

PRODUCT SAFETY AND QUALITY CONTINUED

Consumers rightly expect that the products they buy from us are safe and effective. We work hard to uphold the highest standards of safety, while maintaining the quality and effectiveness of our products. We do this by reinforcing our culture of quality and safety, regularly reviewing our processes and practices, investing in technology and listening to our stakeholders.

Safety and quality are priorities for us along the entire lifecycle of every product, from design to disposal. We design products with both the consumer and the planet in mind. We aim to pre-empt and respond to any risk we see. We listen to what consumers say to identify and manage potential risks and to continually improve our products.

Each of the hundreds of products we produce comes with its own challenges and possible risks, which we need to manage to keep consumers safe and maintain quality. We use research from our own R&D labs as well as outside sources to continually re-evaluate our products' risks and benefits. We have robust policies and procedures in every market, in every factory and with our suppliers that ensure compliance with regulations and uphold the very high standards we set for ourselves.

We follow a six-stage approach to safety and quality:

- Concept and product design Identifying new product innovations and ways to better meet the needs of consumers
- 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
- 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 Continually considering product quality and safety, across each of the stages of a product's lifecycle and developing our approach to continually lift standards

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. We also have supporting policies that focus on more specific standards, for example for managing our products, ingredients and ways of working. Our Quality Manual covers the whole product lifecycle. Our policies and procedures are available digitally, helping us track activities like training and monitoring product safety and quality through the supply chain. 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 helps make sure they consistently meet our safety and quality standards. We also focus on 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 and remain safe. Even so, how consumers use or store products, rather than any quality issue, can trigger complaints.





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INVESTIGATING CUSTOMER CONCERNS THROUGH ROOT CAUSE ANALYSIS

We set out to create and improve products based on what our consumers tell us. This feedback and improvement cycle mechanism was triggered when consumers and store owners found that some Airborne vitamin gummy pots were becoming pressurised while on the shelf, causing some caps to fly off, presenting a health and safety risk. When we investigated, we found that the pots' permeable seals were faulty. They were not allowing the release of gas that naturally builds up as vitamin C ages. This started a thorough investigation into why the previously permeable seals were no longer behaving the way they should. It led to a redesign of the packaging and the fitting of a new manufacturing line to prevent the problem.



Progress during the year

We've kept high standards of safety and quality throughout our network of sites and suppliers over the past year, enhancing the resilience we built up during the COVID-19 pandemic. We improved our raw material specifications and set standards to ensure that our ingredients meet our stringent quality and safety requirements.

We continued to invest in safety systems and processes to improve our ability to drive safety by design into our product development, and to detect any issues that arise with our products in the market. We had four consumer recalls in 2022, demonstrating that we are responsive to these issues and are ready to act when necessary. Having some targeted recalls in a year across a large portfolio is not uncommon. In each case, we took action.

Quality as a competitive advantage

We continued to perform strongly in our external quality audits and build momentum behind our Culture of Quality Programme. Embedding root cause problem solving (RCPS) remained a priority throughout the year. This involves applying a methodology we have developed to help identify the underlying cause of a quality issue. We used our specialised toolkit to develop essential competencies and to avoid recurring issues, and we continue to evolve our problem-solving process from a reactive to an improvement-focused approach.

We continue to build our quality management capabilities across Reckitt, providing forums and communities for individuals and teams to review issues, share best practice and build on successes. The metrics we track internally indicate a significant improvement in performance as well as providing us with powerful insights on where to focus and further improve. For example, we have seen significant improvement in our metrics measuring 'right first time' in manufacturing and product turnaround times. To further cultivate a continuous improvement mindset, we will develop targeted quality improvement plans in 2023 to tackle key areas, emphasising the importance and benefits of implementing fact-driven action plans and becoming increasingly improvement-focused.

Beyond this, our Culture of Quality champions continue to deliver RCPS training across all functions, extending to Supply Services and Human Resources in 2022. We will be deploying further toolkits to roll out continuous improvement methodologies, such as Process Mapping and Gemba Walks (site evaluations of quality and safety by leaders), as well as providing related coaching. This will help us to enhance our ways of working and our improvement capabilities across the organisation.

Investing in our infrastructure and systems

Technology is central to transforming our approach to quality management. It enables us to be more effective and more efficient, freeing up time and resources for product improvement.

Last year, we successfully implemented the change and deviation management modules from the Veeva Quality One Platform, a cloud-based software solution that helps us manage quality processes and document control. We will continue improving key quality processes even further, with the planned deployment of the risk management and document management modules in 2023. Supplier and audit management modules are also planned for deployment by early 2024.

Quality One supports Reckitt in realising its Quality Vision, helping us increase productivity and efficiency. By using the latest technology, we can digitise our key quality processes in one platform, providing data in a single source and giving us actionable insights in real time. This allows us to track quality issues, quickly identify and resolve problems, and guarantee that products surpass the highest standards and meet consumer expectations.

Within our Quality Control laboratories, we are implementing a Global Laboratory Excellence programme. This targets the development of faster and more modern testing methods and makes more use of digital technology. In 2022, we extended this programme, including the implementation of a tool that uses artificial intelligence (AI) to help manage resourcing of our laboratories. It is a unique system that uses advanced machine learning and AI technology to optimise planning in our laboratories. It automates routine quality control administrative tasks, accelerating the process and producing more accurate resourcing requirements far quicker.

With supply chains under pressure to manufacture to tight schedules, this tool streamlines the administrative processes fundamental to testing products, drastically reducing the administrative burden and shortening test turnaround times, releasing time for improvement.

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Embedding a culture of safety and quality

A culture where everyone sees quality as part of their job is fundamental to ensuring high standards. Promoting this culture is part of our Product Safety and Quality programme.

We again passed 100% of our external quality audits and continued our Culture of Quality programme. As the number of people involved in our programme grows, we continue to champion our successes. learn from our failures and strive to inspire by visibly prioritising quality. This reinforces the cultural environment, embedding the right behaviours throughout the organisation and making quality part of our everyday conversations.

For World Quality Week 2022, we celebrated by recognising those who continuously strive to do the right thing and emphasising that quality is everyone's responsibility. We put the feedback of consumers at the forefront of our thought processes and encouraged champions to own and deliver their own Quality Days and events throughout the year. There was an outstanding level of engagement throughout the organisation, both during World Quality Week and throughout the year, and the results were impressive (see case study on page 5).

To further support the growth of the programme, we have invested in our Culture of Quality community resources and launched our 'Quality Tips' library. Quality Tips are powerful tools used to encourage dialogue and learn about quality. Crafted by any Reckitt employee, a Quality Tip is an insight, fact or thought-provoking statement used to start a meeting or training session to create dialogue and learning on a given topic. Quality Tips help us share and learn from our experiences, spread awareness, educate and promote deeper thinking on the significance of quality and its impact on our lives. Diversity and inclusivity are essential in creating a culture of quality in the organisation. By bringing together a variety of people with different backgrounds, experiences and perspectives, we can ensure that our work is of the highest quality.

Reducing the risk of harm

We take the safety of our consumers very seriously. Everyone at Reckitt has a role in actively managing risk to bring the world innovative, effective and, above all, safe products.

In October 2022, we launched the Reckitt Human Harm Risk Manual to help embed our approach across the business. This internal guide describes how we control and reduce the risk of human harm from the use of our products — how we keep our consumers safe. It helps our colleagues to understand how new risks can emerge at any stage in the product lifecycle. This will be included in a new Culture of Safety training programme that will run throughout 2023, and which will supplement the existing mandatory training programmes that all our people receive. The training, part of an annual cycle which is assessed to ensure people take part, reminds every employee to report any bad product experience, whether their own or someone else's.

We are also working to make sure consumers don't misuse our products. Part of this is in providing clear labelling and advice to consumers and health professionals. But we also use technology to monitor traditional and social media. If we find that misinformation or incorrect advice about the use of our products risks spreading widely, we will respond with the right information.

These efforts help us stay alert to potential safety or quality issues and the misuse of our products and take the right action to reduce risks. 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 considers how they could be misused. The team monitors product safety in the market, passing insights on to product development teams. Our **Consumer Safety Policy** has guidelines, standards and procedures for the whole product lifecycle.

Making it easier for consumers to get in touch

It is important we hear from our consumers when there's a problem. Across all of our business units, consumers can get in touch using text, chat, email and social media, or by post. This makes it easier for us to gather their feedback and gain insights that help improve our products.

Investing in safety assurance

Our Global Safety Assurance function continued to grow. In 2022, we implemented new Safety Standards in our Nutrition business, which enabled us to demonstrate the safety of imported infant formula mixes to the US authorities. This, in turn, gave them the confidence to allow us to ramp up manufacturing during the supply crisis that hit the US. We plan more investments in 2023 to ensure that our Restricted Substances List of ingredients, use of which must be limited or prevented, can properly anticipate emerging science and regulation. By doing this, we are ensuring that our consumers are protected now and into the future.



(>) See more in our **Product Stewardship Insight**

Building renewed strength

We have built on our Product Integrity Review project, which we completed in 2021. This £12 million global project assessed and audited 23,000 stock-keeping units sold before 2018 across 127 markets, split between our Health and Hygiene businesses. This gave us confidence that we were keeping our consumers safe and that we were managing the risk of safety breaches from products already in circulation. The project provided a deep understanding of our product portfolio and its quality and safety risks, and has strengthened the foundations for the robust policies and procedures which support safety and quality in products launched since 2018. In 2022, we invested significantly in further process improvements to make our product safety evaluations even more robust and efficient, helping to ensure that nothing enters the market that fails to meet our stringent standards.

PRODUCT SAFETY AND QUALITY CONTINUED



WORLD QUALITY WEEK AT OUR NOTTINGHAM SITE

Reckitt has been on a mission to embed a strong Culture of Quality, exemplified by our successful Quality Days in 2022. These included the Culture of Quality Event at our Nottingham manufacturing site. Held across July and August, the event was attended by 400 people, including finance, technical and engineering specialists.

The event served as a reminder of the Reckitt Commitment to Quality, providing an opportunity for everyone on site to make their own commitment. It also addressed the challenging topics of data integrity and contamination mitigation.

The contamination mitigation session took a creative approach, taking attendees through a crime scene investigation-style room. This required them to identify potential contamination risks within a realistic process replica and understand the reasons for the precautions and processes in place to avoid contamination.

The event also emphasised hand hygiene, demonstrating proper hand-washing techniques, and using finger dabs to show the potential contamination that can arise from not washing hands correctly or using the wrong equipment.

The final topic of the event centred on data integrity, giving participants an interactive refresher on the principles of ALCOA+, explaining that data should be attributable, legible, contemporaneous, original and accurate. They were given real-world examples to illustrate the cost of poor quality and the importance of valuing one's electronic signature. Participants were given data challenges to tackle and data integrity issues to discuss. They analysed the consequences of incorrect approaches

and were challenged to come up with new ideas. With over half the session dedicated to group exercises, participants had plenty of time to engage in the subject matter and learn from one another's experiences.

The event has continued to provide value. In September, we used the content to onboard 30 new graduates from R&D, Supply and Commercial, with more sessions planned.



Looking ahead

We will further embed product safety and quality throughout the company, remaining resilient, innovative and trusted by all our stakeholders. We will focus on:

- Strengthening 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
- Continuing to invest in technology to make our processes more efficient. Doing so helps us predict and anticipate issues and respond more quickly to trends
- Further simplifying processes, enabled by our digital quality management system, to manage suppliers, audits and documents.
 We will continue to connect processes in a single platform, and boost efficiency in our complex supply chain
- Reinforcing our consumer advocacy capabilities. We plan to enhance our consumer relations tools and organisation, making sure the concerns and needs of our consumers all over the world are heard in our Quality function. Doing so will give us insights that we act on to further develop our brands