



# WATER

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Reckitt Sustainability Insights 2021



# WATER



Every day we sell 20 million products. We use water to make these products, and our customers often need water when they use them. That's why water is such a critical part of enabling our purpose, our ambitions and our sustainability goals. We're looking at our impact across the whole water footprint, from sourcing, to manufacturing and consumer use, and in communities where we work.

Across the world, millions of people live in areas where water is scarce, or unsafe to drink. With climate change, these numbers will rise. Companies like ours have a duty to find ways to reduce their water consumption. This isn't just good for the planet and its people, but also makes our business more resilient.

Monitoring how we use water in all parts of our operations is vital. But we must also look closely at the water people need when consuming our products, whether it's Harpic toilet cleaner or Enfamil infant formula. Since 2012 we've been focusing on these two measures in our value chain as we push to reduce our impact on water.

In the communities where we work, we also help people get better access to clean water and sanitation. And through our products, we support 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.

Though the water consumed in manufacturing makes up less than 1% of our products' footprint, we've substantially reduced water usage in our operations in recent years to help the communities we operate in have an abundant supply of water. Many of our individual sites have met their water reduction goals, and treated wastewater more effectively, with some sites now discharging no industrial wastewater effluent. For some the task is more challenging. While increased demand for our hygiene products due to COVID-19 led to higher production, it also required us to keep our facilities safe and clean for staff. That's meant our water use per unit of production has increased compared to before the pandemic; however through additional water saving initiatives our overall water use per unit of product has been kept to a 3% reduction vs 2015.

As we focus on water in the complete lifecycle of our products, we know there's still much we can do. We're continuing with our efforts to help our consumers cut their water use. Initiatives include reformulating our products using ingredients that need less water to be effective, and showing consumers how to save water when using

## OUR PERFORMANCE IN 2021

<b>Aim</b> 30% reduction in water use in our operations by 2025*	<b>2021</b> <b>3%</b> † reduction
<b>Aim</b> Water positive in our water-stressed sites by 2030	<b>2021</b> <b>1</b> out of 19
<b>Aim</b> 50% reduction in product water footprint by 2040*	<b>2021</b> <b>14.6%</b> † increase

\* Reduction is against a 2015 baseline.

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

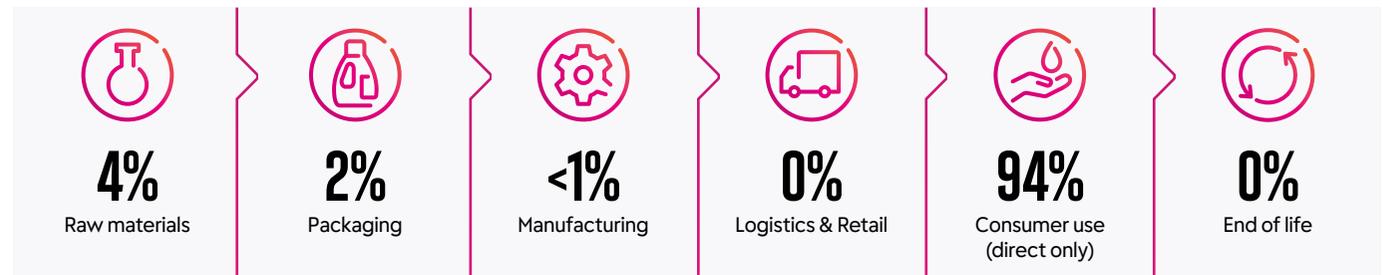
our brands. One example is our global campaign to change consumer behaviour, 'Skip the rinse', which aims to raise awareness and inform people who use our Finish product that they don't need to rinse dishes before loading the dishwasher. See more details in our #Skiptherinse case study further on.

We're also looking further into the future. Supporting our sustainability ambitions and commitment to the UN's Sustainable Development Goals (SDGs), we aim to be 'water positive in regions of water stress where we operate' – enabling greater access to more water in the environments where we operate than we use – by 2030.



Cases of water stress – where water availability is insufficient for local needs – are becoming more common because of climate change, and this is an important area for us. We have 19 sites located in regions where water scarcity has been highlighted as a potential risk, and we're focused on reducing water impact in these communities. But we can't do it alone. We need to collaborate with, and learn from, others. That's why we've joined forces with the Water Resilience Coalition, an industry-driven group that seeks to put global water stress at the top of the corporate agenda, and its parent organisation, the CEO Water Mandate. Endorsed by almost 200 companies, the CEO Water Mandate aims to address global water challenges through corporate water stewardship, in partnership with the United Nations, governments, civil society organisations and other stakeholders.

### Our water footprint



### MANAGING OUR WATER RESOURCES

We operate under a Group certification for ISO 14001, with all sites independently certified in 2021, except one site in Wanamingo, in the United States, which we acquired in 2021 and is scheduled for certification in 2022. Our sites must also meet our Global Water Management standard. This goes beyond compliance, requiring all sites to reduce their water impact, supporting our sustainability ambitions. All sites have a water management plan, reviewed at least every three years.

We recognise the increasing effect of antimicrobial resistance and the interactions of pharmaceuticals in the environment. That's why we're developing our wastewater treatment programmes, and controls in our factories, to mitigate this in our operations.

We've made progress on reusing and recycling water at several of our sites. Some, including Hosur, Mysore and Irungattukottai in India, have achieved zero liquid discharges. This is an approach we can expand, particularly in water-stressed locations. Reprocessing, recycling and reusing water in different ways, as well as stopping any liquid effluent discharge, optimises our water use and reduces the strain on local water sources.

### Saving and reusing water

The Sitarganj site in India is one of Reckitt's largest water users. By working with our R&D experts, and rethinking the production process, the Sitarganj team has achieved substantial water savings. Previously, products manufactured there included, by volume, between 60 and 80% de-mineralised water – raw water treated by reverse osmosis. This method improved the water quality but wasted nearly a third of it. So much waste didn't make sense, especially since R&D studies had shown that we could produce certain products using soft water rather than de-mineralised water. After switching to soft water, the site has significantly reduced overall water consumption and wastewater, while maintaining the products' high quality.

Meanwhile, in Nottingham, in the UK, where we produce Strepsils, the drive to reduce water and waste keeps delivering success. Simply by reassessing and removing a maintenance step that previously involved using, flushing and replenishing large volumes of fresh purified water every month, the team saved 140 tonnes of water a year without compromising on performance, safety or quality.

Our product water footprint is also an important consideration during product development. We use our Sustainable Innovation Calculator (SIC) to target reducing our water use. Our R&D teams use the SIC to check if new products are more sustainable than existing ones, against water, carbon, packaging and chemical footprint criteria. For further details see our [Sustainable product innovation](#) insight.



Hosur – catchment programmes for water positivity and long term resources.

### Aiming for water positivity

We set ourselves a bold target of becoming water positive in water-stressed areas by 2030. This ambition will involve testing a range of methods and evolving our approach as we progress.

To this aim, we're developing water catchment area programmes at key sites. At our Hosur site in India, we've invested in rainwater harvesting and helped reinstate local water courses. The site now has sufficient externally validated projects to cover its water use. Those projects will be maintained in the future, to maintain this coverage. We will also encourage other businesses in the catchment area to adopt a similar approach, supporting long term water resources for the whole community.

We'll continue to review how we can reduce water consumption at our manufacturing sites, new ways to recycle more water and opportunities to replenish the water catchments we operate in focusing on key water-stressed areas.

### Understanding our impact

We have 19 facilities in potentially water-stressed regions, 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. Since 2020, we've worked with Resilience and the Cambridge Centre for Risk Studies (CCRS) within the Judge Business School at the University of Cambridge to assess our climate change risks and opportunities in the areas where we operate, and inform our strategic decision making. We assessed physical risks (such as water stress) over five years (2025) and 20 years (2040), focusing on impacts throughout the value chain.

For more information, see our [Climate change](#) insight including our TCFD disclosure. Water withdrawal in stressed areas in 2021 was 1,744,422 m<sup>3</sup> and water consumption was 1,260,617 m<sup>3</sup> (21% of our total withdrawals and 49% of total consumption).

## WWF PARTNERSHIP TO HELP COMMUNITIES IN PAKISTAN

CASE STUDY

In 2022, we'll begin working with WWF-Pakistan and government organisations, such as the Pakistan Council of Research in Water Resources, to replenish and conserve water resources in Karachi within Sindh province, an area where we operate. Our funding will help WWF implement its nature-based solutions, including installing household rainwater harvesting systems, the restoration of wetlands, and the filtration and reuse of wastewater.

Not only will this help preserve the quality and quantity of water in this area, it will also provide new sources of safe drinking water to the community. The work aims to replenish around 14,000m<sup>3</sup> of water a year, while also demonstrating good water stewardship practice. This is part of our global partnership with WWF which has a focus on freshwater. In addition to the project in Pakistan we are also protecting and saving 2,100kms of the Ganges and Tapajos river basins in India and Brazil.

## HOW WE PERFORMED IN 2021 – 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 2015 baseline. We were pleased to keep our leadership status for water stewardship in the Carbon Disclosure Project (CDP). In 2021, we kept our A- score for water security, which we've maintained since 2019.

In 2021 we didn't incur any fines or prosecutions for environmental breaches or pollution.

Despite the COVID-19 pandemic, our teams continued to monitor our water performance virtually, through virtual site assessments, meetings, workshops and town halls. For example, in the EU during our regular EHS and Engineering team meetings we hosted a virtual refresher session on site drainage, and pollution protection and prevention as part of our ongoing knowledge transfer sessions. We also introduced new water efficiency measures and product innovations.

When it comes to water across the full value chain of our products, we recognised that it is no longer enough to reduce the water intensity of our products. So in March 2021, as part of the launch of our new sustainability ambitions, we set a new goal of 50% absolute reduction of our water use footprint on products. This water use footprint increased by 14.6% versus our 2015 baseline. This is less than business growth during the same time period but we know we need to do more. We also recognise that with an increasing move to bio-based and renewable resources, our water footprint may increase, especially in the areas of raw materials and packaging. However, we are committed to driving down this footprint over time. 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.

## #SKIPHERINSE WITH FINISH, A SIMPLE BEHAVIOUR CHANGE THAT SAVES WATER

To raise awareness of water scarcity, our brand Finish encourages people to embrace a simple behaviour #SkiptheRinse when loading the dishwasher. Pre-rinsing dishes uses up to 57 litres of water per load – wasted water



with Finish, because the product is so effective at removing dirt. #SkiptheRinse is a global campaign and, along with our partnerships with National Geographic, WWF, Love Water UK and the Nature Conservancy, it's reached more than 350 million people to encourage them to turn off the tap before loading the dishwasher. In the US alone, #SkiptheRinse has driven pledges to save 20 million gallons of water.

In Turkey #SkiptheRinse has been a major success in raising awareness of water conservation. In a country expected to be water-poor by 2030, we wanted to show the true value of a resource many people take for granted. Working with the Turkish Industrial Development Bank, we created the Finish Water Index. Each week, data including water reserves, forecasts and agricultural, domestic and industrial consumption goes into a formula to generate a single, easy-to-understand figure reflecting the overall picture for water availability in the country.

If the Index is below 70, the country is water-poor; above 100 and it's water abundant. The Index was launched at the stock exchange, and widely reported in the media alongside other common financial indicators, like currency rates and the gold price. On launch, the Finish Water Index was the number one trending topic on Twitter in Turkey, and the conversation around water more than doubled. The Index now reaches 25 million people a month. As a result, six million households have stopped pre-rinsing, resulting in a saving of 24 million tons of water – and counting...

## PROMOTING BEHAVIOUR CHANGE IN THE UK

In the UK, analysis by the Climate Change Committee, a group of experts that advises the government, showed that while 87% of emissions reductions between 2009 and 2019 didn't need behavioural change, more than half of those needed between 2020 and 2035 *will* depend on people changing their habits.



We used our brand Dettol to show that we can encourage UK consumers to adopt more pro-environmental behaviours and have a positive impact on changing UK consumers' understanding and intended actions. Our study found that, on average, people in the UK wash their hands 10 times a day. And while four out of five think it's effective to wash their hands with soap and hot water, only one in five think soap and cold water have the same result. But the US Centres for Disease Control and Prevention says washing your hands with cold water and soap is just as hygienic as hot water with soap. Its environmental impact is very different, though. In the UK alone, heating water for hand washing produces roughly the same carbon emissions as 285,000 cars in a year. So encouraging behaviour change in this area can make a real impact.

CASE STUDY

### OUR FOCUS FOR 2022 AND BEYOND

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

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

We're working harder to understand the impact of our products all through their lifecycle. To date, we've focused mainly on manufacturing, but we know we must also take the wider view. This means finding ways to reduce our water impact at each step, from design and manufacture, to ingredients and materials, and finally use and disposal by consumers.

### PRODUCT WATER FOOTPRINT

Product water use:	2021						2021	2015 (baseline)	2020
	Raw Material	Packaging	Manufacturing	Logistics & Retail	Consumer Use	End of life	Total	Total	Total
Million litres	55,000	29,300	9,100	0	1,454,800	0	1,548,400 <sup>+</sup>	1,351,100	1,560,200
% split	4%	2%	<1%	0	94%	0	100		

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

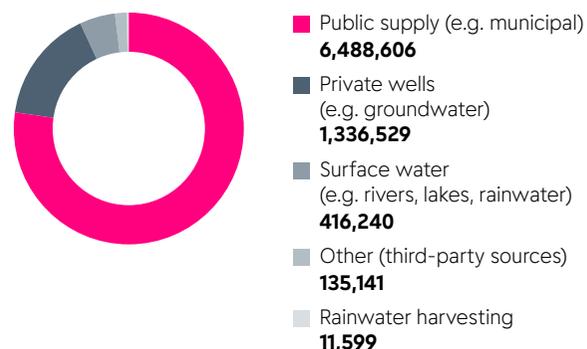
<sup>+</sup> Assured by ERM CVS as part of their limited assurance scope; for details, see our [Sustainability governance, reporting and assurance](#) insight.



## HOW WE USE WATER IN OUR OPERATIONS

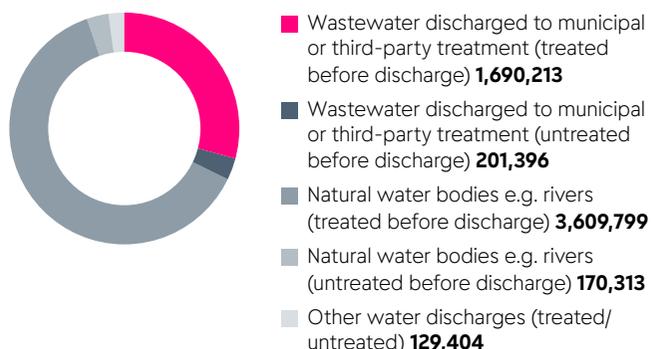
Our operations use water from a number of different sources, depending on the local area. Since 2015, we've reduced our water use by 3% (per unit of production) globally. A factor in this was greater efficiency in the way we use water in production, for example through cooling tower operations or during routine cleaning, while maintaining the same standards of hygiene.

### Total water use (withdrawals) in our operations in 2021 in m<sup>3</sup>†



This year, our total water withdrawals were 8,388,114 m<sup>3</sup>, a decrease in absolute terms of 4% compared with the previous year. We recycled and reused 241,977 m<sup>3</sup>, a reduction of 6% since 2020 in line with our reduction in total water withdrawals during the same period.

### Wastewater discharge by destination/volume †



## WASTEWATER DISCHARGE

Total wastewater discharge this year was 6.6% lower than 2020, in line with our water savings and production patterns.

### WASTEWATER DISCHARGES – QUALITY

	Units	2016	2017	2018	2019	2020	2021
Direct chemical oxygen demand	metric tonnes	1,421	1,517	1,338	1,856	3,218	2,167

## 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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### WATER USE – MANUFACTURING AND WAREHOUSE OPERATIONS

Metric	Units	2015	2020	2021†	Change vs 2020	Change vs 2015
Water use per unit of production	m <sup>3</sup> per tonne of product	2.7	2.55	2.63	+2.9%	-3%
Water discharge per unit of production	m <sup>3</sup> per tonne of product	1.72	1.81	1.82	+0.4%	+6%

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