



PRODUCT STEWARDSHIP – INGREDIENTS AND TRANSPARENCY

Reckitt Sustainability Insights 2021



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Being transparent about what goes into our products is essential to earning trust. It helps instil confidence in our products and brands, which is the basis of our success. That's why we work tirelessly to show our products and their ingredients are safe and sustainable. And that is the essence of product stewardship.

We ensure our ingredients are safe for people and the environment, from when we source, transport and use them for production, to when consumers use and dispose of the products. And we help consumers make informed choices with information that's clear and honest.

Consumers are more conscious than ever about health and the environment, as well as our supply chain and where our materials come from. This means that they also pay close attention to product ingredients. Transparency is vital to producing the information that consumers rely on and that helps us follow regulations. It's this information that we share on our packs and online.

Our global policies on ingredients go beyond what the law demands. Our Consumer Safety, Regulatory and Quality functions oversee how we follow them across the product lifecycle.

When it comes to ingredients, we want to anticipate regulatory and scientific developments so we can adapt well ahead of time. This is better than being reactive or leaving product changes until late in the legislative cycle. Being forward-looking helps us take change in our stride and lead our industry. And this also bolsters our reputation. Our investment in R&D helps us here, as well as speeding up innovation.

This approach is how we work to protect consumers and the environment from hazardous chemicals. It guides our product developers' choice of raw materials that are safer and more sustainable. In the process, it future-proofs our product development by giving teams information on raw materials and chemical ingredients and helping us move to raw materials with a lower environmental impact.

The way we work also helps us track emerging risks, giving early insights on critical ingredients and giving our R&D teams time to source, test and scale up viable alternatives. Just as importantly, it enables R&D to identify the safe and sustainable chemistries that matter to our customers and consumers, whether it's renewable carbon feedstocks used in Air Wick Botanica or the biodegradable active ingredients in Harpic Essentials. We also work with peers and others to build supply chains that enable us to adopt and scale up sustainable chemistries.

OUR PERFORMANCE IN 2021

Aim	2021
65% reduction in our chemical footprint by 2030	Established 2020 baseline for reporting against progress in 2022

2021 HIGHLIGHTS

We look to share information about ingredients and the supply chain on every stage of products' lifecycle, and this goes for all our brands. The information appears on product packs and online, for example in the 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 take a similar approach.

We also continue to update our ingredient transparency websites. These share information in a way that's easy to understand and cover products we sell in Europe (www.rbeuroinfo.com) as well as the US and Canada (www.rbnainfo.com). We're creating equivalents for other markets.

An important part of our product stewardship is reporting on how we handle ingredients of concern. We also support using safer and more sustainable chemicals. We've adopted a science-based approach to innovation across our business, with R&D built on nine global 'science platforms'. They produce insights and pool expertise to generate more sustainable, even safer and more effective new product innovations.

Setting a new chemical footprint ambition

We've been using our Restricted Substances List (RSL) since 2001, and in 2021 we built on this legacy with a new chemical footprint ambition that underpins our effective management of hazardous chemicals. We define chemical footprint as net revenue from SKUs containing >0.1% (by weight) of chemicals of high concern (CoHC), as legally allowed, across all business units. Our commitment for 2030 is to reduce these chemicals by 65%. We've developed an analytical dashboard and user guide for internal stakeholders to assess the chemical footprint contribution for our whole portfolio,

or subsets of it, down to a single business unit or brand. In 2021, we calculated our 2020 baseline, which we'll use to report against our 65% target, and in 2022 we'll report progress towards our 2030 ambition.

Recording our chemical footprint

In 2021, we took part in the Chemical Footprint Project (CFP) for the fourth year. Through this, we track our progress on managing chemicals, choosing safer alternatives and using and reducing ingredients of concern. The results are due later in 2022, but we expect to improve on our score of 81% from 2020, driven by our new corporate target on reducing our chemical footprint and building on the reduction in our chemical footprint from previous years.

Launching products with smaller chemical footprints

In Scandinavia, we launched Vanish Zero, which is free of fragrances, dyes, chlorines and optical brighteners and uses packaging that's 45% Post-Consumer Resin (PCR). It received the region's Nordic Swan eco-label.

We also continued to remove the fragrance ingredient linal from all products and go beyond the EU's mandate not to sell products with linal from March 2022. Our target is to remove it from products in other markets by end of 2023. Linal-free versions started to replace current products in early 2021, with no negative impact on fragrance.

Other examples include:

- Lysol Simply, a bleach-free multipurpose cleaner, which uses a plant-based active system and leaves no harsh chemical residues (see case study)
- 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 2022. It's been proven to kill 99.9% of bacteria and viruses, including COVID-19

Improving nutrition

For us, nutrition is broader than just nourishment or energy from food consumption. Improving nutrition is the platform for progressing and improving public health, education, employment and reducing socioeconomic inequalities. To date, private sector involvement has been limited, along with its ability to engage on the broader nutrition agenda. But as public resources are stretched and funding is limited, we can play an important role leveraging the latest medical research and our expertise in nutritional science.

We've already started. In October 2020 we published our first nutritional commitment, focusing on reducing sugar in our infant and child nutrition portfolio and making lactose (naturally occurring in breastmilk) our preferred carbohydrate source. One year on, and 90% of our routine infant, follow-on and young child formulations, which collectively form our 0-36 month portfolio, are fully compliant with our sugar commitment. This places us well ahead of the March 2024 deadline. Our commitment and 2021 progress update are available at www.reckitt.com/sustainability/purpose-led-brands/infant-and-child-nutrition.

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; and
- are designed to lead to less waste and more reuse or recycling of chemicals and materials across a product's lifecycle.

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.

LYSOL SIMPLY – KILLING GERMS WITH PLANT-BASED INGREDIENTS

To stay in tune with consumers' demands for products that keep their homes clean while using fewer ingredients and harsh chemicals, Lysol set out to develop a bleach-free formulation that still keeps the brand's promise to kill germs.

Lysol used partnerships with suppliers to source plant-based raw materials and active systems. We also used our own capabilities to substantiate key claims, harnessing the skills of our R&D teams.

The new bleach-free Lysol Simply formulation uses a plant-based active ingredient, citric acid, and leaves no harsh chemical residues. The product doesn't contain phosphates and dyes, and uses a light, fresh fragrance that complies with the US Food and Drug Administration's Generally Regarded As Safe (GRAS) designation.

Combatting antibiotic resistance

We continued to support the Global Respiratory Infection Partnership (GRIP) and the Global Hygiene Council (GHC) in tackling antibiotic resistance. In 2021, with our backing, GRIP developed educational webinars for healthcare professionals discussing antibiotic resistance and how to tackle it. We've made them available on demand at www.rbprofessional.com.

We also supported regional workshops for pharmacists, broadcast live in multiple languages, in association with GRIP and the International Pharmaceutical Federation (FIP) around Antibiotics Awareness Week in November 2021. These are available on demand from the International Pharmaceutical Federation. The GHC also used Antibiotics Awareness Week to warn that relaxing hygiene standards after COVID-19 could exacerbate antibiotic resistance.

LOOKING TO 2022 AND BEYOND

Our commitment to transparency means giving consumers all the information they need to make informed decisions about the products they're bringing into their homes. And to do that, we look to go above and beyond legislative requirements. We understand that consumers want to know more about the products they buy. To support this, we want to be clear, honest and transparent.

The information we give helps consumers understand the benefits of our products, together with the ingredients we use and why we use them. In the case of natural raw materials, it also says where they come from. One way we do this is through the ingredient panels on packs for specific brands. We also have information online that expands on what's given on labels.

We're also strengthening our approach to ingredients to make sure we use the most resilient ones. This means finding purer, simpler ingredients wherever we can, while making sure products keep the efficacy that makes them reliable. 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.



CASE STUDY

HIGHLIGHTING TRANSPARENCY IN SWEDISH PHARMACIES

The Swedish Pharmacy Association's Vålvald ("Well chosen") label promotes sustainable pharmaceutical manufacture as well as companies and products that are transparent about their sustainability.

In 2021 we joined the Pharmaceutical Supply Chain Initiative (PSCI), which works for transparency and sustainability in the pharmaceuticals industry. Being a member is a requirement for Vålvald status.

By February 2022, all our over-the-counter products carried the Vålvald label in Swedish pharmacies and online.

MANAGING INGREDIENTS OF CONCERN AND SAFE ALTERNATIVES

We maintain a consistent global approach to minimising and eliminating substances of concern, using our Restricted Substances List (RSL). As we add ingredients to it, 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.

The RSL evolves over time, influenced by emerging scientific insights and data, how society interprets risk and what we observe. As circumstances change, there may be fresh questions over whether current ingredients remain safe and sustainable. In 2021, we developed a list of our ingredients which are under investigation as Emerging Chemicals of High Concern (eCoHC) by customers, NGOs, academics and policy makers. These have the potential to become Chemicals of High Concern (CoHCs) in the next three to five years. As they are still under investigation, we don't ban eCoHCs and they don't contribute to our chemical footprint. But we do put them on our RSL Watchlist and share this with our innovation teams. This guides them towards using safer and more sustainable alternatives or alerts them about ongoing scientific advocacy around these ingredients. In some cases, we may also choose to proactively limit their use or restrict certain applications. This makes sure our products are resilient to future regulation.

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 ingredients policies, including our RSL and its Watchlist. Our RSL policy defines our commitment and approach, which often means we set global limits or bans on some ingredients going further than regulations require. 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. This is a global, cross-functional task force to screen new and safer alternatives to use across our portfolio.

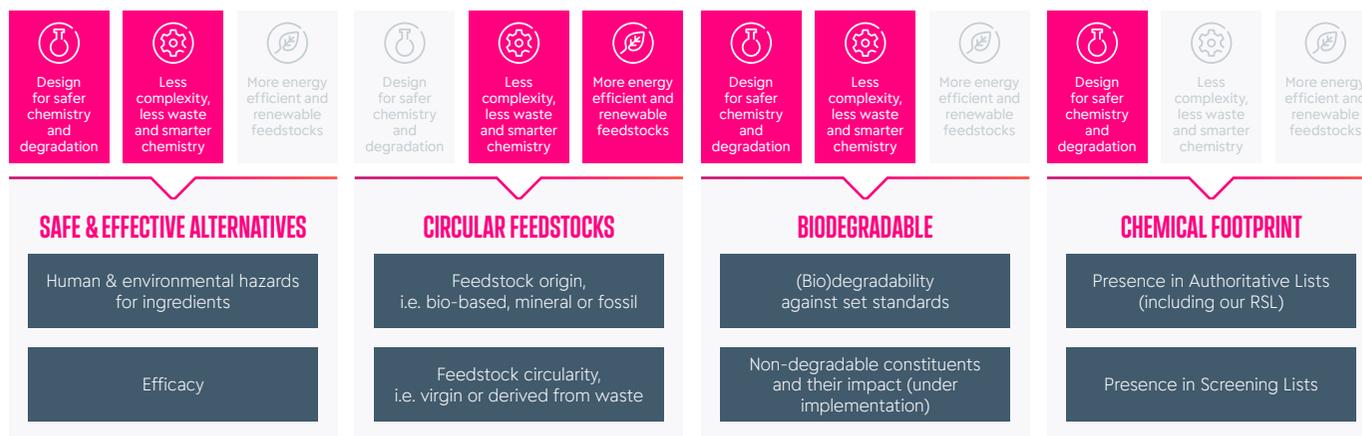
To help us develop safe products with the lowest possible environmental impact, we use the key concepts of green chemistry in product development:

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

We also screen and test new ingredients to make sure they're effective and safe. In doing so, we collaborate with industry groups and suppliers to make safe and effective alternatives more available.

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

On limited occasions animal studies are required by regulations to support the safety or efficacy of certain ingredients and/or products. We are committed to minimising animal testing and using alternatives wherever possible. For further information see our new corporate policy on '[Alternatives to Animal Testing](#)' and overview on page 144 of our Annual Report 2021.



LOOKING BEYOND THE RSL

The Restricted Substances List (RSL) is an effective way for us to stay transparent 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 our future priorities, rather than just 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.

In 2021, we updated our eco-design tool, the Sustainable Innovation Calculator, to incorporate key aspects of green chemistry to help us choose more sustainable ingredients. The four ingredient-related criteria in the calculator include the chemical footprint metric. We don't allow our formulators to intentionally add raw materials that contain a CoHC, and the calculator marks down the presence of a CoHC as an impurity (<0.1%) or where it exceeds levels in the existing product that the new product is replacing. For more about

the Sustainable Innovation Calculator, see the [Sustainable product innovation](#) insight.

COPING WITH COVID-19

In 2021, we've worked through the challenges posed by the pandemic by prioritising the substances that most concern scientists, regulators, the industry at large or consumers. We've also prioritised disinfection products like Lysol and Dettol, or over-the-counter pain relief products like Nurofen, as demand for them has continued to be much higher in 2021. In some cases, we had to delay phasing out ingredients so that we could keep producing much-needed antibacterial products to combat COVID-19. Despite the shifting priorities during 2021, we still plan to replace these ingredients within our planned timescales and regulatory controls, keeping to legal timelines as a minimum.

HOW WE STAY TRANSPARENT

Our global standards for product safety and quality keep our products consistent and reliable, and in many cases they go well beyond local regulations. In 2021, it was our Consumer Safety, Regulatory and Quality teams' job to oversee how we follow these standards. For more about this, see our [Product safety and quality](#) insight.

Our Quality 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.

Our Global Safety Assurance team evaluates the safety of new products and changes to existing ones. This is based not just on how we design them to be used by consumers, but also how they could be 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 lifecycle.

The Ingredient Steering Group oversees our approach. It includes leaders from across the R&D, Safety, Quality 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, academia and civil society support our approach, as described later in this insight.

OUR APPROACH TO INGREDIENTS

We want our products to have the safest and purest ingredients, and only the ones they need, and no more. We've supported reducing hazardous chemicals and committed to this in our sustainability reporting. We committed to voluntarily banning formaldehyde in 2006, PVC packaging of household products by 2009 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 they want suppliers like us to follow. We engage closely with all these stakeholders to keep standards high and set the right shared priorities. Participation in the Chemical Footprint Project (www.chemicalfootprint.org/) is part of this effort. It helps us benchmark our approach to chemicals management, inventory, measurement, public disclosure and verification.

OUR PARTNERSHIPS, INITIATIVES AND COLLABORATIONS

Green Chemistry & Commerce Council (GC3)

We're part of the GC3's Sustainable Chemistry Alliance, which promotes policies to speed up 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 USA Sustainable Chemistry Research & Development Act, passed in 2020, which supports commercialisation, training and education on chemistry research. We're working with the GC3 Sustainable Chemistry Alliance to support its implementation: www.greenchemistryandcommerce.org/

European Chemical Industry Council (CEFIC)

Our experts represent us 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/>

A NATURAL REMEDY FOR HEARTBURN AND INDIGESTION

We wanted to stay in step with our consumers by developing a Gaviscon product that provides heartburn and indigestion relief from 100% natural ingredients.

So we listened to understand what they need from a treatment that addresses their symptoms and delivers on preferences for less synthetic ingredients.

We then took on the challenge and partnered with suppliers to find new ways to relieve the symptoms of gastritis and prevent more irritation from developing.

The result is gluten-free, 100% natural tablets for heartburn and indigestion relief that start working in minutes.

CASE STUDY



International Association for Soaps, Detergents and Maintenance Products (AISE)

In 2021, our Global Head of Regulatory Hygiene was chosen to represent AISE on behalf of the European detergent and biocide association at the European Commission high-level roundtable on the implementation of the Chemicals Strategy for Sustainability. This was one of ten seats offered to industry.

The group will support the EU executive in realising the objectives of the strategy, which include innovating for 'safe and sustainable' chemicals and 'safe and sustainable-by-design' concepts. Its primary role, led by the European Commission's Environment department, will be establishing communication and information exchange between the Commission and stakeholders to make sure the strategy is implemented effectively.

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.

EXPLAINING THE SAFETY OF OUR INGREDIENTS

Clear labelling on packs and online information are how we stay transparent about our ingredients. In 2021, 91% of our net revenue came from products where we disclose ingredient information on the pack or online. The other 9% is primarily net revenue from hygiene products we sell outside Europe and the US, where regulatory requirements are often still evolving and we're evolving 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. Because recycling infrastructure varies across the world, this can be a challenge, and we're looking at ways to help develop these systems.

IMPROVING ONLINE INFORMATION FOR CONSUMERS

Websites are an efficient way to get detailed information to consumers. 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 want to extend this to other markets, as well as our brand websites.

To keep consumer satisfaction high, our Consumer Relations teams around the world capture details of consumers' experience in our Global Consumer Relations database. We track their satisfaction through brand perception analysis and by tracking complaints and enquiries to our consumer helpline. Currently, we get 27.57 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 Nurofen offering pain relief, Dettol and Lysol protecting against germs, or Durex protecting against sexually transmitted diseases. To fulfil our purpose – to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world – we help consumers understand these benefits. This is part and parcel of sharing information about how to use our products, as well as the ingredients we use to make them and where they come from.

We also design other benefits into our products, like reduced environmental impact. This could mean making sure they produce less waste, or need less energy or water to use, for instance. Examples include Calgon, which makes washing machines more energy efficient by cutting limescale build-up, and Vanish, which 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.

We continue to raise awareness among consumers and healthcare professionals about the need to protect against the microbes that produce respiratory illnesses. This expertise has meant we've been ready to respond throughout the COVID-19 pandemic. An example is our continued support of the Global Respiratory Infection Partnership (GRIP). It's committed to avoiding antimicrobial resistance through antibiotic stewardship and conservancy by changing how healthcare professionals and patients deal with upper respiratory tract infections.

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

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