Consumer use	End of life	Total/average
Water use 2020	total (million litres)	602,700	79,200	4,200	0	352,700	0	1,038,700 ⁺
	% split	58%	8%	<1%	0%	34%	0%	100%

¹ Pre-acquisition data for our IFCN business is not available. To ensure like-for-like comparisons, target performance trends vs 2012 exclude IFCN. IFCN results are shown as a separate entry.

⁺ Assured by ERM CVS as part of their limited assurance scope; for details, see our Sustainability governance, reporting and assurance insight.

Figures in the above tables have been rounded for presentation purposes.

Product water impact⁺

Total product water impact 2020
(Reckitt excl. IFCN)

	Units	Raw material	Packaging	Manufacturing	Logistics & Retail	Consumer use	End of life	Total/average
Water impact 2020	total (million e-litres)	316,400	353,800	5,200	0	3,897,800	0	4,573,200 ⁺
	e-litres/dose	0.5	0.6	<0.1	0	6.1	0	7.2 ⁺
	% split	7%	8%	<1%	0%	85%	0%	100%

Total product water impact reductions (Reckitt excl IFCN)

	2012 (baseline)	2019	2020	% Change on 2012	% Change on 2019
Water impact (e-litres/dose)	8.3	8.8	7.2 ⁺	-13%	-18%

	Units	Raw material	Packaging	Manufacturing	Logistics & Retail	Consumer use	End of life	Total/average
Water impact 2020	total (million e-litres)	282,200	50,300	900	0	128,400	0	461,800 ⁺
	% split	61%	11%	<1%	0%	28%	0%	100%

¹ Pre-acquisition data for our IFCN business is not available. To ensure like-for-like comparisons, target performance trends vs 2012 exclude IFCN. IFCN results are shown as a separate entry.

⁺ Assured by ERM CVS as part of their limited assurance scope; for details, see our Sustainability governance, reporting and assurance insight.

In 2020 we didn't incur any fines or prosecutions for environmental breaches or pollution, and we didn't experience any significant spills.

We used more water this year than in 2019. This was mainly down to higher demand for our hygiene products in the COVID-19 pandemic, which meant we increased production. But the pandemic didn't stop our teams' efforts to monitor our water performance virtually through meetings, workshops and town halls. Nor did it stop us bringing in new water efficiency measures and product innovations.

For instance, at our factory in Cileungsi, Indonesia, we've installed a water recovery and recycling system that recovers de-ionised water rejected by reverse osmosis, so we can use it in production.

At a product level, water impact reduced by 13%, which is an improvement on 2019 but still some way short of our target. This is because absolute water impact is driven by sales of a few key segments (most notably bar soap). Coupling this with increased sales reduced the water impact per dose. Since 2012, our focus has been mostly on the water we use in manufacturing, and how efficient we are with it. But we're now focusing more on product footprints and we've strengthened our Sustainable Innovation Calculator to help our product developers. We've made some progress in 2020, but know we need to do more.

Our focus for 2021 and beyond

We've set new targets which will focus our efforts in all parts of our work to limit our water impact:

1. Be water positive in water-stressed areas by 2030.
2. Reduce products' water footprint by 50% by 2040.
3. Reduce water in our operations by 30% by 2025 versus 2015.

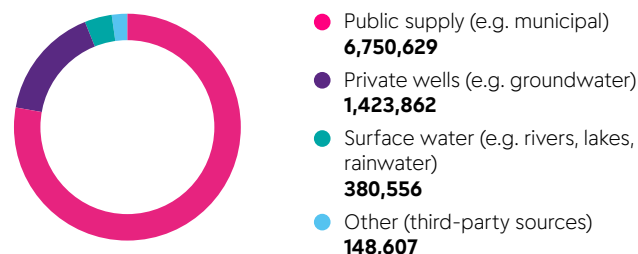
Over the coming years we'll be working harder to understand the impact our products have all the way through their life cycle. So far, we've focused mainly on manufacturing, but we know we must also take the

end-to-end view. This will mean looking for ways to cut our water impact at each stage, from design and manufacture, and ingredients and materials, to how people use and dispose of our products. For example, in 2020, Gaviscon launched a larger 48-unit pack of double action liquid sachets, for conventional and online sales channels in Germany and Belgium. This meant a significant reduction of water per dose.

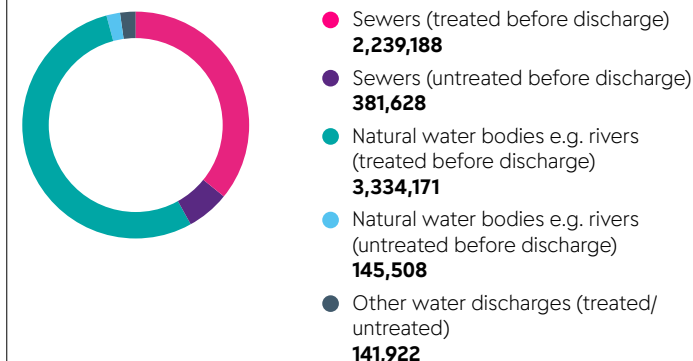
How we use water in our operations

Our operations use water from a number of different sources, depending on the local area. Since 2012, we've reduced our water use by 39% (per unit of production). A factor in this was more efficiency in the way we use water in production, for example through cooling tower operations or during routine cleaning, while maintaining the same standards of hygiene. This year, our total water withdrawals (including IFCN sites) were 8,703,654m³, an increase in absolute terms of 4% compared with the previous year, while we recycled and reused 241,179m³, up 8% since 2019.

Total water use (withdrawals) in our operations in 2020 in m³



Wastewater discharge by destination/volume



Wastewater discharge

Total wastewater discharge this year was 4% higher than 2019, in line with our increased production and water efficiencies.

Wastewater discharges – quality

	Units	2016	2017	2018	2019 ¹	2020
Direct chemical oxygen demand	metric tonnes	1,421	1,517	1,338	1,856	3,218

1. 2019 figure restated due to improvements in site estimated and reported data.

Water use – manufacturing and warehouse operations¹

Metric	Units	2012	2013	2014	2015	2016	2017	2018	2019	2020 ⁺	Change vs 2019	Change vs 2012
Water use per unit of production	m ³ per 1,000 CU	0.964	0.788	0.718	0.675	0.657	0.612	0.598	0.605	0.592	-2%	-39%
Water discharge per unit of production	m ³ per 1,000 CU	0.496	0.344	0.289	0.281	0.289	0.238	0.246	0.268	0.268	0%	-46%

1. Pre-acquisition data for our IFCN business is not available. To ensure comparison with our 2012 target baseline, 2020 data shown excludes IFCN. Including IFCN, 2020 manufacturing and warehouse water use was 1.061 m³ per 1,000 consumer units (CU) and water discharges were 0.761 m³ 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.

Listening to our stakeholders

Reporting effectively across the breadth of our sustainability issues, and giving regular updates on our many programmes and activities, is always a work in progress. So we look forward to hearing 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

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CASE STUDY

FINISH CAMPAIGNS TO SAVE WATER IN THE UK AND US

After launching campaigns to cut water use in Australia and Turkey in 2019, Finish has done the same in the US and UK.

In the UK, Finish teamed up with more than 40 organisations to back **Save Water, Clean Clever**, a campaign to get people to cut down on the 143 litres

of water they use each day through activities like pre-rinsing dishes. Partners include Love Water, a campaign involving more than 40 environmental groups, water companies, charities like Water Aid and the regulator OFWAT.

In the US, the **Skip the Rinse** Campaign, backed by National Geographic, The Nature Conservancy and GE appliances, is also aiming at behaviour change to stop households wasting water. For every household that pledges to 'skip the rinse' and save up to 2,996 gallons of water a year, Finish will donate \$1 to The Nature Conservancy up to a maximum of \$400,000. By February 2021, pledges added up to 7.1 million gallons saved.



CASE STUDY

COMBATting COVID-19 WITH MISSION PAANI

Harpic and news channel News18 launched Mission Paani in 2019 to raise awareness across India about water conservation and better sanitation. But in 2020, the campaign switched focus to emphasise the value of saving water to boost hygiene and combat COVID-19.

Mission Paani launched two new projects during the year:

- A three-year pilot initiative with Water for People India Trust to make water conservation part of communities' everyday life with a mixture of communication tools and community projects. The aim is to change behaviour by encouraging people to 'measure-reduce-reuse', backed by community organisations and Panchayati Raj institutions, which are a key part of rural governance.
- A water conservation and stewardship project with sustainable development NGO MYRADA to build and renovate water harvesting structures in ten villages. In three years, the projects aim to benefit over two million people directly or indirectly with water storage and a 10% increase in ground water level.

CASE STUDY



HARVESTING WATER IN INDIA

We want to become water-positive by 2030 in areas that are water-stressed. For our manufacturing sites, this currently includes 20 locations. At our Hosur factory in India, we've taken a step towards that target with a rainwater harvesting pond.

With new slopes and drains, it gathers rainwater that falls on roofs, gardens and pavements, and filters it with perforated pipes, gravel and sand. The water would otherwise run off into drains, but we can give it back to the environment on site instead. The 4,250m³ pond will help us give around 12,750m³ of water back to the environment each year.