



# PRODUCT SAFETY AND QUALITY

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Reckitt Sustainability Insights 2021



# PRODUCT SAFETY AND QUALITY

Consumers trust us to do all we can to keep them safe and protect the environment. To maintain that trust, we must continually reassure all our stakeholders by demonstrating that we maintain the highest standards of safety, while keeping up the quality and effectiveness of our products. To do that, we've transformed and strengthened our approach to product safety and quality to make sure our standards are consistently high.

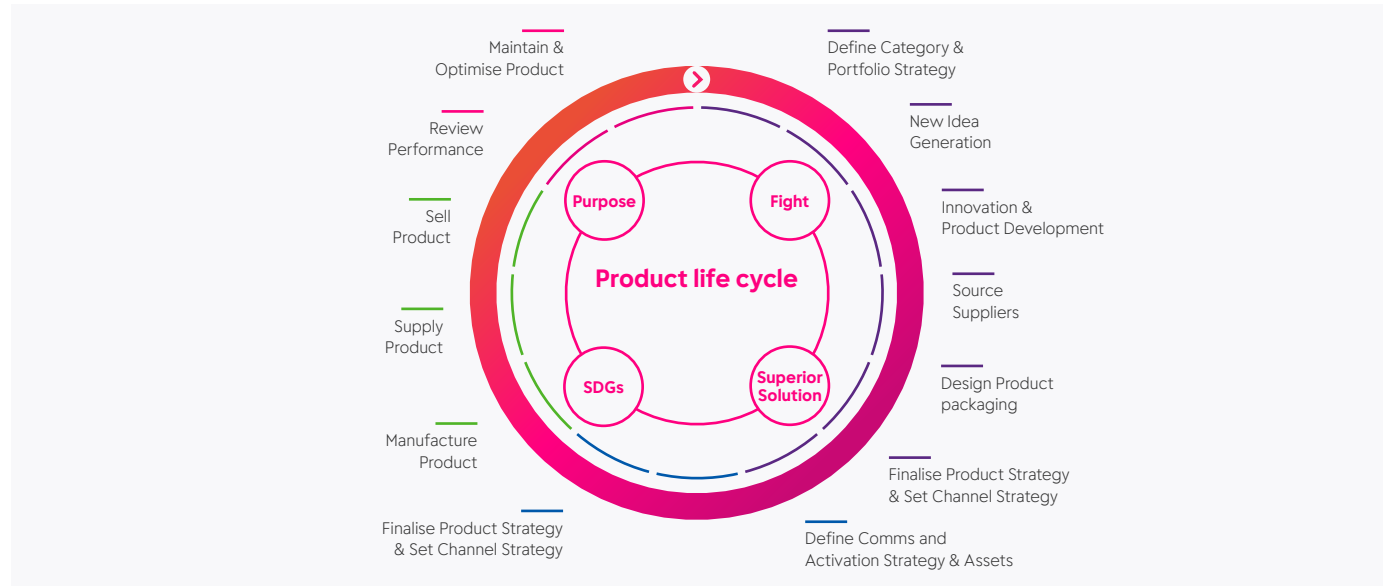
We focus on safety and quality by covering every stage of a product's life, from design to disposal, and by pre-empting and responding to any risk we see. Our approach to design considers both our consumers and the planet. And we keep a close eye on what consumers say to pinpoint potential risks and manage them, so that we continuously improve our products.

We produce hundreds of products, from dishwasher tablets and hand sanitiser to throat lozenges and condoms. Each comes with its own challenges and possible risks, which we need to manage to be able to keep consumers safe and keep product quality consistent. This means continuously re-evaluating risks and benefits based on research from our own R&D labs as well as outside sources. We follow our policies and procedures in every market, in every factory and with every supplier. This means we stick not just to regulations but also the very high standards we set for ourselves.

Our approach to safety and quality comes in six stages:

1. Concept and product design – identifying new product innovations and ways to better meet the needs of consumers
2. Marketing and communications – engaging with customers and consumers to help them use our products and to get their feedback
3. Manufacturing and distribution – producing our products and getting them into people's homes
4. Consumer feedback and recall – listening to what consumers say and, if we need to, getting products returned to us
5. Obsolescence and disposal – disposing of products that are no longer the best they can be, either because of age or because we've developed a better alternative
6. Review and improvement – continuously considering product quality and safety, across each of the stages of a product's life cycle and developing our approach to continuously lift standards

## Our product life cycle



## Product safety and quality continued

### OUR SAFETY AND QUALITY POLICIES

We have two key policies: Our Product Safety Policy and our Commitment to Quality Statement, which is part of our Reckitt Quality Manual. Supporting policies focus on more specific standards, for example for managing our products, ingredients and ways of working. Our Quality Manual covers the whole product life cycle. Our policies and procedures are available digitally, which helps us track activities like training our people and monitoring product safety and quality through the supply chain. In turn, this helps us to be agile and comprehensive in how we assess and manage risk.

Our products go through rigorous safety and quality gateways throughout design and manufacturing. This makes sure they consistently meet our safety and quality standards. We also spend a lot of time making information and labelling simple and accessible in every language and culture.

We set out to create and improve products based on what our consumers tell us. This is how we make sure products work well but also remain safe. Even so, a trend in complaints can originate from how consumers use or store products rather than any quality issue.

An example of this feedback and improvement mechanism was when consumers complained about Finish Ultimate All-in-One tablets sticking together after opening the pouch. In pulling the tablets apart, there was a risk that the contents could spill onto skin, eyes or surfaces. When we investigated, we found that consumers were storing tablets in damp conditions or picking them up with wet hands. To cut the chances of this happening, we included comprehensive guidance on how to store and handle the products – including not separating any that were stuck together – on all Finish tablet packs. We also included internationally recognised AISE (the International Association for Soaps, Detergents and Maintenance Products) icons for storage and handling.

### OUR PERFORMANCE IN 2021

We've kept high standards of safety and quality throughout our network of sites and suppliers through the past two years. This was despite the challenge of maintaining supply during the COVID-19 pandemic and increasing manufacturing volume to meet higher demand for some hygiene and health products. This demonstrates the effectiveness of our systems and controls.

We opened extra factory lines, repurposed others and qualified new suppliers. This meant carrying out our strict risk assessment, auditing and validation processes in an agile but still comprehensive way. We had to make changes at speed and without mistakes, often still working remotely during 2021. Our teams added the extra capacity safely, without losing quality. A measure of this is that we had only one consumer recall in 2021.

Other highlights included:

**Protecting COP26 delegates from COVID-19.** Our safety scientists and physicians continued to play vital roles in responding to medical challenges during the pandemic. They also helped us support the United Nations Climate Change Conference COP26 in Glasgow as the event's Hygiene Partner. Their advice reduced the risk of COVID-19 among the tens of thousands of visitors. Targeted cleaning around the conference venue and highly visible measures for attendees, including hand sanitising and wearing face masks, meant a lower incidence of COVID-19 at the conference than in Glasgow and the UK overall.

**Investing in technology.** We've continued to build resilience and excellence in product safety and quality, investing around £100 million over the past five years. In 2021 we implemented our new electronic quality management system, QualityOne, launching functions for Change Management, Deviation and Corrective Action Planning.

**Building a culture of quality.** We again passed 100% of our external quality audits and continued our Culture of Quality Programme. We also ran a programme to strengthen root cause problem solving. This uses a toolkit, specifically designed for our business, which helps us look beyond the obvious cause of incidents to find the underlying reason for them (see case study below). Our Culture of Quality Champions encourage individual sites to use the toolkit to prevent recurring issues and keep quality consistently high.

**Making quality control more efficient.** Four of our quality control labs have started using new AI-based technology to schedule resources, from scientists to equipment, making testing more efficient.

**Making it easier for consumers to get in touch.** Across all three of our business units, consumers can get in touch with us in the way that suits them best, from text, chat and social media to email and even post. This makes it easier for us to gather their feedback, and with it the insights that help improve our products.

**Investing in safety assurance.** Our Global Safety Assurance function continued to grow. We plan more investments in 2022 as we develop new consumer innovations. We've invested in a new platform to aggregate and analyse product safety data more quickly, and with our nutrition business unit we have developed new safety standards to further protect against contaminants and bacteria.



CASE STUDY

### A HIGHER-PROFILE, MORE SENIOR TEAM

Over the past five years, we've transformed our organisational structure, giving the Safety, Quality, Regulatory and Compliance functions a more prominent and strategic position. The Safety and Regulatory functions are key members of our R&D leadership team. And our Quality function is a critical element in our Supply Chain leadership. This reflects the capabilities needed in the product innovation pipeline and R&D, and the attention to quality needed throughout the product life cycle. We have reporting lines for Safety and Quality to our Global Executive Committee and Board sub-committee. This gives strong accountability, governance and oversight, supported by an independent internal audit programme.

The global teams are led by two senior leaders, the Chief Safety Officer and Senior Vice President (SVP) Global Head of Quality. Each of our global business units (GBUs) also has three officers on their leadership teams, one each for Safety, Quality and Regulatory. Collectively, these have strengthened and continually reinforce our capabilities in these key functions, embedding them in each business unit at a high level.

### REVIEWING ALL OUR PRE-2018 PRODUCTS

To make sure we apply these strengthened approaches to all of our portfolio, not just those we develop now, we have completed a £12 million global investigation across all products first marketed before 2018. The Product Integrity Review (PIR) project, assessed and audited 23,000 stock-keeping units (SKUs) across 127 markets, split between our Health and Hygiene businesses. This gave us confidence that we were keeping our consumers safe and that we weren't at risk of safety breaches from products already in circulation. The other outcome was a deep understanding of our product portfolio and its particular quality and safety risks. This strengthens the foundations for the robust policies and procedures which support safety and quality in products launched from 2018 onwards.

## FINDING THE ROOT CAUSE

In 2021 we focused on building excellence in root cause problem solving. If a problem occurs, then how we respond to it and prevent it happening again is essential.

We formed a multidisciplinary team with participants from different functions and countries to interrogate how we 'Root Cause Problem Solve' and implement actions that prevent failures from reoccurring.

The team developed a methodology utilising proven industry techniques and created a digital tool for the

seamless application and documentation of investigations. It's accompanied by new interactive training content and guidance, centred around examples and exercises to help engage those being trained and facilitate use of the methodology.

We rolled out the training and the digital tool globally across all functions including manufacturing, safety, supply services, R&D and regulatory among others. There has since been an observable increase in the quality of root cause investigations and positive outcomes as a result.

## Product safety and quality continued

### EMBEDDING A CULTURE OF SAFETY AND QUALITY

We can only keep quality high with a culture where everyone sees quality as part of their job.

Promoting this culture is part of our product safety and quality programme. Since 2018, we've run campaigns highlighting the impact that each person has on safety and quality, regardless of their role. In 2019, we celebrated our first World Quality Day. Through 2020 and 2021 we continued these campaigns and established a network of Culture of Quality champions to 'own' them. In November 2021, all of these activities were supported and reinforced by the launch of our Commitment to Quality by our CEO Laxman Narasimhan. This was accompanied by a very personal conversation on the importance of quality across the business. Our new Reckitt Quality Manual followed in December 2021.

We've also put product safety front and centre in our business practices by including a module in the mandatory training programmes for all our people. The training, part of an annual cycle which is assessed to ensure people take part, covers topics such as safety science and practices across the product life cycle; safety checks and product gateways; and the Product Safety Evaluation Report (PSER). The PSER is the most important safety document and must be in place before we can launch a product. By understanding its importance, each person can become another gatekeeper for product safety. The training also reminds every employee to report any bad product experience, whether their own or someone else's. This helps us stay alert to potential quality issues and misuse of products and take the right action to reduce risks.

### INVESTING IN NEW INFRASTRUCTURE AND SYSTEMS

Technology is an important part of transforming our approach to safety and quality.

Laboratories are a critical part of our supply chain and quality control. Three years ago, we started a Global Laboratory Excellence programme to develop faster and more reliable testing methods and make more use of digital technology. In 2021, we built on an earlier pilot of SmartQC, a technology using artificial intelligence



to schedule the resources of quality control labs, extending it to more labs. This makes the processes behind testing products smoother, cuts administration time and shortens test turnaround times at a time when supply chains are under pressure to manufacture to tight schedules. This testing during and after production helps us deliver the standards of product we expect, first time and every time. It also helps prevent waste, use less energy and reduce cost, as well as making testing more resilient.

Technology is also part of unifying consumer relations across all three of our business units, which makes us better placed to probe consumer data more deeply for trends, and act more quickly on what we find. Technology across our new consumer relations platform gives us a single data source. This helps us improve existing products and develop new ones that will meet consumers' changing needs. The US and Canada were the first markets to launch the new platform at the beginning of 2020, followed by India in April 2021, and Latin America and other regions later in the year.

### PUTTING QUALITY CENTRE-STAGE

Our Culture of Quality is an important part of what we stand for. It's part of our purpose, which is centred on protecting, healing and nurturing, and our Compass, with its commitment to 'Do the right thing. Always'. A commitment to quality is also part of behaving in an ethical, responsible way. And it's integral to our business success, as quality products make for loyal consumers.

Bringing our Culture of Quality to life is important to us, globally and locally. Our sites are spread across all regions, with a remarkable mix of cultures. Even so, through our Culture of Quality champions, we've found ways to highlight quality which work for each site, from offices and labs to factories and distribution warehouses.

In 2021, our global theme was 'I am committed to Quality', which emphasised that quality is everyone's responsibility, regardless of whether they have the word 'Quality' in their job title. Each site puts together its own engagement activities to suit the context. This year we had to be even more creative in putting together activities that would generate a feeling of community among our people as we navigated hybrid working.

Some sites held Quality months, weeks and days and the videos and photos from them created great training material as well as recognising excellence in quality performance. Critically, through a sense of fun, they also generated real engagement around the serious issue of quality.



## CELEBRATING WORLD QUALITY WEEK

Reckitt has been on a conscious journey of discovery in terms of its Culture of Quality. So World Quality Week 2021 provided the ideal opportunity to express that journey and celebrate the excellence it delivers within our organisation.

All the World Quality Week activities on our sites were led by non-quality functions, and invited everyone to focus on putting quality first, while celebrating the difference it makes. The activities ranged from the North Asian Commercial team's fully digital event, through to Bahrain's games and learning, and on-site celebrations at our Mauripur manufacturing facility.

Some took the time to train in fun and innovative ways using the power of digital gaming apps. Others centred around 'bringing the consumer in' to build a deeper understanding of what quality means to our consumers, while elsewhere participants were invited to make their own personal commitment to quality.

### CASE STUDY



### LOOKING AHEAD TO 2022 AND BEYOND

We continue to reinforce our product safety and quality activities to make sure we're resilient and innovative, as well as trusted by all our stakeholders. We'll stay focused on:

**Building up our capabilities and culture around quality.**

Our Quality function acts as a coach, inspiring and training the rest of the business to keep us compliant and make sure we always meet consumers' needs.

**Using technology to make our processes and technology more efficient.** This will help us better predict and anticipate issues and respond more quickly to trends.

**Simplifying processes** as we embed our new digital quality management system, particularly in managing suppliers, audits and documents. This will bring previously unconnected processes into one platform and boost efficiency in a complex supply chain that faces constant pressures.

**Increasing our consumer advocacy capabilities.** Our consumer relations tools and organisation connect with consumers all over

the world, supporting their needs, responding to their concerns and addressing their queries. This brings the voice of our consumers firmly into our quality function, giving us insights that we act on and use to develop our brands.

### 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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