



PLASTICS AND PACKAGING

Reckitt Sustainability Insights 2021



PLASTICS AND PACKAGING



Consumers, governments and businesses increasingly put packaging waste, and in particular plastic waste, towards the top of the list of urgent environmental issues. They're a priority for us, too, which is why we've set ourselves clear targets to reduce both plastics and packaging.

The public's scrutiny of, and concern over, plastics and packaging has increased enormously in the last few years. People want less packaging and more responsible materials, which contain recycled content, are recyclable or even reusable. Plastics and packaging are important for our customers too. For example, Walmart wants to make all packaging recyclable by 2025. Tesco has developed red-amber-green lists of packaging materials and is asking suppliers to use materials which are easier to recycle.

Governments are also acting, with regulation calling on companies like us to pay, through fees and taxes, for the plastic packaging we put on the market.

It's a challenge we welcome, as for us it's an opportunity to shrink our environmental footprint and differentiate ourselves in the process. Every manufacturer must cut back their use of materials, especially plastics. We've been working on these issues for several years, and our efforts are paying off. But we need to move from coming up with innovations towards making large-scale impact.

We must use fewer materials in our packaging. And we want the materials we do use to be recyclable, promoting a circular economy with less waste. We also want to use materials like post-consumer recycled resin (PCR), or replace plastics with paper and board from certified sources. In some cases, we're finding innovative ways to remove packaging altogether.

Our commitments and targets drive our action. Our headline targets are to:

- Use 50% less virgin plastic in our packaging by 2030
- Make 100% of our plastic packaging recyclable or reusable by 2025
- Use 25% recycled content in our plastic packaging by 2025

To succeed, we must make sustainability central to how we operate. Our Sustainable Innovation Calculator, which measures the sustainability of plastic and packaging inputs for every new product, is fundamental to every step in our product development process.

We also train our pack designers so that sustainable packaging is part of innovation from the start, not something that's added once we've made the big decisions. This underlines how, for us, sustainability and

OUR PERFORMANCE – PLASTICS

Aim	2021
25% recycled content in our plastic packaging by 2025	4.0%

Aim	2021
100% of plastic packaging reusable or recyclable by 2025	75.3%*

Aim	2021
50% less virgin plastic in our packaging by 2030	1.2%

RECKITT'S PLASTIC PACKAGING FOOTPRINT IN 2021

Total weight (tonnes) of all plastic packaging**	198,927 metric tonnes
--	-----------------------

* This is calculated using the Ellen MacArthur Foundation Global Commitment (EMF) methodology plus technical recyclability, and is the measure used for reporting progress towards Reckitt's 2025 target. It is reported through EMF as 'Designed for Recycling'.

** Total plastic packaging weight excludes devices/gadgets/aerosol valves/adhesives/fill formula (like wipe substrate), aligned with EMF definition.

business benefits are two sides of the same coin. A pack made with fewer or less material speeds us towards our pledge targets by cutting our environmental impact. But it often keeps cost down too, as well as giving consumers another reason to choose our products.

We track the impact of these changes on our packaging and processes by reporting them through the Ellen MacArthur Foundation's Global Commitment. We give full disclosure in our external reporting, making our targets part of our own governance processes.



PROGRESSING ON OUR PLEDGES

Definitions of recyclability are continually evolving. We use technical recyclability as a measure, for a consistent global approach. Our targets are in line with our peer group in the Fast Moving Consumer Goods (FMCG) sector, and so is our progress on recyclability. We've taken great strides in recent years to remove problematic and non-recyclable formats, and we'll continue with this as we move towards our 2025 target.

To achieve our targets, we must work with others. We're strengthening our global, cross-sector commitments by being part of the Consumer Goods Forum Coalition of Action on Plastic Waste and being part of the Ellen MacArthur Foundation's Global Commitment. We also have partnerships in particular markets, and work closely with our suppliers on finding innovative solutions.



OUR PERFORMANCE – PAPER AND BOARD

Aim	2021
100% paper and board from certified or recycled sources, excluding third-party manufacturing sites	99%

RECKITT'S PACKAGING FOOTPRINT – OTHER MAJOR PACKAGING MATERIALS (FOR PLASTIC SEE PREVIOUS PAGE)

	Total weight (metric tonnes)	Recycled and/or certified material (% of total weight)
Paper and board (2021)	232,512	99%
Metal (tinplate & aluminium) ¹	78,842	32%
Glass ¹	28,771	23%

1. 2020 data. Figures for 2021 will be published in mid-2022.

Full results for 2021 against our plastic pledge targets will be available in mid-2022. In the meantime, we've shared some of our product highlights to show how we're reducing plastic packaging, making products more recyclable and increasing recycled content. We can also report on our 2021 progress on paper and board.

PROGRESS AGAINST AIMS (NON-PLASTIC PACKAGING)

In addition to plastic, we work to measure our use of other major packaging materials. Several years ago we strengthened our review of paper and board origins which gives us confidence we are making robust progress towards our goal of 100% of paper and board to be from certified or recycled sources (excluding third-party manufacturing sites). Climbing steadily from 97% in 2019, we reached 98% in 2020 and are now at 99% so incredibly close to our ultimate goal. We aim to reach and maintain this before 2025.

We're also finding ways to tackle our use of other materials, like metal and glass, and working with suppliers to track our progress.

PROGRESS AGAINST AIMS (PLASTIC PACKAGING)

In some of our sectors, product turnover can be slow, especially in Health, where regulatory requirements mean new products can take some time to reach the market. The journey from idea to product launch can routinely take two years, in which time we have to show products are stable, safe and sustainable. Even so, work we've done since 2018 to develop our plastics pledges, and to research, test and trial our concepts has produced results in 2021, including:

Reducing plastic and packaging

- Removing the pink plastic shrink sleeve from Gaviscon Double Action glass bottles, and moving to a coated glass bottle, saved around 40 metric tonnes of plastic packaging. Gaviscon packs have also been recognised externally, winning Glass Pack of the Year at the 2021 UK Packaging Awards



Meanwhile, within our hygiene products we reduced our use of plastic packaging by over 300 tonnes in 2021 through lightweighting and re-design. This included introducing flexible refill packs for Sanpic in Colombia, where replacing the need to purchase new rigid bottles each time saves around 50% of plastic per pack. We also reduced the plastic weight of our 1 litre cleaning bottles in the UK where a small change delivered an annual plastic saving of 33 tonnes.

A PACK THAT'S RECYCLED, RECYCLABLE AND REUSABLE

CASE STUDY

Veja Power Nature all-purpose cleaner, launched in Brazil, now has a concentrated capsule refill system.

It means the original trigger and bottle can be reused up to 25 times and the use of refill saves 85% of plastic. The PET bottle is recyclable and also includes 50% PCR.

A QR code guides consumers to a virtual reality page showing them how to use the refills and, just as importantly, how to dispose of the materials.

In the concentrated format, one pallet of capsules is the equivalent of 13 pallets of Veja in the trigger and bottle format, which saves on transport.



Making packaging more recyclable

To make our packs easier to recycle, we're swapping multi-layer laminates for mono-materials, for example in Finish dishwasher tab pouches. We're also removing contaminants like black colourant from our bottles. Durex has removed a non-recyclable valved cap and replaced the bottle material with a recyclable alternative. And we're adding perforations and messaging to bottle sleeves to help consumers remove them before recycling. This makes it easier for recycling systems to detect and sort packs in the recycling process, increasing the amount of packaging they can recycle.

In 2021, the recyclable Finish flexible pouch, initially launched in 2019, became the first recyclable pack in its category with PCR to be produced at scale.

Work like this shows how we want to move forward to 2025 and beyond. Our technical progress is encouraging, given the challenges of using and obtaining some substitutes for plastics. We're now looking to scale up these programmes across regions so that they make a bigger impact.

Increasing recycled content

Highlights in 2021 included:

- Preparing a project that will launch in 2022, incorporating 75% recycled plastic into the 22 million spray bottles Cillit Bang produces each year, saving 880 metric tonnes of virgin plastic
- Giving Finish Power Gel in the EU a 35% PCR bottle with sleeve perforation for easy disposal
- Using up to 35% PCR in bottles for the newly launched Dettol Tru Clean
- Adding PCR into almost a quarter of Vanish packs, using over 750 metric tonnes of recycled plastic in the process

Our work in recent years has added over 7,700 metric tonnes of PCR to our processes, and it now makes up 3.5% of plastic we use in our packaging. In 2020, we increased our use of PCR by 50% compared to the year before. But higher demand for some of our products during the COVID-19 pandemic meant we had to use more plastic as we increased production. We'll report results for 2021 in mid-2022.

LOOKING FOR TRANSFORMATIONAL IMPACT

For some time, we've worked to minimise our use of materials by making bottles, packs and lids smaller and taking the unnecessary air out of packaging. We're also looking for new, transformational ways to get products to consumers that work well for them, as well as reducing our environmental impact.

These include refilling and re-use. A bottle refilled with fresh product is a bottle kept out of the waste cycle, and one we don't have to use material or expend resources to replace. In the US, Lysol SMART refillable packs saved 75% plastic compared to the traditional method of buying new bottles again and again. We're working with the recycling company TerraCycle and their Loop platform, and also assessing more refill ideas across our brands.

REUSING FINISH PACKS AGAIN AND AGAIN



Finish UK has partnered with recycling company TerraCycle's Loop programme, a sustainable packaging concept that sees empty packaging collected, cleaned and re-distributed back to the brand, which then reuses it.

In a trial with the UK supermarket Tesco that started in September 2021, ten stores are carrying Loop's brand partners – including Finish – giving consumers the option to buy familiar brands in sustainable packaging that's reused time and time again.

For the first time, Finish tabs are available in stainless steel jars, which consumers bring to return points in the store when they've finished using them.

Loop then cleans the jars for Finish to refill, ready to go back on the shelf for the next shopper.

CASE STUDY

FACING RECYCLING CHALLENGES

The more good-quality plastic that goes into recycling, and the better the systems for processing it, the better the supply of materials like PCR, and the more viable the cost. This is why we're also working to influence consumers to increase recycling rates globally. In the UK, for instance, only about a quarter of household plastic goes to recycling. In the US, it's only around 9%. So we're helping to improve or create recycling systems in areas where infrastructure is weak.

We were proud to join the Holy Grail 2.0 project in 2020, which is promoting an industry-wide watermark and tracing system to improve sorting processes for waste plastic and so strengthen recycling infrastructure. In 2021, we prepared some of our products by enhancing their labels with digital watermarks.

CUTTING PACKAGING ON AMAZON WITH AIR WICK

In 2021, we launched tailored Air Wick e-commerce packs on Amazon in selected European countries for certain Freshmatic, Essential Mist and Plug-in Scented Oils starter kits and refill packs.

The packs are made of a corrugated cardboard insert and box with 70% recycled content and no plastic packaging. There is also no need for Amazon to add any extra packaging for shipment, which means less packaging used overall.

CASE STUDY

For the next generation of products, we're investigating other ideas like:

- More effective refill solutions, reducing packaging and, in some cases, eliminating it altogether
- Using more safe-to-use concentrates to cut down on packaging materials

- Replacing a bottle of liquid product with a compressed solid alternative

The result will be that we use less plastic, transport less water and air, and therefore use less energy.

Using alternative materials is also important, whether it's substitutes for plastic, or recycled plastic or paper. And we're also investigating materials like bio-based plastics.



COVID-19 created new recycling challenges. High demand for disinfectants pushed up demand for materials to produce bottles – and that outstripped the supply of PCR. This increased our plastic use for these products, and we used more packaging in 2020 but couldn't increase the proportion of recycled material as much as we wanted. Recyclers collected less plastic, which undermined supplies of waste feedstock for PCR. The cost difference between virgin and recycled plastics also increased. Extra urgency to produce hygiene products and meet demand led to longer lead times on packaging trials.

We still expect to push ahead strongly in 2022, despite these short-term challenges, with efforts to back recycling infrastructure through partnerships, and to boost our own innovation pipeline. Teams are already moving forward, with ideas like refillable packs, using more PCR across many brands and cutting packaging weight. We'll also look to remove metallised material from cartons so they can be more widely recycled.

JOINING FORCES TO MAKE A BIGGER IMPACT

We can't achieve our targets entirely through our own efforts. We're strengthening our global, cross-sector commitments through the Consumer Goods Forum Coalition of Action on Plastic Waste and working as part of the Ellen MacArthur Foundation's Global Commitment. We also have partnerships in particular countries. As well as being part of the UK Plastics Pact, we're also in the US and Canadian Plastics Pacts, a collaborative initiative to move towards a circular economy for plastics by 2025. As a founding Activator, we work with others on defining a list of problematic or unnecessary packaging and eliminating it by 2025. We also work closely with suppliers like Veolia, Dow and Mondi to find innovative solutions.

Other 2021 highlights from our partnerships include stimulating the market for recycling with global waste management services provider Veolia. Our partnership to develop PCR by turning an affordable material into a clear, clean and odourless feedstock has continued, following our work to pioneer rigid Finish containers for use with detergents. We've now launched our first Vanish packaging containing 45% PCR, making sure the iconic pink colour wasn't visibly different from virgin plastic packaging.



LOOKING TO THE FUTURE

We're focusing on three priorities: using less plastic and packaging materials; using better materials for more recyclability; and incorporating more recycled content. Our targets take us to 2025 and 2030, but we're thinking beyond that. Our long-term ambition is to deliver our products in new ways that minimise or eliminate packaging, while still working as well as ever. Our work on refilling and reuse is an example.

By 2025, all our plastic packaging will be recyclable and we'll be using more materials like PCR. Our new Polymer Science function in our global packaging team is exploring the next generation of plastics, and finding new methods of recycling, including dissolution and chemical recycling. For now, enhancing the quality of mechanical PCR, which is the most commonly used recycling process for packaging waste today, is our priority.

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