

# DELIVERING FOR A CLEANER, HEALTHIER WORLD

Reckitt Sustainability Report 2023





# CONTENTS



## SUSTAINABILITY AT RECKITT

Our 2030 Sustainability Ambitions are an integral part of our strategy and our Purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world. We focus on three pillars of activity: innovating **Purpose-led Brands**, enabling a **Healthier Planet** and contributing to a **Fairer Society**, informed by the issues that matter most to our business and stakeholders.

03	Our approach
04	Our Sustainability Ambitions progress overview
05	Our Business
06	Our Stakeholders
08	Collaborations and Partnerships
09	Governance and Risk Management

## PURPOSE-LED BRANDS

Our portfolio of brands help solve everyday problems and do so at scale, with around 30 million products sold around the world every day. We are committed to ensuring sustainability is front and centre of our brands' purpose and product innovation whilst maintaining superior efficacy.

15	Product stewardship, safety and quality
22	Plastics and packaging

## HEALTHIER PLANET

Enabling and strengthening hygiene, health and nutrition, whilst safeguarding the planet, are critical to our business resilience and long-term success. Addressing climate change and water scarcity, and protecting precious biodiversity helps sustain the natural resources we all rely on.

30	Climate change
39	Biodiversity and ecosystems
52	Water
59	Waste

## FAIRER SOCIETY

We work to enable a fairer society and a world where everyone has the right to access the highest-quality hygiene, wellness and nourishment. As an employer and across our value chain we strive to enable a fairer, more diverse and inclusive society.

63	Our people
87	People in our value chain

**Use these interactive symbols throughout the report:**

- Links to another page in the report
- Links to further reading online
- Return to the contents page
- Move to previous or next page

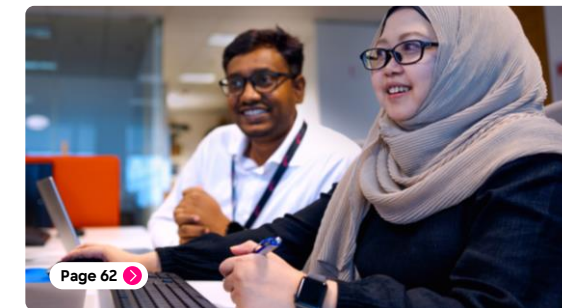
Our Sustainability Report provides an overview of progress against our Sustainability Ambitions during 2023 and should be read in conjunction with our Basis of Reporting. More information, including our ESG Data Book is available at our [Reporting Hub](#)



Page 12



Page 29



Page 62





## Sustainability at Reckitt



# A SUSTAINED COMMITMENT TO A CLEANER, HEALTHIER WORLD

**Fabrice Beaulieu**

Chief Marketing, Sustainability and Corporate Affairs Officer



As a global hygiene, health and nutrition business, with around 30 million products sold every day, we have an opportunity to make a real difference for our consumers, our partners, the societies in which we operate and our environment. Embedding sustainability, and delivering our Sustainability Ambitions, sits at the very heart of Reckitt and our desire to see a cleaner, healthier world.

Businesses can only succeed in the long term if they're aware of the impact they have on people and the planet, work to create a more positive impact, and are transparent about how they do it. This philosophy is baked into our ways of working.

Everything we do is designed to help mitigate risk, fuel sustainable growth and contribute to tackling global issues. We provide people with sustainable solutions and help tackle societal problems through our innovative products and brands. We work to minimise the environmental impact of our manufacturing processes and with our suppliers and partners to address shared challenges, build resilience and protect resources.

But tackling societal and environmental issues is not easy and we've experienced first-hand the complexities associated with making progress towards some of our Sustainability Ambitions. Take our goal to include 25% recycled plastic in our packaging by 2025 for example. External factors, including the COVID-19 pandemic, challenged our ability to make progress as quickly as we would have liked but we stand by our commitment. With an additional financial commitment, we are confident we will meet our target over the next two years.

Across other parts of our sustainability programme, our focus is paying dividends. We improved progress towards our goal of achieving 50% net revenue from more sustainable products. In 2023, we reached 29.6%, up from 24.4% in 2022. This was enabled by more sustainable innovations reaching the marketplace and increased use of our Sustainable Innovation Calculator to support product development, helping us meet growing consumer and customer demand for more sustainable products.

We also achieved our target of zero waste to landfill from our manufacturing sites and continued to exceed our science-based target to reduce our Scope 1 and 2 emissions, with 67% less carbon emitted compared to 2015. We are now targeting the carbon footprint of our products to have a similar impact.

Our sustainability programmes and partnerships continue to play an important role in helping us meet global challenges. Our work with Nature-based Insights, a spin-out from the University of Oxford, in our latex supply chain has contributed to our measurement of biodiversity. It supported our contributions to the work of the Taskforce for Nature-related Financial Disclosures (TNFD). We recognise the importance of nature to our business and are early adopters of the TNFD guidance.

In communities, our social impact programmes continue to deliver at scale. By working with expert partners in nine countries, we were able to accelerate social entrepreneurship. These programmes enable grassroots innovation to flourish and help solve health and hygiene challenges, such as a lack of clean water in communities.

**We enter 2024 firm in our commitment to delivering a cleaner, healthier world. Our brand leadership, innovation programmes, supply networks and partnerships position us well to make further progress and continue to contribute to a healthier planet and a fairer society."**

Find out more about our [Sustainable Innovation Calculator](#)



Sustainability at Reckitt continued

# OUR APPROACH

Everything we do is channelled towards creating more enduring, relevant products that captivate and delight our consumers. At the same time, our brands and innovation programme help deliver our Purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world.

As the world's population grows, so do demands on the resources that sustain us. While we believe the products we make can have a positive contribution, we also recognise that our operations and scale have the potential to bring about adverse impacts on people and the planet. We are committed to minimising that impact as much as possible.

**Our business is rooted in helping to address four global megatrends that challenge everyday health and wellbeing worldwide:**

- #1 The health impact of poor access to water, sanitation and hygiene
- #2 Growing pressures on formal healthcare systems
- #3 The importance of intimate wellness and sexual health to public health
- #4 The growth in specialised nutritional needs

Our products help people meet those changing health and wellness needs, with each of our brands aligned to an individual Sustainable Development Goal (SDG).

By developing more sustainable products in our uniquely-placed portfolio of brands, we help tackle some of the world's challenges and help to enable a cleaner, healthier world.

This approach is reflected in our Sustainability Ambitions for 2030 and beyond. Our ambitions span the pillars of purpose-led, more sustainable brands, healthier planet and fairer society. In delivering them, we aim to create impact for people and society while supporting resilience and growth for our business. Our ambitions focus on sustainability topics that are most important to our business and our stakeholders.

**Our commitment to advancing the global sustainable development agenda**

We are signatories to the UN Global Compact and our annual communication on progress demonstrates our commitment to the Ten Principles and the SDGs.

While we contribute to many of the goals, we believe we can make the biggest impact on five that are most closely connected to our brands and our social impact partnerships: SDG 2 Zero Hunger, SDG 3 Good Health and Wellbeing, SDG 5 Gender Equality, SDG 6 Clean Water and Sanitation, and SDG 13 Climate Action.



For more on our social impact partnerships see our [Social Impact Report](#)

**Focusing on our material issues**

Sustainability means different things to different people, and we recognise that certain issues are of greater interest to some stakeholders. Feedback from stakeholders informs our understanding so that we can keep learning and improving our approach.

We identified the focus areas for our Sustainability Ambitions following a review of our stakeholders' priorities and our own materiality assessments. The assessments categorised key issues based on how important they are to the business and our stakeholders. Climate change emerged as the most urgent priority, followed by product quality and safety, packaging and waste, advancing global health and hygiene, ethical business conduct and sustainable product innovation.

We have set ambitions against key priority areas. We manage core standards such as product quality and safety and ethical business conduct, through our policies, procedures and global governance activities. Our programmes to mitigate risks, create impact and make progress towards our ambitions, are included within this Sustainability Report.

During 2023, we reviewed our approach to double materiality against the Corporate Sustainability Reporting Directive (CSRD) requirements and the latest guidance from the European Financial Reporting Advisory Group (EFRAG). Together with this review, we have used external research, benchmarking and input from key stakeholders to update our double materiality assessment. The assessment quantifies our impacts, risks and opportunities in accordance with the European Sustainability Reporting Standards (ESRS) principles. We will provide further details on this in our future reporting.





Sustainability at Reckitt continued

# OUR SUSTAINABILITY AMBITIONS PROGRESS OVERVIEW

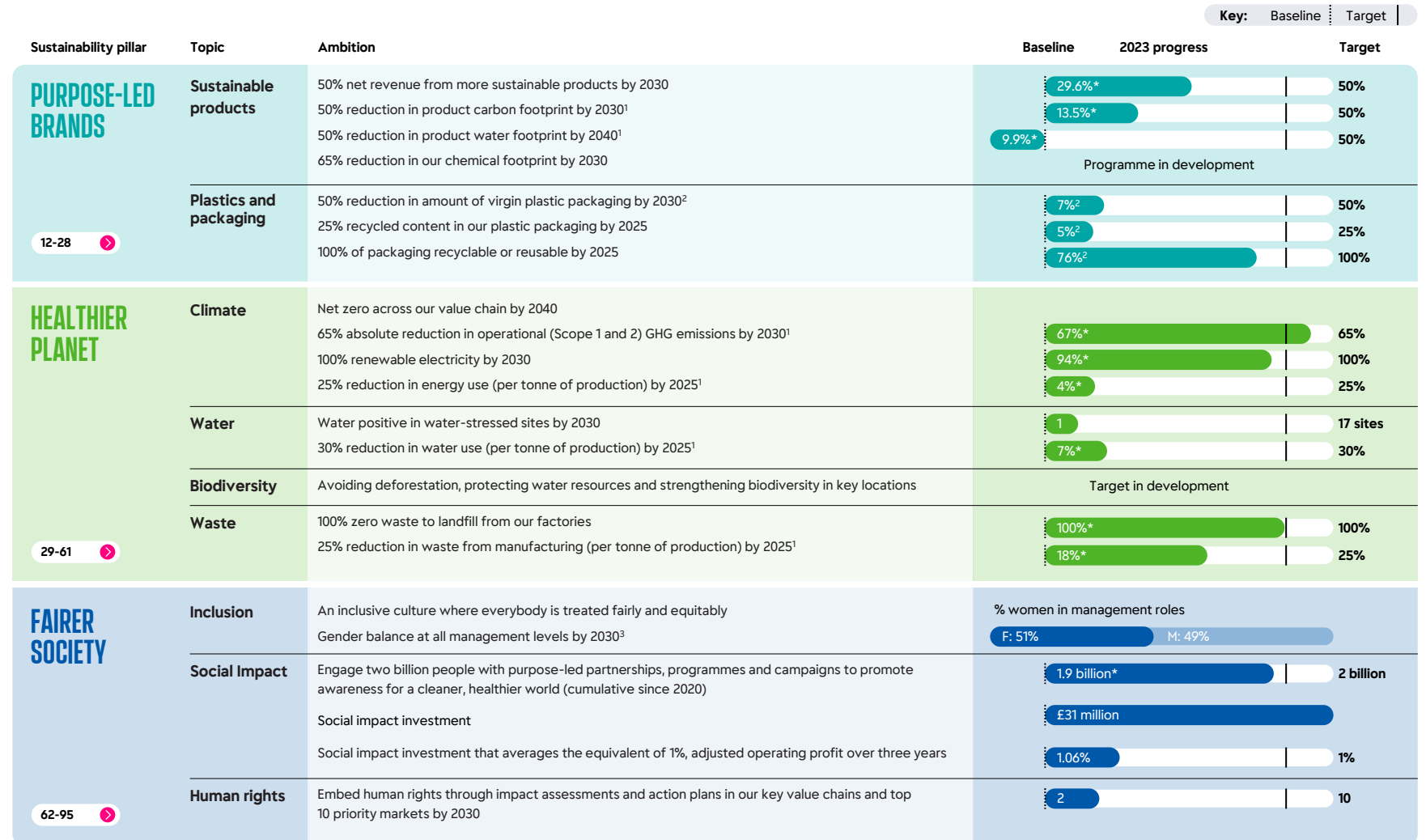
This dashboard summarises our performance across key metrics and targets. You can find more detail in the relevant sections of this report.

A complete summary of year-on-year data performance can be found in our ESG Data Book on our [Reporting Hub](#)

\* ERM CVS provides independent limited assurance over selected sustainability disclosures. The assurance report, along with the principles and methodologies we use in our reporting, can be found online our [Reporting Hub](#).

1. Environmental reduction targets for carbon, water and waste are from a 2015 baseline.
2. Reduction target for plastic is from a 2020 baseline. All packaging data relates to 2022, which is driven by the Ellen MacArthur Foundation reporting timelines. 2023 data will be available in mid-2024.
3. Data as of 31 December 2023 for active Reckitt employees (excluding contractors). 'All management' includes: Executive Committee Member, Group Leadership Team, Senior Management Team, Middle Manager, Manager.

See employee breakdowns on [page 75](#)





Sustainability at Reckitt continued

# OUR BUSINESS

Reckitt is home to some of the world's best-loved and trusted hygiene, health and nutrition brands.

We operate in

## 68 COUNTRIES

across six continents.

## 40,000 PEOPLE

of 125 different nationalities make up our diverse global team.

## C. 30M PRODUCTS

sold every day in almost every country in the world.

## VALUE CHAIN

Our value chain comprises interdependent parts from sourcing raw materials and manufacturing products, to consumers using and disposing of them.

### 01 PRODUCT DESIGN

We develop superior solutions grounded in science. Using our Sustainable Innovation Calculator we aim to design products and packaging that minimise environmental impacts.

Read more on [page 13](#)

### 02 SOURCING

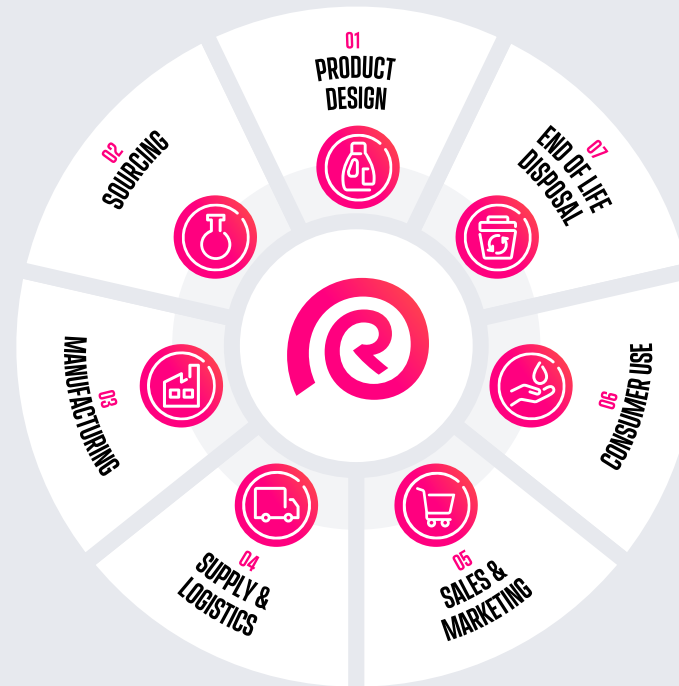
We source a range of packaging and raw materials from **around 4,000 suppliers across 70 countries** – from product packaging and household product chemicals, to pharma ingredients and agricultural commodities, including dairy, palm oil and latex.

**Around 36,000 indirect suppliers** provide services that support our business.

### 03 MANUFACTURING

Worldwide we have manufacturing sites, R&D laboratories, centres of excellence and logistics centres as well as digital infrastructure.

Around **90% of our products** are manufactured in-house by our **49 production and warehouse facilities**. Supporting our production requirements, we work with **243 third-party manufacturing sites** (co-packers).



### 04 SUPPLY AND LOGISTICS

Our global distribution network consists of **131 distribution/embellishment centres across 51 countries**.

### 05 SALES AND MARKETING

Globally, our major trading channels span **millions of retailers**, (hypermarkets and supermarkets, pharmacies, drug stores, discounters, convenience stores, mother and baby stores, and travel and specialty retail).

### 06 CONSUMER USE

We sell **around 30 million products every single day**. On this scale even small changes in consumer behaviour can have a big impact.

### 07 END OF LIFE DISPOSAL

We aim to design for a circular economy to help reduce plastic and packaging waste.

Read more on [page 25](#)



Sustainability at Reckitt continued

# OUR STAKEHOLDERS

Understanding the needs and expectations of our stakeholders is fundamental to our Purpose. We are committed to continually engaging with our stakeholders around the world to understand what matters to them and how our programmes are performing in their eyes.

- ▶ We provide more detail on [page 03](#) about how we consider our stakeholders' views to inform our focus on material issues
- ▶ Further detail on how we engage and incorporate stakeholder voices into our decision-making is included in our [2023 Annual Report](#)

## OUR CONSUMERS

**Putting consumers and people first is a guiding principle for our business.**

Our consumers want products that are safe, effective and provide value for money. Increasingly, they also want reassurance that the products they trust are responsibly sourced, with consideration and care for the people who make them and for natural resources. Consumer insight drives our innovation programme, helping us to provide trusted, quality products that help meet consumers' hygiene, health and nutritional needs.

By reaching more people in more places, we grow our business and increase our impact. We do that by gaining and retaining people's trust.

Read more on [page 18](#) ▶



## OUR CUSTOMERS

**Our partnerships with our retail customers and distributors are the way in which consumers access our products.**

Aside from the merchandising opportunities they provide, retailers also offer us vital feedback on evolving consumer priorities and patterns of demand. This informs our product and service innovation programmes and helps us to better meet consumers' needs. We aim to build strong and successful customer relationships and partnerships founded on a common purpose that ultimately help us to grow our business.

In turn, we aim to exceed our customers' expectations through successful innovation, efficient execution and high-quality products and service that help our customers to grow their own businesses.



## OUR PEOPLE

**Our colleagues collectively help fulfill our Purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world.**

We believe in nurturing a workplace that supports and encourages all colleagues to thrive. The talent, skills, experience and values our colleagues bring and continuously develop strengthen our organisation. We engage to build strong relationships with our people, ensuring an understanding of Reckitt's strategic direction and the role that every one of us plays in contributing to our collective success.

In turn, we strive to provide an inclusive, fulfilling and high-performing workplace where everyone has the freedom to succeed.

Read more in [Our People](#) ▶





Sustainability at Reckitt continued

## OUR SUPPLIERS AND PARTNERS

Maintaining long-term relationships with suppliers and partners helps us to protect business continuity, drive innovation and deliver our Sustainability Ambitions.

Ensuring our supplier relationships are founded on high standards helps us to drive progress across the value chain. From ensuring the fair treatment of workers, to reducing carbon emissions and water use, and protecting local ecosystems and nature, our engagement is helping to build resilience and maximise opportunities for all.

Insights from across the value chain help us to understand long-term trends, build action programmes, guide innovation and develop expertise and capabilities to meet future challenges in partnership with our suppliers.

Read more in [People in our Value Chain](#)



## OUR INVESTORS

Investors provide financial capital in the form of equity and debt, which underpins our business and enables us to execute our strategy. In return, investors expect attractive returns through capital appreciation, dividends, share buybacks or interest.

Our investment community includes current shareholders and prospective investors, mainly institutional and retail, as well as sell-side research analysts, investment and financing banks and ratings agencies. Many of our employees form part of this shareholder community.

Our investor relations programme promotes an open, consistent and transparent dialogue, with the aim of informing investors and market participants of our key attributes and strategy.

Read more in our [2023 Annual Report](#)



## COMMUNITIES

From the markets we support with our products to those at the heart of where we operate and source our ingredients, the communities across our value chain are critical to our goal to make a positive impact.

Our community focus is linked to our Purpose and areas where we can make the biggest impact: access to clean water, hygiene and sanitation for all; championing sexual and reproductive healthcare and rights; strengthening maternal and child healthcare; and improving access to healthcare and self-care.

With engaged and empowered communities, we benefit from long-term market growth and resilient supply chains, while advancing access to the highest-quality hygiene, wellness and nourishment.

Read more in our [Social Impact Report](#)



## GOVERNMENTS, NGOS, INDUSTRY AND ACADEMIA

We engage with public policy makers to protect and strengthen our reputation and influence policy and regulatory development.

We also work with civil society and non-governmental organisations (NGOs) on areas of common interest to identify opportunities where collective action can make an impact at scale.

We work with universities and industry groups to support new innovation and process development.

In turn, these forums provide valuable research, insights and feedback to further strengthen our approach and help shape wider industry action.

See [next page](#)



Sustainability at Reckitt continued

# COLLABORATIONS AND PARTNERSHIPS

While we strive to make progress on our own, we also need to work with others to tackle many of the sustainability challenges that we face and make a real impact across our value chain. By teaming up with academia, industry groups and NGOs, we deepen our knowledge of key issues, develop action plans and collaborate to help us deliver and accelerate our progress.

Industry groups we participate in and that align closely with our priority areas include:



Sustainable Markets Initiative



## Convening meaningful conversations at global leadership events

In 2023, Reckitt continued its advocacy and thought-leadership at international forums such as New York Climate Week, UN Water Week and COP28. We continued to build awareness and action on issues that are critical to our business, our consumers and our stakeholders, including the nexus of Climate and Health, access to Water and WASH, and Nature.

These platforms also give us the chance to broaden and deepen strategically important relationships. We'll continue to play our part in driving progress on some of the world's biggest challenges, whilst demonstrating our commitment to advancing the UN SDGs.

In 2023, we saw health become an increasingly important part of the global sustainability conversation, including at the first ever dedicated health day on the COP agenda.

See more on [page 38](#)



UN Water Week



New York Climate Week



COP28

Alongside our participation in industry groups, we have direct partnerships that are helping us tackle priority risks and opportunities. Highlights include:

- Investigating how to protect and strengthen natural ecosystems with Nature-Based Insights. Together we have been developing an analytical framework to measure our impact on biodiversity and advocating this approach with others.

See [page 46](#)

- Using the power of our brands to elevate our partnership with WWF, championing the value of nature and raising consumer awareness of the biodiversity and water crises in the Amazon and Ganges ecosystems. We are aiming to protect and restore 2,100kms along two major river basins in the Amazon and Ganges by 2024 and to date our campaign has reached 600 million consumers.

See [page 56](#)

- Supporting Water.org in bringing safe, clean water to people around the world. We made our first ever impact investment with WaterEquity, who are investing globally to increase access to water and sanitation.

See [page 57](#)

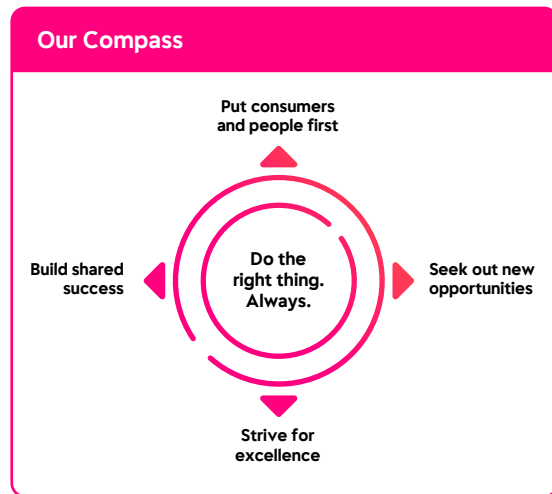


Sustainability at Reckitt continued

# GOVERNANCE AND RISK MANAGEMENT

We believe that high standards of corporate governance, combined with a rigorous, open approach to reporting, are central to running our business with integrity, and to maintaining the trust of our stakeholders.

Our commitment to 'Do the right thing. Always', guides us in acting responsibly and with integrity.



## Policies and standards

We do business with high ethical standards and in line with the laws and regulations of each country where we operate. This includes data privacy, competition law, sanctions and anti-bribery regulations. We work hard to prevent unethical behaviour and respond promptly to violations of our policies.

Underpinning our commitment to 'Do the right thing. Always' are these objectives:

- Embed and sustain an effective ethics and compliance programme that helps us mitigate risks in line with our business strategy.
- Empower everyone at Reckitt to make informed choices and promote a culture of integrity.
- Predict, detect and mitigate compliance risks and correct any non-compliant behaviour.
- Protect Reckitt and our stakeholders from threats caused by potentially unlawful or unethical decisions.

Our Code of Conduct and Policy on Human Rights and Responsible Business set the overarching standards for our business and we are committed to the 10 principles of the UN Global Compact in the areas of human rights, labour, the environment and anti-corruption.

- ▶ See our [Code of Conduct](#)
- ▶ See our [Policy on Human Rights and Responsible Business](#)

- Reckitt's **Code of Conduct** governs standards of conduct in relation to our employees, as well as our stakeholders. All employees must complete annual Code of Conduct training. In addition, Reckitt has policies committing to equal opportunities at work and to providing a safe and healthy working environment.

▶ See [Our people](#)

- Our Code of Conduct sets out our commitment to respecting human rights. Our **Human Rights and Responsible Business Policy** sets out the requirements and practices expected of our supply chain. Our Supply Chain Leadership team monitors our human rights and labour standards assessment programme on a monthly basis, while these are also reviewed at Business Unit, Group and Board level on a quarterly basis.

▶ See [People in our value chain](#)

- Our **Speak Up policy** and process allows any employee or third party to confidentially report a violation of the Code of Conduct, local law or regulation, or unethical behaviour.
- Health and safety performance is monitored through our **Group Occupational Health and Safety Management system**, enabling us to investigate any incidents and take any necessary action.

- Our **Environmental Policy** sets out our objectives for reducing our environmental impacts. It requires compliance with relevant legislation, consideration of environmental issues in key decisions, and engagement with multiple stakeholders for better environmental performance, which is monitored through our Group Environmental Management System. Our Supply Chain Leadership team routinely monitors environmental performance through our operational change programmes. These are also reviewed at Business Unit, Group and Board level on a quarterly basis
- Our **Sourcing for Sustainable Growth Policy** sets out Reckitt's human rights, health and safety, environment and sourcing requirements. It applies to Reckitt employees and third parties. The policy details six responsible sourcing principles that drive us to conduct business with honesty and integrity, respect human rights, provide a safe and healthy working environment, use safe and sustainable ingredients, source raw materials responsibly, protect the environment and reduce environmental impacts.
- Reckitt's **Product Safety Policy** covers our approach to safety assurance for products, including product development, monitoring in-use safety and feedback from users, and reacting promptly and effectively to mitigate potential harm.
- Our **Responsible Marketing Policy** covers the full marketing lifecycle of our products and applies to all marketing communications touchpoints and channels. It applies to everyone at Reckitt and external parties. We perform ongoing audits and adherence checks on policy implementation. We also monitor consumer, customer and employee feedback on an ongoing basis, through our consumer care lines and our Speak Up Line. Training is available to all employees annually and is mandatory for the Marketing function.





Sustainability at Reckitt continued

- All Reckitt companies, employees and contractors must comply with the anti-bribery, anti-corruption and competition laws of all countries in which they operate. Directors and managers must ensure that the employees and contractors they supervise are aware of and comply with this policy. All employees and contractors must certify annually that they have complied with our **Code of Conduct**, and the Audit Committee reviews internal audit findings in relation to this.

	2023	2022
Fine or prosecutions for environmental breaches or pollution (£)	0	0
Consumer privacy complaints from regulators	0	0

Oversight

Our governance framework comprises forums across the business that are responsible for overseeing progress and ensuring sustainability considerations are embedded into our decision-making.

Board oversight

Our Board of Directors is collectively responsible for the leadership of the Group and for promoting its long-term success, while overseeing its strategic direction, Purpose, values and governance. The Board, supported by the Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee, oversees sustainability matters, including related risks and opportunities. The Board receives quarterly updates on sustainability matters from the CRSEC Committee, including progress and performance against Reckitt's sustainability targets. Sustainability is considered as part of the Board's annual review of our principal and emerging risks, alongside at least an annual review of our Sustainability Ambitions. In November, the Board also held a listening session on the impacts of climate change on global health.

▶ For more detail on our governance framework and mechanisms and the CRSEC's activities during the year see our **2023 Annual Report**

Management's role

Our CEO is accountable for sustainability matters, including related risks and opportunities. The Group Risk, Sustainability and Compliance Committee (RSCC) is chaired by the CEO and supported by business unit-level committees who meet and report quarterly.

Our Sustainability Ambitions are delivered through the Group Executive Committee (GEC) and management team who are responsible for ensuring adequate action plans and investment are in place.

The Corporate Affairs and Sustainability function leads sustainability-related strategy development and compliance. Programmes to meet our operational and product footprint targets are implemented by our Brands, Supply Chain, R&D, and Safety, Quality and Regulatory Compliance teams.

We conduct monthly environmental reporting at site, regional and functional level. Progress against our targets is reviewed monthly at supply chain leadership forums and quarterly through business unit and global business risk reviews, enabling us to manage activity and deal with emerging issues on an ongoing basis. This includes, for example, reviewing the management of, and responses to, issues flagged through our Speak Up! whistle-blowing systems, alongside our social impact programme and progress towards our Sustainability Ambitions.

Risk management

Reckitt operates an integrated company-wide risk management process for financial and non-financial risks performed at the functional, business unit and corporate levels. Sustainability was first identified as a principal risk in 2019 and is considered in our annual Group risk assessment within 'ESG transition risk', which includes the identification and monitoring of potential impacts, mapping current controls and developing action plans. Additionally, through our ESG issues materiality assessment, sustainability risks are reviewed every 2-3 years. Operational risks are assessed across sites through annual global asset and environmental risk reviews.

▶ Further information on our approach to risk management can be found in our **2023 Annual Report**

Sustainability deep dives in 2023

As well as these governance forums, our Group Executive Committee (GEC) hosts deep dive sessions on sustainability matters and receives regular updates on notable activity throughout the year. During 2023, the GEC discussed the following issues:

Packaging

The GEC discussed the challenges surrounding our ability to deliver our packaging targets, principally our goal to have 25% post-consumer recycled content (PCR) in our plastic packaging by 2025. As part of that discussion, the GEC reviewed a proposal for additional funding to help accelerate the adoption of PCR in select formats. The GEC approved an additional investment to ensure delivery of our target.

See **page 28** ▶

Carbon emissions

The GEC conducted a deep dive on Reckitt's carbon footprint to build awareness and understanding and agree the key steps needed to deliver on Reckitt's Sustainability Ambitions, specifically on Scope 3 emissions. We identified three cross-functional priorities across IT and Data, Procurement and R&D/Innovation to help accelerate progress. These include the enhanced capture and visibility of supplier and materials carbon data, conducting feasibility studies on the use of alternative and new materials, and further developing our carbon reduction roadmaps.

See **page 31** ▶



Sustainability at Reckitt continued



Supporting these formal management structures are cross-functional steering committees who provide governance and oversight across key transition risks and sustainable product activities.

During 2023, we established a new governance forum responsible for overseeing the business preparedness for future sustainability reporting regulations, including the EU Taxonomy, the Corporate Sustainability Reporting Directive (CSRD) and International Sustainability Standard Board (ISSB) requirements. This group, made up of senior representatives from Finance, Risk, Company Secretariat, Legal, Sustainability and Corporate Affairs, convenes monthly to guide the development of non-financial reporting and planning strategies, policies and programmes and ensures effective internal controls and procedures are in place.

Within the business, our Sustainability function acts as a centre for excellence, keeping abreast of external developments and ensuring our sustainability programmes are setting us up for success against our ambitions.

Reporting and disclosure

Our data is reported for the year 1 January to 31 December 2023 unless noted otherwise. We use key performance indicators (KPIs) to help measure progress against our Sustainability Ambitions.

Full details on how we calculate our KPIs are provided in our Basis of Reporting on our [Reporting Hub](#)

We are committed to transparent reporting and recognise the importance of providing accurate, timely and reliable information for our stakeholders. We continually evaluate our reporting and consider stakeholder feedback.

We welcome the growing investor interest in ESG matters and the response from regulators and standard setters to create a consistent set of sustainability standards for reporting. We are strengthening our understanding and readiness for reporting against the EU Taxonomy and the CSRD when they become effective for us in 2025. We also continue to monitor UK developments, including the timelines for adoption of the ISSB's IFRS S1 and S2, Sustainability Disclosure Requirements (SDR) and the UK Green Taxonomy.

This report is prepared with reference to Global Reporting Initiative (GRI) Standards, the globally recognised standard for sustainability reporting. We also report against relevant metrics from the Sustainability Accounting Standards Board (SASB) Household and Personal Care Products Standard.

This year, we continued to develop our understanding of climate-related risks and opportunities in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

Our Climate-related Financial Disclosures can be found within our [2023 Annual Report](#)

We also pledged support to the Taskforce on Nature-related Financial Disclosures (TNFD) as an early adopter. We participated in the pilot of the emerging scenario modelling guidance this year. This was supported by our work to map ecosystems and biodiversity impact in key supply chains, through our partnership with Nature-based Insights.

Alongside our published reports, we also respond and submit data directly to other requesting groups, including:

- CDP's Climate, Water and Forests questionnaires.
- The Ellen MacArthur Foundation/UN Environment Programme's New Plastics Economy Global Commitment, the WWF ReSource Plastic disclosure platform and the U.S. Plastics Pact.
- CGF Forest Positive Coalition.

Assurance

Third-party assurance is a key part of our approach to reporting. External scrutiny helps us improve, while reassuring our stakeholders that the data we publish is accurate. This year, we again engaged ERM CVS to provide independent limited assurance over selected sustainability KPIs.

Full details of the assurance scope and the assurance report can be found in our Basis of Reporting on our [Reporting Hub](#)

Sustainability Reporting Hub

Our Sustainability Reporting Hub brings together our key reports, policies and performance data relating to environmental, social and governance matters.

- Current reports
- Data, assurance and certification
- Reporting standards and frameworks including CDP, GRI and SASB
- Policies

See our [Reporting Hub](#)



RECKITT SUSTAINABILITY REPORT 2023

# PURPOSE-LED BRANDS







Purpose-led brands

# MORE SUSTAINABLE PRODUCTS

Sustainability is embedded into our product innovation programme. Everything we do aims to create more enduring, relevant products that captivate and delight our consumers, whilst delivering on our Purpose and progressing our Sustainability Ambitions.

This includes:

**50% of our net revenue to come from more sustainable products by 2030**

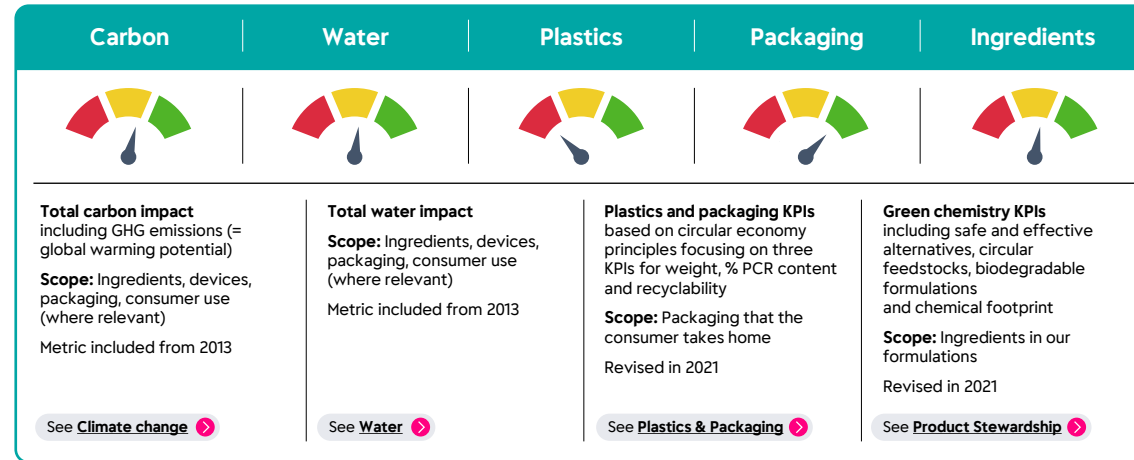
**50% reduction in our product carbon footprint by 2030 and in our water footprint by 2040 versus 2015**

**65% reduction in our chemical footprint by 2030 versus 2020**

**50% reduction of virgin plastic in packaging by 2030 versus 2020**

And we're working to embed sustainability at every level of the business.

Our Sustainable Innovation Calculator helps guide us to the right decisions throughout the innovation process by measuring five key metrics:



The tool gives a red/amber/green result for each metric, as well as an overall result for the product. Each product is compared against a benchmark on a 'per dose' basis, where a dose can be, for example, one automatic dishwashing tablet or 24 hrs of pain relief or a recommended daily dose of a vitamin. This allows us to reflect improvements in dosing and concentration.

By comparing these data with the benchmark product, we are able to identify alternatives that offer better environmental outcomes. To be classed as more sustainable, the overall score of a product must be at least 10 points higher than the benchmark.

Dial score	Carbon (g CO2e/dose)	Water (Effective water L/dose)	Plastics (Reduction/%PCR/Recyclability)	Packaging (Reduction/%PCR/Recyclability)	Ingredients (Based on four Green Chemistry KPIs)	Overall score (An aggregate score of all five dials)
	≥ 10 points (≥ 10 reduction)			≥ 10 points		<b>MORE SUSTAINABLE</b> ≥ 10 points
	≥ -1.5 points to < 10 points (between 1.5% increase and 10% reduction)			> -10 points to < 10 points		<b>AS SUSTAINABLE</b> > -10 points to < 10 points
	≤ -1.5 points (≥ 1.5% increase)			≤ -10 points		<b>LESS SUSTAINABLE</b> ≤ -10 points

Our Sustainable Innovation Calculator is a streamlined product lifecycle assessment tool, which guides decision-making at a product and project level. It helps us track whether a product is more sustainable than the previous product version. It enables our product developers to understand the sustainability impacts of a product during design, make informed decisions on sustainability indicators and assess potential trade-offs in meeting our sustainability targets.

We are committed to ensuring sustainability is front and centre of our brands' purpose and product innovation, whilst maintaining superior efficacy. Our Sustainable Innovation Calculator considers key aspects of the product lifecycle to ensure innovation contributes positively to our sustainability targets. This has helped us identify new opportunities to reduce our use of plastics, carbon and water. It has also cultivated a mindset of continuous improvement across our categories backed by data to drive positive outcomes.

### Trade-offs

But it isn't always as simple as turning the dial green for all five metrics in our products. There are trade-offs involved; if we use a more natural ingredient in a product, water used in production may increase compared to the synthetic equivalent it's replacing. Similarly, a glass alternative may have a higher carbon footprint than a product's existing plastic packaging, so the seemingly more sustainable option doesn't always have a totally positive outcome. We manage trade-offs by using our Sustainable Innovation Calculator to think through these issues when we design new products or modify existing ones.



Purpose-led brands continued

# INNOVATION IN ACTION

Our product portfolio includes more than 45,000 individual product lines and we're constantly innovating to improve the environmental impact of our products. During 2023, we completed the following sustainable product innovations:



We delivered a number of improvements to our Air Wick product portfolio.

Air Wick's 24/7 Active Fresh Automatic Spray launched in Europe, Australia and New Zealand, bringing to the market the first propellant free, non-aerosol auto-spray with a water-based formula. This, in conjunction with the replacement of the tinplate refill by a plastic bottle with 50% PCR and the reduction of the packaging weight, has lowered the carbon and water impact\* of this important segment.

Across the global portfolio, we reformulated Air Wick's Essential Mist refills and reduced the packaging weight to have a lower carbon and water footprint\*.



In India, we decreased the water footprint per dose\* of Dettol's Lime Fresh Disinfectant Liquid, by removing Propylene Glycol, a raw material with a high carbon footprint. We also reduced the packaging weight of the flexi soap noodles bar soaps in India, which has improved the water and carbon impacts per dose, and we improved the recyclability of Dettol's Lime Cool Bar Soap wrapper, which is made up of almost 60% of paper.

We improved the packaging footprint and recyclability\* of Dettol's Antiseptic Liquid in Indonesia. We reduced the cap size and weight, which led to a reduction in the overall plastics/packaging weight per dose\*, and changed the packaging from Polypropylene (PP) to Polyethylene Terephthalate (PET) – the most widely recycled type of plastic.

In China, we improved the carbon and water footprint\* of Dettol's Laundry Sanitizer, driven by the inclusion of 30% PCR in the HDPE bottle, as well as product formulation enhancements.



We've been improving the packaging footprint of our Enfa portfolio.

In Vietnam and Indonesia, we've improved the recyclability\* of our Enfa A+ portfolio by removing the metalised film (MPET) layer from the solid board carton.

In the Philippines, we've reduced the amount of packaging materials\* required for our Enfa and Lactum bag-in-box (BIB) portfolios by changing the configuration to increase the pouch size but reduce the number used. Several BIBs have also had the carton sizes reduced as a result, which has decreased the packaging weight.

See [page 27](#) for more on our packaging ambitions and innovations



\*versus the benchmark product as measured by Reckitt's Sustainable Innovation Calculator



## PURPOSE-LED BRANDS

# PRODUCT STEWARDSHIP

We take a holistic approach to product stewardship, with strong governance and risk management processes across the product lifecycle. This ensures the safety of our consumers, quality of our products and processes, and the protection of the environment.







## Product stewardship



### Introduction

Our products sit at the very heart of our Purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world and without our high standards on product quality, safety and ingredients we know this cannot be achieved. Consumers rightly expect that our products are safe for them to use and have minimal impact on the environment across all stages of the product lifecycle. We work hard to uphold the highest standards of safety, while maintaining the quality and effectiveness of our products and we're transparent about the ingredients we use, so that consumers can make informed choices.

### Our approach

Our overall approach encompasses three distinct yet interconnected pillars - safety, quality and ingredients. It covers every stage of a product's lifecycle, from design to disposal.

We face different safety and quality risks across our expansive portfolio of thousands of products, and we aim to proactively preempt and respond to them. We evaluate the safety of all new products and continually assess changes and emerging issues that may impact the existing portfolio. We listen to feedback from key stakeholders to continually improve our products, and work with our suppliers and academic partners to identify and champion innovative materials where alternatives are not yet available.

We use research from our own R&D labs as well as external sources to continually re-evaluate our products, looking at everything from how they are used - or misused - to effective disposal at the end of their lifecycle.

We have robust policies and procedures in every market and factory, and with our suppliers to ensure that we comply with regulations and uphold the very high standards we set for ourselves. Our Reckitt Quality Manual covers the whole product lifecycle and includes our Product Safety Policy and Commitment to Quality Statement, which in 2023, we updated to reaffirm the highest of standards. We anticipate regulatory and scientific developments that could affect the ingredients we use, enabling us to adapt well ahead of the legislative cycle. For example, we are monitoring a number of upcoming regulatory requirements linked with the EU Green Deal.

### Governance and risk management

Sound governance and decision-making sits at the heart of our product stewardship programme and during 2023 we merged our quality, regulatory and safety councils to form a cross-functional, science-led, technical forum that debates key topics. This newly created forum also helps ensure we take a consistent approach around risk tolerances across the whole business and that we apply the same safety and quality standards across all our activities.

We recognise that, as a company, we are only as strong as our weakest link, so it has always been our goal to move harder and faster to reach and maintain the high standards that consumers expect. That means focusing on accountability and global oversight. We promote a culture where everyone sees safety and quality as part of their job to help ensure high standards.



## Product stewardship continued

We've improved accountabilities and leadership focus through strengthened regional and global teams. Our regional leads report to the SVP Group Regulatory Affairs & Safety, who, in turn, reports to the GEC through our Chief R&D Officer.

Our Ingredient Steering Group (ISG) governs how we adopt safe and sustainable alternatives in new or reformulated products, and oversees our ingredients policies, including our Restricted Substances List (RSL) and its watch list. Our global policies on ingredients seek to go beyond what the law demands to help us future proof the materials we use. Our Safety, Quality and Regulatory Compliance function oversees how we apply our policies across the product lifecycle.

For more information on our approach see [Sustainability governance](#)

### Committed to protecting our consumers

The safety of our consumers is always paramount, and we are committed to embedding safety by design principles in what we do. We have recently delivered a five year global safety transformation programme focused on building capacity and capability within the Global Safety function and supported by substantial investment. The primary goal was to reduce exposure to product safety risk in line with our corporate risk strategy.

One of the programme's main achievements was to ensure that we have firmly embedded safety principles and resources across all our categories and product development processes. We also made significant improvements in our systems and processes and plan to continue that work in 2024.

To truly understand the impact of this programme, we commissioned independent external consultants to benchmark it against our competitors. The assessment compared Reckitt's approach to product safety and stewardship with leading competitors in consumer goods, nutrition and pharmaceutical industries, and evaluated strategy, processes, culture and systems. Reckitt achieved a 'leadership' status in most criteria compared to our industry peers, with equivalence in the remaining criteria.

As part of the programme we published the Reckitt Human Harm Risk Manual, an internal guide that describes how we control and reduce the risk of human harm from the use of our products, to ensure we keep our consumers safe. It helps our colleagues to understand how new risks can emerge at any stage in the product lifecycle. This was included in a new Culture of Safety training programme, which supplements the mandatory training that all our people receive annually. The training also covers requirements for all Reckitt employees on adverse event reporting.

### Using technology to support safety improvements and efficiencies

We design our safety systems to ensure we comply with regulations and laws, and protect our consumers and business from risk. Since 2020, we have invested more than £7 million into our safety systems, which allows us to better detect warning signals, improve processes, and deliver activities related to safety more proactively. This has also enabled us to improve adverse event reporting and signal detection, through automation and earlier detection of critical data points. It has also helped us to meet regulatory reporting timelines to health authorities.

In 2024, we will launch a new safety assessment platform to automate our toxicological evaluations. This will improve the way we prepare safety by design using frame formulations and earlier identification of risk to consumers. The new platform will also drive improvements in the preparation of safety data sheets, hazard labelling and poison centre notifications, which are mandatory requirements for many of our hygiene-led brands.

### Quality culture underpinning success

Alongside safety, we're also committed to embedding a culture of quality. That culture drives our product stewardship behaviours and helps us to spot early warning signs, so that we can act more quickly and effectively before an issue occurs.

During World Quality Week 2023, we showcased our commitment to quality under the theme of 'Realise your Competitive Potential'. Quality events took place across the organisation, delivered by multi-functional teams, demonstrating that all our employees are committed to quality regardless of where they sit in the business. These events included in-depth discussions, thought-provoking exercises and personal reflection. These all help strengthen our culture of quality and nurture our collective commitment to it, as well as realising our competitive potential. We have also seen significant advances in our continuous improvement mindset. For example, our internal metrics measuring 'right first time' in manufacturing and product turnaround times show an improving trend.

### Reckitt achieves consumer safety recognition in Dubai

From more than 2,000 companies registering consumer products in Dubai, Reckitt was one of seven companies to be officially recognised as a 'Distinguished Partner Pioneering in Consumer Product Safety' by the Dubai government. The award recognises our excellence within regulatory compliance and consumer safety.



## Product stewardship continued

### Quality champions at Reckitt

During 2023, the Culture of Quality community continued to grow. Over 100 dedicated champions are deployed across the organisation, and many more actively engaged with the programme. The champions have varying backgrounds and experience. Their different perspectives support continuous improvement. They are provided with refreshed tools, resources and actionable objectives, including insights from external partners such as Gartner. These add further support to deliver the annual Culture of Quality action plans for each site or function at Reckitt. Culture of Quality Champions continue to operate with courage, remove barriers to execution and act with integrity. Most importantly, they do not act alone.

This year, we've sought to better understand our champions' experiences to gather feedback on our strengths and areas that need more attention. When asked about progress toward 'living quality', over 80% felt that their area has either reached or is on the journey towards a culture where employees independently adopt high-quality standards and see quality as personally important. Regarding the positive changes resulting from implementing a culture of quality action plan, 33% of champions highlighted increased involvement and ownership. A further 31% emphasised improved quality awareness and exposure.

### Using assessment tools and audits to drive continuous improvement

We continue to use successful tools like Quality Tips across multiple forums, and we've introduced new tools to our Culture of Quality community, including a Process

Mapping Toolkit for driving process understanding and improvements. A Gemba Toolkit, in partnership with the Reckitt Production System programme, is specifically designed to support leaders with process confirmations, problem solving and performance management.

We continued to embed root-cause problem-solving throughout the year using our in-house methodology and training. Our specialised toolkit helps develop essential team competencies. It helps identify and prevent recurring issues and evolve our problem-solving process from a reactive to an improvement-focused approach.



### Engaging with consumers

Keeping consumer satisfaction high and ensuring we monitor, and respond to, consumer enquiries and complaints is a key part of our product stewardship strategy. Our Consumer Relations teams around the world track details of consumer experience in our Global Consumer Relations database. To keep satisfaction high, we ensure our service is accessible and the team log complaints and enquiries to our consumer helpline. We measure Complaints per Million (CPM), which shows the relationship between sales and complaints. In 2023, the total CPM across our Business Units was 30.9 versus 24.2 in 2022 as a result of our efforts to capture more feedback from more consumers. We therefore use the CPM as part of a wider set of tools to assess our performance on complaints.

In 2023, we expanded the coverage of our service across all business units, covering new platforms like TikTok and WhatsApp. We also leveraged our technology to ensure that we were able to capture and analyse the large volume of consumer feedback gathered by RB Manon in China. As a result of the improved channel coverage and as more consumers seek to engage us on social media, we have seen global contacts grow. Contact includes complaints, as well as enquiries and feedback, all of which are captured, trends analysed and delivered to the business in the form of insights, to help enhance our products and services.

We sell around 30 million products around the world every day. While we take many measures to ensure quality and safety, it is sometimes necessary to recall products from the marketplace. In 2023, we had three consumer product recalls (four in 2022). For each recall we responded swiftly

and decisively. Having some targeted recalls in a year across a large portfolio is not uncommon. In each case, we took prompt action and investigated thoroughly to prevent any potential future issues.

### Making sure consumers are informed

We ensure that our information and labelling is simple and accessible in every language and culture, so that consumers have the information to use our products safely. Clear information and labelling on packs aim to provide clear guidance on how our products should be used, minimising the risk of misuse.

Product misuse is a serious concern and we use technology to monitor traditional and social media. If we find that misinformation or incorrect advice about using our products is spreading widely, we respond with the correct information. Labelling also tells our consumers what ingredients are in our products. In 2023, 90% of our net revenue came from products where we disclose ingredient information on the pack or online. The other 10% is primarily net revenue from hygiene products we sell outside Europe and the US, where regulatory requirements are often still evolving, as is our labelling policy.

In addition to on-pack labels, we also use websites to give consumers detailed information about our products, often expanding on what is provided on labels. We've continued to improve our US ingredients website by adding more technical details, including on fragrances, and by making it easier for consumers to search for information.





## Product stewardship continued

### Understanding and reducing risks associated with ingredients

Understanding the risks associated with ingredients is a key part of our approach to product stewardship. We screen and test new ingredients to make sure they're effective and safe. We collaborate with industry groups and suppliers to make safe and effective alternatives more widely available.

We also work with our suppliers to improve their knowledge of safe and sustainable design. For example, our R&D teams use our internal raw materials playbook, launched in 2022, to guide conversations with our suppliers. It provides guidance on what green chemistry is, and what our expectations are.

### Safe and sustainable by design – raw materials

We continue to strengthen our approach to ingredients, selecting those that are most resilient to emerging concerns. This means finding even purer and, where practical, less complex ingredients wherever we can, while ensuring products keep the efficacy that makes them reliable. To do this, we continue to update our tools to help teams choose safe and effective alternative substances. We evaluate the materials we use and work with stakeholders, like the Green Chemistry & Commerce Council (GC3), who help us put emerging principles on sustainable chemistry into action.

One example is our work to develop alternative preservatives. We use preservatives to prevent microbial growth or other unwanted changes to our products, to make sure they reach our customers in the best condition possible.

But existing preservatives are under growing scrutiny from consumers and regulators, and there are currently few safe and effective alternatives. Helping to address this industry-wide challenge is a priority for us. We've been using our Restricted Substances List (RSL) since 2001.

The RSL maintains a consistent global approach to minimising and eliminating chemicals of concern. As we add ingredients to the RSL, we innovate our products to stop using those ingredients across our portfolio.

This means we've steadily reduced substances of concern since 2012, as the RSL has become a key part of product development.

## SAFE AND SUSTAINABLE BY DESIGN – RAW MATERIALS

How suppliers can support safe and sustainable design: An extract from our raw materials playbook, used by our R&D teams in supplier engagement

Sustainable chemistry				Environmental impacts	
Chemical footprint	Safe & effective alternatives	Circular feedstocks	Biodegradable	Carbon	Water
<ul style="list-style-type: none"> <li>Measure and scope their chemical footprint</li> <li>Remove or reduce chemicals of high concern from their raw materials</li> <li>Identify, share and collaborate on alternatives for emerging chemicals of high concern</li> </ul>	<ul style="list-style-type: none"> <li>Supply basic hazard data for individual substances</li> <li>Provide public GreenScreen benchmark scores</li> <li>Provide evidence of efficacy</li> </ul>	<ul style="list-style-type: none"> <li>Provide information on the origin of raw material feedstocks (i.e. bio-based and circularity; virgin or derived from waste)</li> </ul>	<ul style="list-style-type: none"> <li>Provide measures of biodegradability against set standards</li> </ul>	<ul style="list-style-type: none"> <li>Share processes used to source, make and deliver raw materials</li> <li>Measure and provide emissions factors for greenhouse gases across the full lifecycle of the material supplied</li> <li>Progressively identify areas of opportunity to support carbon capture within ingredient technology</li> </ul>	<ul style="list-style-type: none"> <li>Measure water use across the full lifecycle of the material supplied</li> </ul>

**Our targets: 50%** of net revenue from more sustainable products and **65%** reduction in our chemical footprint by 2030

Our Sustainable Innovation Calculator uses the above information to help product developers implement safe and sustainable by design principles. Under suitable confidentiality agreements, the full playbook can be shared with suppliers and other stakeholders to help them understand Reckitt's safe and sustainable by design ambitions.



Product stewardship continued

Controlled ingredients that we monitor

Chemicals of Concern (CoC)

Restrictions apply to ingredients that are intentionally added, as well as the presence of impurities. These restrictions are also captured in our Restricted Substances List (RSL).

Emerging chemicals of high concern (eCoHC)

Ingredients we are monitoring, and where additional guiding principles may exist for example, where there may be a risk of ingredients being linked with environmental or human health impacts, including those derived from endangered species.

Chemicals of high concern (CoHC)

CoHC which are banned in our products but may be present in small levels through impurities. These chemicals are captured in our RSL, and we quantify our progress in reducing them further through our chemical footprint metric.

Our RSL evolves over time, informed by emerging scientific insights and data, how society interprets risk and what we observe. As circumstances change, questions may arise about whether current ingredients remain safe and sustainable. In 2021, we prioritised ingredients which are under investigation as eCoHC by customers, NGOs, academics and policy makers. These have the potential to become confirmed CoHC in the next three to five years. As they're still under investigation, we don't ban eCoHC and they don't contribute to our chemical footprint. But we do put them on our RSL watch list and share this with our teams. This guides us towards using safer and more sustainable alternatives and informs us about ongoing scientific advocacy around these ingredients. In some cases, we may also choose to proactively limit their use or restrict certain applications. This helps ensure our products are resilient to future regulation.

Since 2021, our Sustainable Innovation Calculator has incorporated key aspects of green chemistry to help us choose more sustainable ingredients. The four ingredient-related criteria in the calculator include our chemical footprint metric.

➤ See more on our [Sustainable Innovation Calculator](#)

We also use insights from our participation in initiatives like the Chemical Footprint Project (CFP) to help us validate our approach. It enables us to score and benchmark our approach across four areas: chemicals management, inventory, footprint measurement, and disclosure and verification. Through this, we track our progress on managing chemicals, choosing safer alternatives and using and reducing ingredients of concern.

Published scores report on prior year performance. The survey measuring our 2023 footprint won't be published until late 2024. Our latest score of 87% was received in 2022, covering our 2021 data.

Progress on removal of specific chemicals

Ingredient to remove	Completion date	Progress
Red 3 (dye)	2026	Removal in progress
Boric acid and salts	2025	More long-term investment is needed to identify suitable safe and sustainable alternatives for a few individual product lines
Lilial	2023	Complete
Triclocarban (TCC)	2019	Removed from bar soaps
Fluorosurfactants	2018	Removed
Polyethylene (PE) and Polyurethane (PU) microbeads	2018	Removed
Parabens (butyl, propyl, isoparabens)	2013 (EU); 2015 (rest of world)	Reduction programme (excluding medically licensed products)

🔍 CASE STUDY

Launching products with smaller chemical footprints

An EU ban on the use of lilial, a fragrance chemical, came into force in March 2022. In advance, we began introducing lilial-free versions of our products in early 2021. This had no negative impact on the fragrance. We finished removing the substance across our global portfolio in 2023. Other examples include:

- Airwick Essential Mist refills reformulated with a lower carbon and water footprint.
- Dettol Washing Machine Cleaner spring blossom 250ml reformulated for the UK market, now dye-free, with a lower carbon footprint and an improved fragrance.





## Product stewardship continued

### Progress and performance in 2023

We use a number of metrics to monitor the effectiveness of our programmes and drive improved performance across product safety, quality and ingredients. These metrics enable us to track progress and help us target improvements.

Consumer awareness and concerns about the impact of chemicals on health and the environment is growing. We are committed to transparency and, in 2021, we announced our ambition to reduce the chemical footprint of our products by 65% by 2030 versus 2020. We are refining the target and our reporting on it based on products containing more than 0.1% by volume of CoHC, as legally allowed.

This year, we continued with our product innovation programmes that target the removal of specific CoHC. Our RSL continues to help us minimise and eliminate CoHC. We're strengthening metrics and data to further develop our chemical footprint and better track changes to it from our innovation programme. This will also support our future disclosures in line with emerging taxonomy expectations. We expect to report further on this during 2024 and 2025.

▶ Further information on how we calculate our chemical footprint can be found in our Basis of Reporting on our [Reporting Hub](#)

## OUR PARTNERSHIPS, INITIATIVES AND COLLABORATIONS

We have numerous partnerships with our suppliers, customers, academia and civil society to support our approach to product stewardship

### Green Chemistry & Commerce Council (GC3)

We're part of the GC3's Sustainable Chemistry Alliance, which promotes public policies to accelerate the development of sustainable chemistry processes and products. In June 2023, Reckitt sponsored the second annual European Forum on GC3 hosted by Covestro in Germany. The event, attended by companies across different parts of the value chain and different sectors, government officials, and the NGO community, focused discussions on ways to advance the scale and supply of safer and more sustainable chemicals.

See [greenchemistryandcommerce.org](https://greenchemistryandcommerce.org) ▶

### European Chemical Industry Council (CEFIC)

We participate in CEFIC's Long-Range Research Initiative projects. These help direct the industry's research into the potential impacts of chemicals on human health and the environment.

See [cefic-iri.org](https://cefic-iri.org) ▶

### European trade associations

Reckitt actively promotes the transition to a low-carbon, circular, and competitive economy through a number of trade associations and council groups, such as the World Business Council for Sustainable Development (WBCSD), the International Association for Soaps, Detergents and Maintenance Products (AISE), the Association of the European Self-Care Industry (AESGP) and the European Organisation for Packaging and the Environment (EUROPEN).

We are involved in sustainability groups aiming to ensure sustainable, proportionate and effective regulatory policies that are based on sound science and foster innovations. We also take part in voluntary initiatives, such as the AISE Charter for Sustainable Cleaning – a flagship lifecycle analysis-based framework seeking continuous sustainability improvements.

### Academic partnerships

We continue to support the EU-funded ECORISK 2050 project, which aims to better understand the future environmental risks of chemicals.

See [ecorisk2050.eu](https://ecorisk2050.eu) ▶

We continue to support the UK Natural Environment Research Council's Centre for Doctoral Training – ECORISC – which specialises in managing chemical risks in the environment. From 2021–2027, this multidisciplinary initiative will train 39 PhD students as the next generation of environmental scientists and managers.

See [ukri.org](https://ukri.org) ▶

We also co-sponsor research at the University of York in the UK on the environmental fate, exposure and risk of polymers, as part of the UK's Natural Environment Research Council's 'Adapting to the Challenges of a Changing Environment' Doctoral Training Partnership.

See [accedtp.ac.uk](https://accedtp.ac.uk) ▶





## PURPOSE-LED BRANDS

# PLASTICS AND PACKAGING

We have been driving progress to meet our ambitions to reduce plastic and use more recycled and recyclable packaging materials through our brands and at a local level. We recognise that the plastics challenge is global and challenging. Progress is dependent on value chain innovation, the development and scaling of solutions and recycling networks, supported by government policy and regulation to drive action.



Plastics and packaging



## FOCUSING ON OUR PLASTIC AND PACKAGING FOOTPRINT

As a large consumer goods company with more than 45,000 individual product lines, we have an important role to play in helping to reduce the use of plastics and packaging and we've set ourselves clear targets.

We have more work to do on post-consumer recycled (PCR) plastic inclusion and virgin plastic reduction, but this year we have been driving progress with targeted investment to meet our ambitions.

### Our targets

100% of plastic packaging to be recyclable or reusable by 2025	Behind schedule
25% recycled content in our plastic packaging by 2025	Behind schedule
50% reduction in amount of virgin plastic packaging by 2030 vs 2020	On track

See more on our **Performance against our targets** on [page 27](#)



**Supporting SDG 12** - Ensure sustainable consumption and production patterns

### Introduction

Packaging plays a vital role in protecting our products, ensuring quality, efficacy, and safety – it can also reduce product losses by protecting contents against physical damage in the supply chain. However, we recognise that there are environmental impacts associated with packaging, exacerbated by limited or poorly adopted local recycling infrastructure.

About 98% of virgin single-use plastic is made from fossil fuels<sup>1</sup>, which account for more than 75%<sup>2</sup> of global GHG emissions and nearly 90%<sup>2</sup> of carbon dioxide emissions. Despite efforts across the industry, global virgin plastic use has increased by 11%<sup>3</sup> since 2018.

Recycling prevents packaging materials from ending up in landfill, being incinerated or leaking into the environment. While infrastructure to enable recycling as waste management varies globally, designing packaging that is suitable for recycling is the first step to helping reduce waste. Recycling plastic also avoids 30-80%<sup>5</sup> of the carbon emissions that virgin plastic production produces, helping to reduce scope 3 GHG emissions.

PCR is recycled plastic made from waste plastic from households and businesses. Demand for recycled plastic is at an all-time high, as companies across the world work towards meeting their own PCR targets. However, recycling infrastructure has not kept pace with this growing demand.

The Ellen MacArthur Foundation (EMF) forecasts that most signatories of its Global Commitment are expected to miss the 100% reusable, recyclable, or compostable plastic packaging target. This is largely due to the slower pace of innovation and infrastructure development that have not matched the expectations set back in 2018.

Sources: 1. [weforum.org](#) 2. [un.org](#) 3. [emf.thirdlight.com](#), page 16 4. [usplasticspact.org](#) 5. [imperial.ac.uk](#)





## Plastics and packaging continued

### Our packaging footprint

Overall, plastic comprises around 37% of our packaging footprint. Paper and board, metal and glass, together represent 63% of our packaging footprint.

We use plastic in a number of ways across our diverse and wide-ranging portfolio. The largest proportion is rigid plastic bottles for brands such as Harpic, Lysol and Dettol.

Flexible plastic makes up around 15% of our plastic footprint, for products such as dishwasher tablet pouches and wipes packaging. A further, smaller proportion is used for components such as trigger sprays and pumps.

We report more information on our plastic footprint within the EMF's Annual Global Commitment Report.

▶ See [EMF - Annual Global Commitment Report](#)

### Understanding our plastic-related risks, opportunities and interdependencies

We first set packaging targets in 2018 and added our virgin plastic reduction goal in 2021 when we launched our Sustainability Ambitions. These targets also support industry pledges we have signed up to, such as the EMF Global Commitment, and the EMF Plastics Pact Network initiatives in the UK, the US, and Canada. Our commitments to increase PCR inclusion, improve recyclability, and reduce virgin plastics are aligned with our EMF peers, and our progress on recyclability is also closely aligned.

We continually monitor the plastics landscape which is complex and evolving, and industry progress has been slower than hoped when our targets were first set.

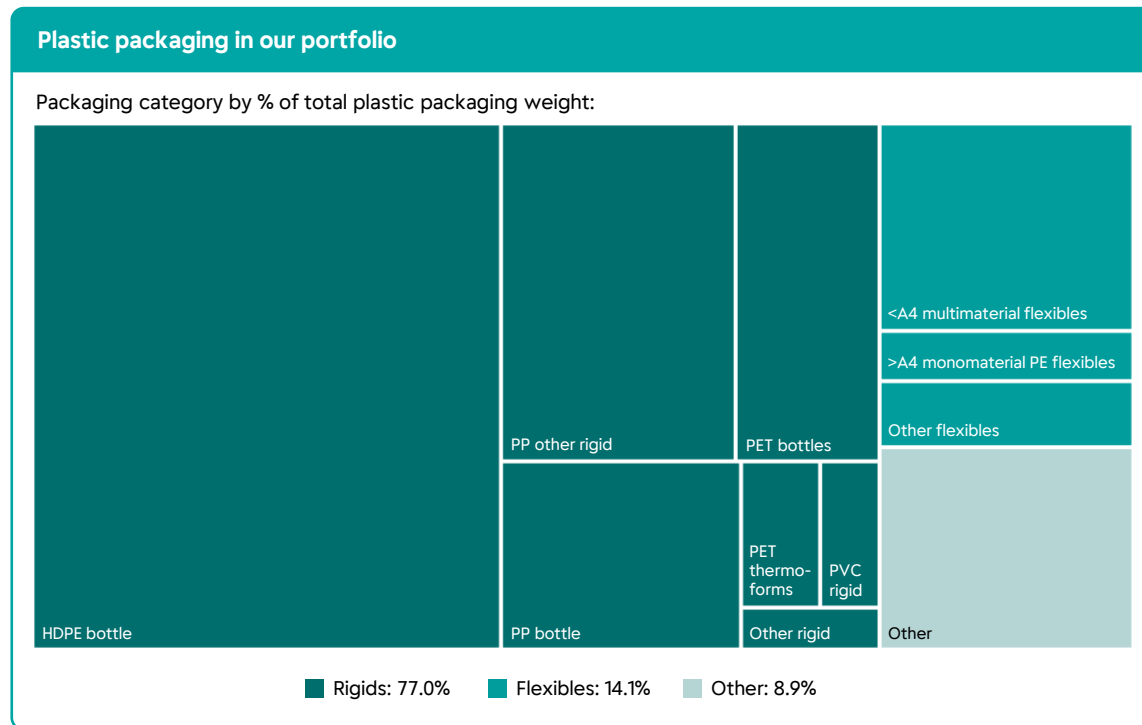
Recycling infrastructure is critically dependent on government support to promote the expansion of national recycling capabilities, encourage consumer action, provide consistent collection systems, and encourage innovative technology development. A key takeaway from the latest EMF report was that governments, as well as business, need to take action through policies to accelerate and support progress.

▶ See [EMF - The Global Commitment Five Years In](#)

There are also new and increased costs of doing business, stemming from Extended Producer Responsibility (EPR) schemes and plastic taxes. We're tracking the expansion of EPR legislation globally and monitoring the costs that can be expected within the schemes. We welcome well-designed EPR schemes to support and fund better recycling infrastructure, and the actions we're taking towards our Sustainability Ambitions will help us future proof our business.

This year, we've also seen the development of the EU Packaging and Packaging Waste Regulation (PPWR). This has evolved from the existing Packaging and Packaging Waste Directive (PPWD), which aims to further prevent packaging waste, boost reuse and refill, and optimise recycling systems, as well as reduce the use of primary natural resources. The UN Environment Assembly reached a significant milestone in 2022, agreeing to develop a Global Treaty on Plastic Pollution. Negotiations continued in 2023 and are expected to conclude by the end of 2024, with the goal of creating a legally binding instrument to tackle plastic pollution.

Our Regulatory function carefully reviews the consultation and advocacy work of the industry associations that we are part of to ensure that we're aligned, or have the opportunity to correct anything we disagree with, prior to finalisation. We also carefully review our partnerships, meaning in some cases we choose not to participate in groups that run counter to our ambitions.







## Plastics and packaging continued

### Our strategy and approach

We aim to design effective and durable packaging with consumer use and environmental impact in mind. Our Sustainability Ambitions focus on reducing virgin plastic packaging, having 100% of our plastic packaging recyclable or reusable, and increasing post-consumer recycled (PCR) content to reduce our environmental footprint associated with plastics.



#### Product design and innovation

Our Sustainable Innovation Calculator is critical in helping to reduce our environmental impact and deliver our Sustainability Ambitions.

It measures the impact of plastic and packaging for every new project, including redesigns, by considering recyclability, weight and PCR use. It is fundamental to every step in our product development process, helping our teams make better and more informed decisions.

➔ See our [Sustainable Innovation Calculator](#)

We train our pack designers to prioritise sustainability from the outset. By considering raw materials, product lifecycle, and end-of-life scenarios, we aim to design packaging that promotes circularity and minimises waste throughout the value chain. Through simulation, we optimise material usage while ensuring effectiveness. This year, we updated our internal Sustainable Packaging Handbook to provide guidance on sustainable requirements and expectations for our teams. We also refer to industry recycling guidelines, such as RecyClass and Association of Plastic Recyclers (APR), for more targeted information on recycling.



#### Using less materials

We're using less plastic by making components smaller, thinner and lighter, and reducing the spare space in our packs.

A pack made with fewer materials can help us achieve our targets to reduce our environmental impact, which may include reducing scope 3 greenhouse gas emissions. It can also help keep costs down, giving consumers another reason to choose our products.



#### Maximising recycled materials

We use PCR to replace virgin plastic in packaging.

By incorporating PCR within our packaging and setting targets to increase it further, we also strengthen demand. This stimulates investment in recycling infrastructure to support the production of more PCR.

While there are significant benefits to doing this, it is not without challenge, as recycled plastics are of lower quality and purity compared with virgin equivalents. This can potentially reduce the performance capabilities of our packaging and can also affect the colours used to represent our iconic brands. Because of this we follow a strict testing and validation process before introducing PCR into our packaging, identifying the optimum percentage blend of virgin and PCR materials. This ensures that the bottles are not only still strong enough to survive the rigours of the supply chain, but also that our formulation doesn't react with the recycled material. Our Procurement teams work hard to source sufficient materials, at the right level of quality, and in the right local regions, to enable us to deliver our plans.



#### Using more recyclable materials

We aim to incorporate recycled content where possible and design our packs to maximise recyclability.

We can enhance recyclability through better packaging design, by using materials and combinations of components that are compatible with recycling systems. We also aim to avoid materials that are problematic or disruptive, and removing aspects such as colours, which make recycling challenging. These principles apply to all packaging materials (plastic, paper and board, metal and glass).

While plastic takes much of the attention when it comes to packaging, it is still important to conserve resources by minimising the amount of other, non-plastic packaging materials we use. We are working with our suppliers to make progress on our non-plastic packaging, such as in our Strepsils brand where we've taken action to improve the recyclability of the cartons for our Extra and Triple Action ranges.



## Plastics and packaging continued

### Governance and risk management

Our senior leaders monitor plastics and packaging through forums such as the RSCC and the CRSECC, which help us to identify and mitigate emerging and ongoing risks, and gives us the leadership mandate to deliver on our commitments through increased funding and accountability.

Our brand-specific, technical forums also monitor issues that are specific to the Business Unit product categories and associated packaging types.



### Collaborating with our partners

The challenges around packaging and plastics are too complex and too dependent on external factors for any single company to address on its own. That is why we are strengthening our global, cross-sector commitments, such as our participation in the Consumer Goods Forum and its Plastic Waste Coalition of Action projects.

In 2023, we worked to assess reusable packaging progress and have worked collaboratively to design how a model may look and scale in the future. We continue to collaborate with the EMF, and its vision of a circular economy where plastic never becomes waste or pollution and the value of products and materials is retained inside the economy. Our collaboration, both on a global level and through the EMF's national Plastic Pact initiatives, includes working closely with our peers through workshops, action groups and educational programmes. In this way, we can help

address key parts of EMF's vision, such as the elimination of problematic or unnecessary plastic packaging, and ensure all plastic packaging is reusable, recyclable or compostable.

We are also members of the Business Coalition for a Global Plastics Treaty, convened by the EMF and WWF. Working with more than 80 organisations, we're aiming to create a circular economy for plastics, ensuring products and materials stay in the economy and out of the environment. The coalition has attended all of the intergovernmental negotiating committee sessions to date, including the most recent in Nairobi in November 2023. During the session, it advocated for governments to advance negotiations on the draft text for a Global Plastics Treaty and agree on a programme for intersessional work to maintain momentum towards the planned adoption of the treaty in 2025.



### Performance and metrics

Gathering packaging data is notoriously complex and because we report in line with the EMF timings annually in July, our data within this report covers 2022 performance. Our ESG Data Book contains all our packaging data and we will update it later in 2024 with 2023 performance data. We are improving our packaging data reporting to make it more efficient and provide more granular analysis so that we can publish our packaging performance earlier.

▶ See the ESG Data Book on our [Reporting Hub](#)



## Plastics and packaging continued

### Performance against our targets



**Target: 50% reduction in amount of virgin plastic packaging by 2030 vs 2020**

We aim to reduce virgin plastic in packaging by 50% by 2030 versus 2020. In 2022, we achieved a 7.3% reduction compared with 2020 (versus 1.2% in 2021). This was driven by our work to increase recycled content, as well as projects that reduce the amount of plastic used. For example, for Dettol in India, we redesigned the bottles to be 20% lighter. For infant nutrition products in Thailand, we changed the design of our caps to save 39 grams of plastic per pack.

We continue to explore refill and reuse options, and how this can help to reduce our overall plastic footprint. This will likely play a smaller role in our plastic reduction journey in the short term as consumer engagement and uptake is slow to grow. We are exploring different products and models to capture learnings, such as our recent launch of a refill for Dettol surface cleaners in the UK (see right). We're also conducting research to better understand barriers for consumers, what would drive them to make the switch, and how we can use this to help increase uptake in the coming years.

As we move towards 2025, we expect to continue making progress in our PCR work which will support the achievement of this target.



### CASE STUDY

#### Dettol launches surface cleaner refill

In 2023, Dettol launched a surface cleaner refill in the UK, enabling consumers to refill their original bottle and trigger packaging. One 50ml refill makes 750ml of new product, with the simple addition of cold tap water. The 15 times\* concentrated product kills 99.9% of bacteria, and results in 75% less plastic\*\*. The refill bottle can also be recycled.

Another benefit of the concentrated product is it enables Dettol to fit 12 times more packs per pallet compared with a current 750ml bottle, reducing the amount of space needed to transport the product in the supply chain.



\*versus current Dettol trigger (750ml)

\*\*versus buying 1 Dettol trigger bottle (750ml)

[Find out more about Dettol Surface Cleanser Spray Refill](#)



**Target: 100% of plastic packaging to be recyclable or reusable by 2025**

Our ambition is to make all of our plastic packaging recyclable or reusable by 2025. We reached 76.4% in 2022 (versus 75.3% in 2021). Our progress remains slower than we'd like, however it reflects the industry trend of increased flexible packaging use, combined with a lack of recycling infrastructure<sup>1</sup>. For us, this can be particularly challenging for regulated products such as Nurofen where the packaging materials are intrinsic to the long-term stability and safety of the product.

Despite these industry-wide challenges, last year we continued our efforts to improve recyclability:

- We assessed problematic colours, additives and design elements of the packaging that contaminate the recycling stream once packaging becomes waste. For example, we removed the carbon black from Woolite bottles in Europe, and Harpic bottles in Mexico, collectively improving the recyclability of over 800 metric tonnes of plastic.
- We've moved from multi-material laminate to a mono-material solution for our Dettol wipes packaging in Europe.
- We're working to eliminate problematic materials, such as polystyrene. In 2022, we moved our Sweetex dispenser from polystyrene to polypropylene and began removing expanded polystyrene shelf-ready trays from some Steradent products in the UK.

- We added recycling instructions on more of our packaging. This included using How2Recycle and on-pack recycling label (OPRL) systems, in the US and the UK respectively, to ensure that information is shared with consumers in a clear and consistent manner.

Measuring recyclability is notoriously tough, as there is a huge disparity and variance in requirements and availability between different countries. We measure the aspects most within our control by measuring the percentage of our packaging that meets the recycling guidelines set out by the recycling industry for the material and format. However, we recognise that the EMF sets a greater level of ambition for its members, by only measuring packaging that fits the system for recycling in categories that are proven to be recycled in practice and at scale. As a result, the majority of flexible plastics can't be counted as recyclable, due to the slow pace of infrastructure development in this area.



Source: [imperial.ac.uk](https://www.imperial.ac.uk)





## Plastics and packaging continued

As well as adding clear and consistent recycling labels to our packs, we're supporting consumer education as a key part of the EPR schemes we take part in. We rely on consumers disposing of packaging responsibly after use, so that it reaches the recycling streams where it is treated and converted into new products.

For some of our products, particularly over the counter medicine, medical devices and infant nutrition products, we face specific barriers and performance requirements. These frequently cannot currently be met by recyclable packaging materials. We're developing solutions, investing in polymer science, and partnering with suppliers to help solve challenges. As with any new development there is a comprehensive and lengthy R&D and testing process, to ensure that the quality, safety, and efficacy is maintained and this may push timelines beyond 2025.

We work with RecyClass and other industry experts and associations, to ensure we have access to the latest recycling guidelines, in-country collection and recycling information. They also provide expertise to draw on as we develop new packaging solutions. For example, our recycling partners provided guidance on collection and recycling of the materials in the paper recycling streams across various European countries. This has helped the development of our paper-based packaging. Our aim is to ensure that the packaging solution can unlock kerbside recycling for consumers, and increase the amount of recovered materials for recyclers.

In the short term, we're looking to see how we can support gaps in collection infrastructure. One example is for medicine blister packs, where we're co-sponsoring a scheme by UK retailer Superdrug to enable collection of these packs in their stores. The returned packs are then sent for specialist recycling.

Chemical and advanced recycling methods may help address some of the challenges we face in hitting recyclability targets as an industry. They can also contribute towards increased recycled materials in the market. These processes have the potential to create 'virgin-like' materials, suitable for use in contact sensitive applications where regulators, such as the Food & Drug Administration (FDA), do not allow mechanically recycled PCR currently. However, these processes still rely on both improved recycling networks and people using these networks more consistently. We continue to monitor recycling developments and are aware of possible trade-offs related to carbon, as many emerging technologies have very high energy requirements.



**Target: 25% recycled content in our plastic packaging by 2025**

Our ambition is for our plastic packaging to contain, on average, 25% recycled content by 2025. We know we have more to do, so in 2023, we've strengthened our programme to meet our 2025 goals with an additional investment in PCR. In 2022, we included 5% PCR content, up from 4% in 2021. The addition of 30% PCR into Dettol and Finish bottles in China, 50% PCR into Air Wick PET blisters in Mexico, and 75% to Cillit Bang trigger spray bottles drove this increase.

To further speed up our progress, we concentrated our efforts on key formats, such as bottles and tubs for our largest brands in key markets. In Brazil, our Veja brand is increasing from 50% to 100% PCR in its PET bottles. In India we're doubling PCR in Harpic bottles from 7.5% to 15%.

Demand for PCR continues to grow, which can create localised challenges in getting enough PCR for our needs. However, through planning with our key suppliers, we remain confident in our ability to progress.

### Paper and board

For paper and board, we are close to achieving our goal of sourcing all of our paper and board from certified or recycled sources (excluding third-party manufacturing sites) by 2025. We reached 98.8% in 2022. Meanwhile, 98% of our paper and board used in our third-party manufactured products was from certified or recycled sources.

For further information on our approach to sourcing certified paper and card packaging, see [biodiversity and ecosystems](#)







RECKITT SUSTAINABILITY REPORT 2023

# HEALTHIER PLANET

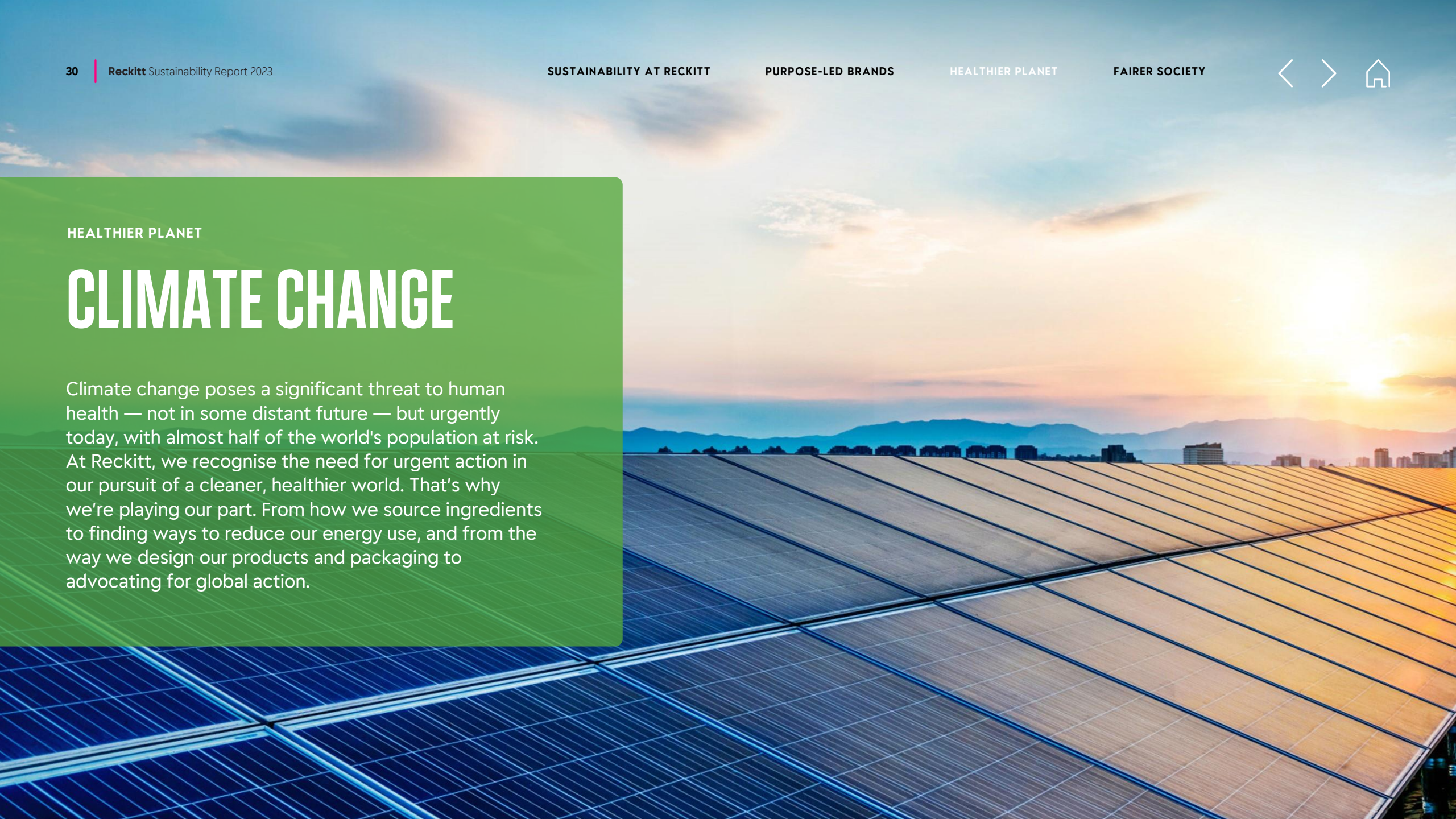




HEALTHIER PLANET

# CLIMATE CHANGE

Climate change poses a significant threat to human health — not in some distant future — but urgently today, with almost half of the world's population at risk. At Reckitt, we recognise the need for urgent action in our pursuit of a cleaner, healthier world. That's why we're playing our part. From how we source ingredients to finding ways to reduce our energy use, and from the way we design our products and packaging to advocating for global action.







Climate change



## DOING OUR PART TO COMBAT CLIMATE CHANGE

We're actively working to reduce our GHG emissions in line with our commitment to achieving net zero by 2040.

In 2021, we reached our 2030 target to cut our sites' GHG emissions by 65% and have continued to maintain this during 2023.

### Our commitment

Achieving net zero across our value chain by 2040

### Our targets

65% reduction in Scope 1 and 2 emissions by 2030 <sup>1*</sup>	✔ Achieved
100% renewable electricity by 2030	● On track
25% reduction in energy use by 2025 <sup>1</sup>	● Behind schedule
50% reduction in product carbon footprint by 2030 <sup>1*</sup>	● Behind schedule

➤ See more on our performance on [page 36](#)



Supporting SDG13 – to limit and adapt to climate change

### Introduction

The climate crisis is a health crisis. Already one in four deaths can be attributed to preventable environmental causes and the World Health Organisation (WHO) estimates an additional 250,000 deaths per year due to climate change.<sup>2</sup> The increasing impacts of climate change – rising temperatures, extreme weather events, air pollution, wildfires and compromised water, land, and food security – are already contributing to too many lives lost and affected by infectious diseases and heat-related illnesses.

The impacts of climate change also have serious economic consequences. The World Bank estimates up to 132 million people will enter poverty by 2030 as a result of the direct health impacts of climate change and an estimated 1.2 billion people will be displaced by 2050.<sup>3</sup>

As part of our Purpose to help build a cleaner and healthier world, we look to minimise our impact on the planet by making our operations, and our value chain, more sustainable.

\* Science-based target

1. From a 2015 baseline
2. Quantitative risk assessment of the effects of climate change on selected causes of death, 2030s and 2050s ([who.int](http://who.int))
3. Health and Climate Change ([worldbank.org](http://worldbank.org))



Climate change continued

Our Impact

Emissions occur across our value chain, both directly from the manufacturing of our products, and indirectly from the materials we source, how and where our products are distributed, consumer use and disposal.

Dealing with these emissions is complex, given that they're mostly outside our control. However, we are committed to working with suppliers, peers and others to drive down emissions. This helps us mitigate the risks to our business from a changing climate, but also presents opportunities as we adapt to a low-carbon economy.

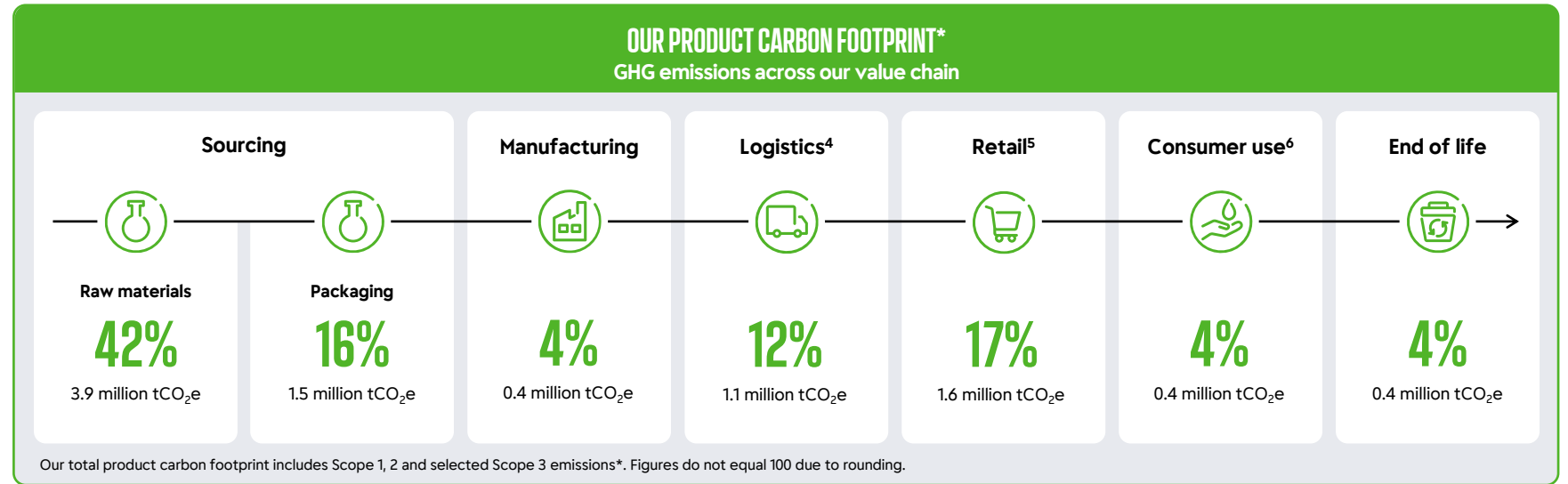
Our product carbon footprint (right) reflects the following levels of control:

- **Direct consumer use:** where we sell the appliance – for example, an Air Wick plug-in – we include the energy it uses in our total consumer emissions.
- **Indirect consumer use:** for example, in a Finish dishwasher tablet, the carbon footprint is made up of the energy we use to produce and distribute the tablets, including all the materials, and also the electricity consumers need to run their dishwashers. The carbon footprint of that electricity, in appliances such as dishwashers or other energy, such as gas for heating water, is not included in our total consumer emissions.

This approach is in line with the GHG Protocol and helps us focus on the things within our control.

As our understanding of our carbon footprint grows, we update our modelling. During 2023, we developed our model to better represent the retail aspect of our carbon footprint, particularly e-commerce. As a result, emissions from our 'Logistics & Retail' activities are now presented separately.

See our Basis of Reporting on our [Reporting Hub](#) for more information



Our product carbon footprint

	million tCO <sub>2</sub> e
<b>Total product carbon footprint* (direct consumer use only)</b>	<b>9.1<sup>†</sup></b>
Total product carbon footprint* (including indirect consumer use)	37.3 <sup>†</sup>

Emissions information

	tCO <sub>2</sub> e
Scope 1 emissions	115,705 <sup>†</sup>
Scope 2 emissions (market based)	8,902 <sup>†</sup>
<b>Total Scope 1 and 2 emissions (market-based)</b>	<b>124,606</b>
Scope 3 category 1: Purchased goods and services	5,047,000
Scope 3 category 4: Upstream transportation and distribution	1,618,000
Scope 3 category 5: Waste generated in operations*	28,000
Scope 3 category 6: Business travel	159,000
Scope 3 category 9: Downstream transportation and distribution	1,572,000
Scope 3 category 11: Use of sold products (direct only)	366,000
Scope 3 category 11: Use of sold products (including indirect)	28,775,000
Scope 3 category 12: End-of-life treatment of sold products	366,000
Scope 3 category 13: Downstream leased assets*	30,000
<b>Total Scope 3 emissions (direct consumer use only)</b>	<b>9,186,000</b>
Scope 3 emissions (including indirect consumer use)	37,595,000

<sup>†</sup> Data assured by ERM CVS as part of their limited assurance scope.

\* Our total product carbon footprint excludes waste generated in operations and downstream leased assets which make up less than 1% of our total emissions. For more detail on exclusions in our scope 3 calculations, see our [Basis of Reporting](#).

4. Outbound logistics only. Inbound logistics from upstream transportation and distribution are accounted for within 'Raw materials & packaging'.

5. Includes e-commerce.

6. Covers direct consumer use only. Emissions from indirect consumer use i.e. in appliances that use our products (outside of scope) related to our product carbon footprint were 28,206,000 tCO<sub>2</sub>e.

Scope 3 categories have different inclusions *Scope 3 category 11: Use of sold products (including indirect)* includes additives which are not accounted for in our product carbon footprint.





## Climate change continued

### Understanding our climate-related risks, opportunities and interdependencies

The wider impacts of climate change include biodiversity loss, water stress, lack of access to healthcare and growing inequalities, which we cover elsewhere in this report.

We assume that all aspects of our value chain will be susceptible to climate-related transition and physical risks to varying degrees. During the year, we continued to work with the consultancy Resilience to assess the potential impact of physical climate change on our operations, as well as the risks and opportunities associated with the transition to a low-carbon economy.

From our analysis over the past three years, changing consumer preference in favour of low-impact products and policy-driven carbon price increases consistently emerge as having the greatest potential impact on our business in the short to medium term, particularly in a 1.5°C scenario. We have identified a number of potential risks to and opportunities for our business, including energy and commodity cost rises across our value chain. In the longer term, we expect increases in the frequency and severity of extreme weather events, water stress and higher ambient temperatures to affect our global sites, supply networks and consumer value chains. We continually re-evaluate our carbon footprint to inform risk management and strategic decision-making, and ensure our plan remains relevant as things evolve.

▶ For more detail on the outcomes of our climate scenario analysis, see our Climate-related Financial Disclosures (TCFD) statement in the [Annual Report](#)

▶ For more detail on the pathways that we have modelled, see our Basis of Reporting on our [Reporting Hub](#)

Related to this is our work with Nature-based Insights. Using the Taskforce on Nature-related Financial Disclosures (TNFD) framework, we're exploring the potential impacts that different nature-based solutions could have. This work will guide how we help to protect and restore biodiversity and ecosystems, while addressing greenhouse gas (GHG) emissions, and do so in ways that enhance the livelihoods of local communities.

▶ For more detail on our approach to nature-based solutions, including afforestation projects, see [Biodiversity and Ecosystems](#)

The connection between climate change and water stress is also important. Several of our biggest and fastest-growing markets in the Middle East and India are in water-stressed areas. This can make it difficult for people to access hygiene and health services, while climate change also creates a range of other risks to health. These include new vectors of disease transmission and the impact of higher temperatures. Collectively, the adverse impacts are already being felt in many countries.

▶ For more information, see [Water](#)

Our value chain comprises multiple interdependent parts and cutting carbon emissions in one part of the chain might increase them in another. For example, we could manufacture a product in a more concentrated form that reduces packaging and lowers carbon emissions from transport. But consumers may then have to use or heat more water to use the product, losing some or all of the environmental gains. We manage these trade-offs by using our Sustainable Innovation Calculator to think through these issues when we design new products or modify existing ones.







## Climate change continued

### Our strategy and approach

We remain committed to delivering our science-based targets and continue to push for climate action across our value chain to achieve net zero by 2040. Our principle remains to abate first, and offset last, meaning that we prioritise reducing the footprint of our operations and products. Our path to net zero focuses on the following key areas:



#### Product innovation

**Developing more sustainable products that meet growing consumer demand, alongside increased use of recycled and recyclable materials.**

We're designing our products so that they have a lower carbon footprint themselves and also need less energy and/or water when they are used. For example, we encourage people to use their washing machines at lower temperatures with products such as Vanish, which we've designed to be just as effective at those temperatures. Lower temperatures mean less energy, so we're also helping people to lower their carbon footprint and save money. Our Sustainable Innovation Calculator evaluates the environmental impacts of our products by measuring five metrics: Carbon (including our Scope 3 emissions and product carbon footprint), Water, Plastics, Packaging, and Ingredients.

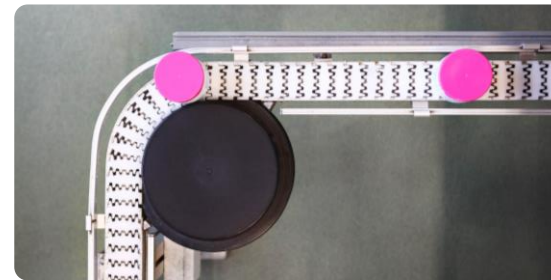


#### Decarbonising our operations

**Optimising our processes to reduce emissions through continued and increasing support for renewable electricity and low-carbon energy.**

We've been reducing GHG emissions in our operations since 2012. Our carbon reduction strategy for manufacturing comprises five pillars: pursuing zero carbon technologies; optimising existing technologies to drive energy efficiencies; performance management through continuous improvement; digitalisation; and securing alternative energy sources. Energy management and waste reduction play an important role in our operational strategy for net zero.

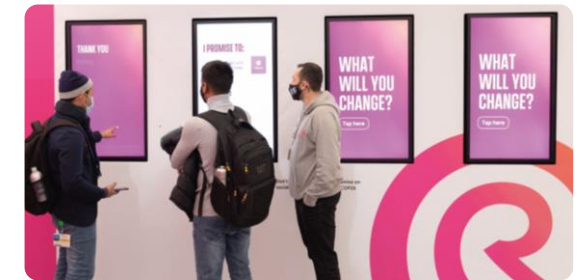
➤ See [Waste](#)



#### Supply chain emissions reduction and resilience

**Driving action in our supply chain and engaging our suppliers to help measure, track and reduce carbon emissions.**

We support our suppliers in moving beyond compliance to become proactive in reducing their environmental footprint. Our Supplier Environmental Performance programme and partnership with Manufacture 2030 are helping suppliers improve their energy efficiency and reduce their carbon footprint.



#### Advocating for global action

**Driving global awareness of the connection between climate and health.**




We have been vocal advocates of the connection between the health of the planet and people. We've been working to build awareness of the impact of climate change on people's health. We want to help fight that impact by protecting and improving health and hygiene around the world. This is behind our efforts to improve access to water in water-stressed areas and make them water positive by 2030.

➤ See [page 38](#)



Climate change continued

# OUR PATH TO NET ZERO

	2024 ONWARDS	2030	2035	2040
	<b>ACCELERATING ACTION</b>	<b>SCALING UP</b>		<b>DELIVERING NET ZERO</b>
 <b>In our operations</b>	<ul style="list-style-type: none"> <li>• <b>Renewable electricity</b> – extend on-site energy generation and storage, implement local power purchase agreements (PPAs)</li> <li>• <b>Energy use</b> – prioritise reduction in absolute carbon emissions, continue targeting efficient use of gas and evaluate alternative thermal energy. Progressive combined heat and power (CHP) replacement with electrical/biomass/biogas alternatives in priority locations, evaluate electrification of spray drying</li> <li>• Evaluate low-carbon road and sea-freight options, scale up on alternative fuels/electric vehicles; develop business travel offsetting</li> <li>• Develop <b>carbon pricing</b> mechanism</li> <li>• Improve <b>water efficiency</b> in manufacturing sites and further develop water <b>catchment area management</b></li> </ul>	<p><b>Ambitions: 65% reduction in Scope 1 and 2 emissions, 100% renewable electricity and water positive in water-stressed locations where we operate by 2030</b></p> <ul style="list-style-type: none"> <li>• Hydrogen gas cell generation for thermal energy, spray drying fuels alternative</li> <li>• Developing green logistics trials</li> <li>• Positive water catchment in water stressed areas</li> <li>• Carbon pricing for prioritisation of investments and evaluation in M&amp;A activity</li> </ul>	<ul style="list-style-type: none"> <li>• Progressive gas replacement</li> <li>• Developing green logistics scale up</li> </ul>	Offsetting beyond abatement
 <b>In our products</b>	<p><b>Ambitions: 100% recyclable or reusable packaging and 25% recycled content in our plastic packaging by 2025</b></p> <ul style="list-style-type: none"> <li>• Target progressive virgin plastic reduction with concentrates and refills; increased consumer recycling initiatives and strategic packaging supplier development</li> <li>• Build reduction plans for <b>high carbon raw materials</b> and plastics - enabled by new AI analytical partners and a progressive shift to measured carbon data on ingredients. Develop water-use switch alternatives</li> <li>• Develop and scale <b>green chemistry</b> within innovation and science platforms, progressive transition from fossil-derived feedstocks</li> <li>• Continue to drive <b>product innovation for lower carbon</b> including consumer use</li> </ul>	<p><b>Ambitions: 50% absolute reduction in product carbon footprint and 50% reduction in virgin plastic by 2030</b></p> <ul style="list-style-type: none"> <li>• Progressive plastic replacement; product concentration to reduce packaging and impact from logistics</li> <li>• Decarbonise high-carbon raw material production scale up with suppliers</li> <li>• Adoption of renewable feedstocks at scale</li> <li>• Product composition for low-carbon scale up; product-use and end-of-life scale up for low carbon</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Product water footprint</b> reduction, including in-use water footprint reduction</li> </ul>	<b>Ambition: 50% reduction in our water footprint</b>
 <b>In our supply chain</b>	<ul style="list-style-type: none"> <li>• Prioritise the use of <b>low-carbon raw materials</b>. Evaluate the potential of <b>carbon capture ingredients</b> through Flue2Chem project.</li> <li>▶ See <a href="#">page 37</a></li> <li>• Continue <b>working with key suppliers</b> to measure and reduce carbon and improve water efficiency</li> <li>• Develop <b>biodiversity and ecosystem</b> metrics, ecosystem protection in landscape programmes with suppliers</li> <li>• <b>Nature-based insetting</b> and regenerative agriculture programme development in key value chains (dairy, latex, fragrances) that also strengthens biodiversity. Ecosystem activity development through brands</li> </ul>	<ul style="list-style-type: none"> <li>• Scale carbon reduction across supplier operations</li> <li>• Prioritise low-carbon suppliers and raw materials</li> <li>• Supplier water management programmes and catchment area development</li> <li>• Scale carbon capture ingredients</li> </ul>	<ul style="list-style-type: none"> <li>• Net-zero carbon supplier prioritisation</li> <li>• Nature-based insetting scale up</li> </ul>	



## Climate change continued

### Performance against our targets



**Target: 50% reduction in our product carbon footprint by 2030**

During 2023, we strengthened our model, enhancing the methodology and approach. As a result, we have restated our 2015 baseline at 10.6 million tCO<sub>2</sub>e (previously 11.1 million tCO<sub>2</sub>e). Using the updated methodology, our 2023 product carbon footprint was 9.1 million tCO<sub>2</sub>e, a 13.5% reduction on our 2015 baseline.

Further information on this is available in our [Basis of Reporting](#) on our [Reporting Hub](#)

To reduce our Scope 3 emissions, we focus on the largest emitting categories. Raw materials and packaging account for more than half of our carbon footprint and 25 key raw materials comprise 80% of our ingredients footprint. We have started working with our suppliers to reduce the carbon emissions associated with these categories. In some cases, we will switch to low-carbon alternatives and our R&D team is evaluating our options while maintaining the safety and efficacy of our products. Downstream logistics makes up another significant proportion of our footprint and we are evaluating low-carbon road and sea-freight options. In 2023, we commenced our green logistics programme. Through this we have been engaging with our customers, suppliers and distribution centres on issues like green fuel, fuel efficiency and more efficient transportation.

We've also looked more closely at product design and have started to work with suppliers to reduce our products' impact up and down the value chain. But we have to make sure our products still deliver their health and hygiene benefits.

For more on how we make our ingredients more sustainable and contribute to a circular economy see [Product Stewardship](#)



**Target: 65% reduction in operational Scope 1 and 2 emissions by 2030**

We continued to meet and exceed our science-based target to reduce emissions from our manufacturing and warehousing operations, cutting them by 67% compared to our 2015 baseline. We have developed plans and targets for carbon reduction across our manufacturing sites, which our Supply Chain Leadership team reviews monthly. Specifically, we focus on optimising high energy manufacturing processes, especially those using gas, and exploring options to replace equipment with new, more efficient versions which use renewable energy. Almost all of our electricity is from renewable sources and we are evaluating options for renewable thermal energy. For some technology, such as spray drying, this may be introduced later in this decade or even beyond 2030 as new approaches are established.

We don't report on ozone-depleting substances, as we're not a significant user. We do emit low quantities of common industrial air emissions like sulphur and nitrous oxides (SO<sub>x</sub> and NO<sub>x</sub>), and particulates (dust). However, these emissions are below regulatory limits and are not considered material.



**Target: 100% renewable electricity by 2030**

94% of the electricity used across our sites is renewable through a combination of on-site generation and renewable energy certificates.

This puts us on track to achieve our RE100 commitment ahead of schedule. We are progressively implementing power purchase agreements for renewable electricity to reduce our use of renewable energy certificates.

### Energy use in operations (GJ)



Energy exported to the grid or sold to a third party 1,305 GJ

\* Assured by ERM CVS as part of its limited assurance scope. The assurance report, along with the principles and methodologies we use in our reporting, can be found online at our [Reporting Hub](#)





## Climate change continued

### Performance against our targets



**Target: 25% reduction in energy use by 2025**

When we set our science-based emissions reduction targets in 2020, improving energy efficiency was an important step in delivering a 65% carbon reduction. However, changes to our business structure and product mix and our use of renewable electricity have reduced the significance of energy efficiency, especially electrical efficiency on our carbon emissions. We of course remain focused on gas efficiency and the need for alternative thermal energy to reduce carbon emissions. Given our proportionately large use of electricity, these changes have led us to reduce our focus on energy efficiency in general terms. In 2023, we reduced energy use per tonne of production by 4%. We are still aiming to improve energy efficiency with its associated reduction in energy costs. However, many projects can have a longer pay-back period and those targeting electrical efficiency will not help reduce our absolute carbon emissions which is the focus of our attention. We will continue to target the efficient use of gas where carbon emissions will also benefit significantly.

### CASE STUDY

#### Expansion and Enhancement: Milestones in Solar Installations

During the year, we completed solar installations at a number of sites including Bangplee in Thailand, Nottingham in the UK and Atizapan in Mexico. In addition, we extended our existing solar installations at Mauripur in Pakistan and Anhui in China. We now have 14 sites generating their own renewable energy.



### Partnering for impact

The complexity of our global value chain means we need to work together with our suppliers and customers to find innovative, sustainable ways to decarbonise. Here, we share few examples of those partnerships in action.

#### Flue2Chem

Reckitt joined forces with a number of businesses, universities and NGOs in the pioneering Flue2Chem project, spearheaded by Unilever and the Society of Chemical Industry. The project aims to cut CO<sub>2</sub> emissions by converting industrial waste gases into chemicals to create more sustainable consumer products.



The project focuses on the potential to capture the carbon created as a byproduct of industrial processes, such as steel or paper manufacturing, and converting this into an ingredient that can be used in cleaning products for brands such as Dettol. This not only helps to tackle greenhouse gas emissions but also promotes a circular economy, recognising the value and potential of waste materials, while reducing our reliance on fossil fuels."



**Nima Roohpour**  
R&D Director

Discover more about the [Flue2Chem partnership](#)

### Manufacture 2030

Our ongoing partnership with Manufacture 2030 (launched in 2020) helps suppliers measure and progressively reduce their emissions, develop performance improvement plans and create greater visibility of performance.

This is part of our strategy to help suppliers move from compliance to being more proactive in reducing their carbon, water and waste footprint and improving in areas like energy efficiency. These improvements often come through our site visits, but also through online support from Manufacture 2030. For example, Manufacture 2030's climate action programme helps us engage with suppliers on climate matters. It builds awareness of environmental standards and shares good practice and guidance.

We continued to work with more than 200 third-party manufacturers through our Supplier Environmental Performance programme to measure, track and help progressively reduce their emissions. This included the launch of the 'FMCG Vertical' campaign in March 2023, where we and peer companies, promoted shared data provision and action planning. This simplifies environmental performance activity for both the suppliers involved and their customers.

## Climate change continued

### Oh Yes! Net Zero

In 2022, we joined forces with key organisations and businesses in Hull to launch **Oh Yes! Net Zero**. This is a city-wide collaboration to transform Hull, in the most carbon intensive industrial region in the UK, into a net zero city. Over the past 18 months, more than 180 organisations signed up to the initiative. In the last year alone, over 45% of our member organisations have actively engaged in our behavioural change tools and events.



Discover more at [reckitt.com](https://reckitt.com) - **Oh Yes! Net Zero**

### WWF

Through our global partnership with WWF, we have partnered on a number of events during the year, including New York Climate Week and COP28, using our combined influence to advocate for policy change on climate and nature matters. We've also leveraged the expertise of our partnership to support our implementation of the TNFD framework and develop best-practice water stewardship approaches.

See the case study in **Biodiversity & Ecosystems**

Read more in **Water**

### Sustainable Markets Initiative

Reckitt has joined the Sustainable Markets Initiative's Health Systems Taskforce which brings together leading voices from across the health sector, with the central aim of accelerating the delivery of net zero, patient-centric health systems.

We are expanding the work of the SMI, with a new focus on the role of prevention, wellbeing and self-care. We are bringing together a broad range of organisations with a role to play in protecting and promoting health (from retailers, to insurers, and city leaders) to develop pilot programmes. These programmes are designed to demonstrate how reaching people before they become patients, can improve health, reduce growing pressures on our health systems, and reduce carbon emissions.

### Climate and Health Coalition – Forum for the Future

We continue to collaborate with Forum for the Future and leading healthcare businesses Bupa, Haleon and Walgreens Boots Alliance in the Climate and Health Coalition. This aims to mobilise and equip the private sector to speed up the transformation of health and climate systems for outcomes that will benefit both people and the planet.

See more at [forumforthefuture.org](https://forumforthefuture.org) - **Climate and Health Coalition**

## CASE STUDY

### Driving action on climate and health

Since COP26, Reckitt has advocated to put health at the heart of the climate conversation. This climate x health nexus is where Reckitt, the Sustainable Markets Initiative, the Climate and Health Coalition, and businesses will play a key role. Through our brands and value chains, we aim to reach people everywhere, enabling their health and hygiene, and helping combat climate change.

**COP28** hosted the first-ever **Health Day**, which reinforced the need for health-focused climate action. More than 40 million health professionals joined the WHO's call for health to be prioritised during climate negotiations, and the urgent need to prepare healthcare systems to cope with climate-related impacts, including extreme heat, air pollution and infectious diseases. 123 countries

signed the COP28 UAE Declaration on Climate and Health.

At COP28, we published new research **'Bringing climate change home through health'** to understand how people are adapting their hygiene and health behaviours in response to the effects of climate change.

See **Bringing climate change home through health**

We also became a founding member of the **Climate Gender Equity Fund (CGEF)** with the US Agency for International Development (USAID) and Amazon. The CGEF seeks to increase access to climate finance for women-led organisations that address climate change. Reckitt has committed to invest \$3 million over two years.







## HEALTHIER PLANET

# BIODIVERSITY AND ECOSYSTEMS

The threat of biodiversity loss is a global challenge – that's why we've been continuing to develop our science-based approach to measure our impact on nature. Collaboration across industry is also key, so we have aligned our approach to the Taskforce on Nature-related Financial Disclosures (TNFD) and have committed to being a TNFD early adopter.





## Biodiversity and ecosystems



Image: Langham Wetlands

### Introduction

Nature is vital for everyone. Healthy ecosystems clean our water, purify our air, regulate the climate, and provide essential natural raw materials. However, we now face the twin emergencies of climate change and biodiversity loss which threaten the well-being of current and future generations. That's why in 2020, we committed to evaluating our biodiversity footprint and impacts, and deliver protection and regeneration programmes through nature-based solutions in our key value chains by 2030.



**Supporting SDG 15 - Halt and reverse land degradation and halt biodiversity loss**

### Strategy and approach

#### Identifying our material nature-related dependencies, impacts, risks and opportunities

We have aligned our approach to the Taskforce on Nature-Related Financial Disclosures (TNFD) recommendations published in 2023. We are a member of the TNFD taskforce and have been involved in pilot testing activity during the framework development, included presenting our work in our latex supply chains in the pilot clinics.

We have committed to being an early adopter and will incorporate the TNFD principles into our future disclosures. Given the complexity involved it will take time to adopt the recommendations fully.

#### Downstream: focusing on consumers and communities

The TNFD, European Sustainability Reporting Standards (ESRS) and the Science Based Targets for Nature (SBTN)

recommend that dependencies and impacts related to nature are assessed across the value chain. However, the SBTN recognises that downstream impacts are harder to measure, and so does not require businesses to cover them at the moment. Nevertheless, we are developing activities for impact within our sphere of influence, upstream and downstream. For example, we are working to reduce our water use in water-stressed areas, where our ambition is to make them water-positive by 2030. Our approach involves water catchment area management that supports the local ecosystem and water resources for the future. At the same time, we design products such as Finish that encourage the use of less water in the home.

➤ See more in [Water](#)

Through our Sustainable Innovation Calculator, we're able to assess our products' environmental footprint. This covers both the materials we use and how people then use the products. It helps us design our products in ways that reduce their impact on natural resources, by using more sustainable ingredients and packaging solutions. We also encourage people to use and dispose of our products responsibly to minimise adverse impacts and pollution. We screen our products to prevent the risk of eco-toxicity and are working to reduce our chemical footprint in our approach to product stewardship.

➤ See more on our [Sustainable Innovation Calculator](#)

In addition, our brands work to engage with consumers and raise awareness of natural resource use. For example, Finish aims to help consumers save water through its 'Skip the Rinse' campaign, and Air Wick's partnership with WWF aims to restore biodiversity globally and connect millions of people to nature.



## Biodiversity and ecosystems continued

### Direct operations: managing impacts associated with our sites

In our direct operations, we assess environmental risks associated with our sites through our environmental risk register. This register considers the sites' proximity to any nature reserve or biodiversity protected area. We assess sites on their environmental impacts, including those related to water and air emissions. We combine location and environmental impact data to create a site sensitivity score and then we assess management practices to give an overall management score.

Together, the two scores generate a total risk rating for each site which informs our actions for managing environmental impacts. Through this assessment, we've identified three sites (out of 50) in our Environmental Risk Register that are in close proximity to key biodiversity areas, which includes nature reserves, protected areas or habitats, and sites of special interest, such as cultural heritage or sites of archaeological interest. We manage the impacts through our sites' environmental management system to avoid and mitigate effects on the local environment.

### Upstream: how we prioritise natural raw materials

In 2017, we conducted a risk assessment that formed the foundation of Reckitt's current approach to identifying priority natural raw materials. The assessment took into consideration social and environmental risks in the supply chain, and the risks these posed to Reckitt, using NGO campaigns and media coverage as assessment variables. Other factors included Reckitt's spend, volumes purchased and association with our brands. These led us to identify our five priority natural raw materials: palm oil, latex, timber, natural fragrances and dairy.

Since the assessment, we have expanded our focus to consider other natural raw materials such as cocoa.

In 2023, we began a review of our priority natural raw materials through an updated risk assessment. The assessment considers risks linked to biodiversity, climate change, water and human rights at the country of origin, alongside other factors such as volume, value, reputational risk and brand dependency. As part of this update, we are strengthening the assessment of biodiversity risk, working with Nature Based Insights (Nbl). This assessment uses global data sets to analyse factors such as ecological integrity, agricultural intensity, ecosystem change and water stress, and focuses on the sourcing regions associated with our natural raw materials. While this assessment doesn't assess the impacts associated with the different stages of the supply chain or the wider value chain, we see the highest impacts associated with biodiversity at the country of origin (i.e. landscape) level. This helps us focus on the areas where we can have the most impact.

Our work with Nbl to date has identified impacts, dependencies, risks and opportunities associated with our latex landscape through an impact and materiality lens. In 2024, we will work with Nbl to identify dependencies, risks, impacts and opportunities associated with other priority natural raw materials, including palm oil and cocoa.

More broadly, we will continue our efforts to engage with local stakeholders. This includes local communities and seeking the opinions of local indigenous communities where relevant.

### Governance and risk management

Biodiversity is captured within our ESG Transition principal risk, with biodiversity loss identified as an emerging environmental risk in 2023. Biodiversity has been a topic of interest for our Corporate Responsibility, Sustainability, Ethics and Compliance Committee since 2022, when the Board received a briefing on biodiversity. This included input from external stakeholders representing policy makers and civil society from a global NGO.

The Group Head of Sustainability is a member of the TNFD Taskforce and leads our biodiversity strategy development. This includes monitoring risks and overseeing day-to-day implementation through the wider sustainability team, with our suppliers and in partnerships such as with the Consumer Goods Forum (CGF).

In addition to our confidential Speak Up! whistleblowing service which is open to all, we have a formal grievance procedure in place relating to palm oil. This has a particular focus on concerns regarding human rights and deforestation in these value chains. Recognising that transparency is key to addressing issues, we publicly log and respond to grievances raised in our palm oil supply chain. We also work with the Earthworm Foundation (Earthworm) and Action for Sustainable Derivatives (ASD) to address grievances.

### Our policies and standards

Our Sourcing for Sustainable Growth policy and Natural Raw Materials (NRM) Sourcing Standard set out our six guiding principles. These include understanding origins, safeguarding the human rights and livelihoods of workers and communities, and addressing our impact on nature. We meet our Sourcing Standard through several approaches including sourcing requirements (such as certification), direct supplier engagement, and collaboration in industry partnerships.

Suppliers commit to meeting our policy requirements as part of their onboarding and re-contracting processes, during which our Sourcing Standards are shared. In 2023, we identified commodity-specific sourcing requirements that we will embed into supplier contracts in 2024. We monitor specific commitments, such as no deforestation in palm oil supply chains through direct engagement with suppliers, traceability exercises and satellite monitoring.

In addition, our NRM Sourcing Standard requires suppliers to provide traceability information on request, understand supply chain risk related to workers and their communities, and to put systems in place to mitigate and monitor these risks. Potential risks to workers and smallholder farmers in natural raw material supply chains include exposure to harmful pesticides, human rights issues and land rights at an individual and community level.

➤ More information on safeguarding people risks in natural raw material supply chains can be found in [People in our value chain](#)





## Biodiversity and ecosystems continued

### Understanding the origins of our natural raw materials

Our approach to traceability focuses on natural raw materials that are susceptible to high environmental risks such as deforestation and land conversion, and social risks, such as human rights and land rights.

We have built a robust approach to traceability in our palm oil supply chains. We conduct annual traceability exercises covering all the palm oil we source, which identifies traceability to plantation, refinery, and mill level, and all of which is **publicly available**. We set annual targets on improving our traceability scores and have seen a steady improvement over time for fats blends, soap noodles and palm derived surfactants. This improvement has been driven by our partnership with Earthworm who leads traceability exercises with fats blends and soap noodles suppliers, and ASD who focus on complex palm derived surfactant supply chains.

We meet regularly with fats blends and soap noodle suppliers and use traceability data to agree actions that will improve supply chain visibility. Traceability helps us to then measure progress against our commitment to No Deforestation, No Peat, No Exploitation (NDPE). Our traceability exercise on soap noodles and fats blends is enabling us to progress from reporting suppliers self-declared traceability data, to reporting verified traceability data this year.

We have also collaborated with the Sustainable Palm Oil Coalition for India (I-SPOC) and Earthworm to assess our palm oil suppliers based in India, providing in-person training to improve traceability and no deforestation verification in their supply chains.

In 2024, we will support suppliers to deliver their own action plans, as well as tracking progress.

This year, we reviewed our cocoa suppliers and supply chains against our NRM Sourcing Standard. This led us to strengthen our approach and focus on cocoa sourced from supplier sustainability programmes. These include a price premium that suppliers can invest in to address cocoa supply chain risks such as child labour and delivering benefits to farmers through agricultural training and income generating activities.

In 2023, we increased the number of latex farmers receiving a premium through the Fair Rubber Association (FRA). FRA Standards and the farmer premium associated with them now reach over 80% of our Durex supply chain. Price premiums have multiple benefits, helping suppliers achieve traceability and invest in deforestation monitoring programmes. Premiums also add social value by increasing farmers' incomes and enabling them to lead decisions on how investments in their farms and communities should be prioritised.

➤ Read more on [page 47](#), under Safeguarding workers and communities

Other prioritised natural raw materials include timber (paper and board) and soy. For paper and board, we can trace 88%<sup>1</sup> of our virgin supply to its country of origin. 99%<sup>1</sup> of our paper/board is from either certified (FSC/SFI/PEFC) or recycled sources which is aligned with the CGF definition of Deforestation Conversion Free (DCF). For soy, we also have traceability to the country of origin. The majority of soy (fat blends) comes from low deforestation risk regions including the US<sup>2</sup>. We do not directly source soy from Brazil.

1. Data covers the 2022 financial year – 2023 data will be available in June 2024 at our [Reporting Hub](#).

2. Based on 2022 volumes.






Riau, Indonesia



**Biodiversity and ecosystems** continued

The table below sets out our priority natural raw materials, with contextual information, such as main sourcing regions, brand relevance and importance to Reckitt and our approach to sustainable sourcing.





	 <p><b>PALM OIL</b></p>	 <p><b>NATURAL LATEX</b></p>	 <p><b>NATURAL FRAGRANCES</b> (essential oils)</p>
<b>Example brands</b>	Enfamil, Dettol	Durex	Air Wick Botanica
<b>Sourced from<sup>1</sup></b>	>90% Indonesia and Malaysia	>90% Malaysia and Thailand	Global
<b>% revenue associated with example brands</b>	<b>20-25%</b>	<b>5-10%</b>	<b>&lt;1%</b> Associated with the Botanica range. However, essential oils are used across the Air Wick portfolio
<b>Why it's important and how we've approached it</b>	<p>Palm oil is highly versatile and can be processed for many applications.</p> <p>In 2022, we sourced 6% fats blends, 73% soap noodles and 21% palm derived surfactants.</p> <p>We are committed to supporting the Roundtable on Sustainable Palm Oil (RSPO) and is committed to sourcing in support of the RSPO programme. We also partner with Earthworm and work with our suppliers towards full traceability, no deforestation and management of palm-related grievances.</p>	<p>Natural latex condoms support intimate wellness and safeguards people by combating sexually transmitted diseases.</p> <p>Using regenerative farming practices to grow that latex can also have a positive impact on nature.</p> <p>We are committed to paying all of our natural latex farmers for Durex a price premium through the Fair Rubber Association.</p>	<p>Natural fragrances provide odour neutralisation, remove smells in the home and aim to connect consumers to nature.</p> <p>In 2023, we identified our priority essential oils and we will define our strategy for using them in 2024, in collaboration with our fragrance house partners.</p>
<b>Potential risks</b>	Land use change (including deforestation)   Climate change   Resource use   Adverse biodiversity impact from agriculture		

<sup>1</sup>Data covers the 2022 financial year – 2023 data will be available in June 2024 at our [Reporting Hub](#)



**Biodiversity and ecosystems** continued

The table below sets out our priority natural raw materials, with contextual information, such as main sourcing regions, brand relevance and importance to Reckitt and our approach to sustainable sourcing.

	 <b>DAIRY</b>	 <b>TIMBER</b> (paper and board)	 <b>SOY</b> (direct, indirect and derivatives)	 <b>COCOA</b>
<b>Example brands</b>	Enfamil, Sustagen	Packaging	Enfamil	Choco Milk, Sustagen
<b>Sourced from<sup>1</sup></b>	57% USA, 25% Europe, 16% New Zealand	29% Europe, 22% Asia, 20% North America	74% US (fat blends only)	>90% Ecuador
<b>% revenue associated with example brands</b>	<b>10-15%</b> Associated with the Enfa and Sustagen brands. However, dairy is also used in the smaller Lactum and Alacta brands	<b>91-99%</b>	<b>10-15%</b>	<b>&lt;1%</b>
<b>Why it's important and how we've approached it</b>	Dairy provides nutritional benefits to infants and children.  All of our dairy suppliers are required to join the Sustainable Dairy Partnership (SDP), which requires members to assess their risks against 11 priority areas and report actions taken annually.	Paper and card packaging can be recyclable and biodegradable and is a growing alternative to plastic.  We are committed to achieving 100% certified, or recycled paper and board packaging by 2025.	The products provide nutritional benefits to infants and children.  The vast majority of our soy is purchased from the US, which is low risk for deforestation. We will continue developing our approach to soy in 2024 by putting a plan in place to verify current volumes are deforestation and conversion free.	Cocoa provides a great flavour as a complement to a nutritious drink.  The majority of our cocoa is sourced from Ecuador where the farmers are paid a premium. This supports investment in their crops, provides an increased income and helps work on identifying and preventing risks such as child labour and deforestation.
<b>Potential risks</b>	Land use change (including deforestation)   Climate change   Resource use   Adverse biodiversity impact from agriculture			

<sup>1</sup>Data covers the 2022 financial year – 2023 data will be available in June 2024 at our [Reporting Hub](#)



**Biodiversity and ecosystems continued**

**Protecting ecosystems – delivering our commitment to no deforestation in our supply chains**

As members of the Consumer Goods Forum (CGF), we support the collective commitments related to deforestation and conversion free supply chains. We have a long-standing commitment to No Deforestation, No Peat, No Exploitation (NDPE) in our palm oil supply chains, as outlined in our NRM Sourcing Standard Palm Oil Appendix.

Of our natural raw materials, latex, and cocoa are also associated with deforestation risks, although the origins we use are low risk. For example, latex from Thailand where we work has not been associated with recent risks of deforestation, unlike other origins in Indonesia.

Deforestation targets on palm oil are more readily achievable when the palm oil is not highly processed. This is more common for fat blends used in food production. In this case, the supply network is usually narrower and segregated supply networks are more practical. The challenge is greater for processed derivatives as the supply network is even more complex and broader, due to the level of processing involved. RSPO certified palm oil is not always available in derivative supply chains, and the alternative verification through satellite monitoring is challenging in unsegregated large-scale supply chains.

For our prioritised supply chains, we use a range of tools, including traceability exercises, satellite monitoring, supplier engagement, partnerships, and external certification and accreditation, to monitor deforestation risks in our supply chains.

This year, in preparation for EU Deforestation Regulation (EUDR) compliance, we have mapped and explored deforestation risk with suppliers and NGO partners for all our forest commodities. While our products contain several of the natural raw materials identified in the regulation, we import limited natural raw materials into the EU for processing, which means that the volume of natural raw materials in scope that we are responsible for are limited. More responsibility falls on our suppliers to complete and evidence due diligence, so we will continue to work with suppliers to ensure that this is in place. Through our partnership with CGF, we have encouraged the EU to share further details on the practical implementation of the regulation to aid preparation. In 2024 we will further evidence our progress towards no deforestation in our forest commodity supply chains.

**Status of commodities in scope of the EUDR:**

**Palm oil:**  
We have seen a steady increase in the volume of our fats blends and soap noodle palm oil categories that are verified as having no link to deforestation by Earthworm. In 2023, for palm derived surfactants we participated in the ASD Nusantara satellite monitoring no deforestation verification pilot.

**Latex:**  
In Thailand, Earthworm has confirmed that the risk of deforestation is low, protected areas are well managed and that the greater risk is conversion from latex to palm oil or durian. However, we have been addressing this through our farmer programme since 2016. Condoms are out of scope for EUDR. [See page 48](#)

**Cocoa:**  
In our farmer onboarding process, our supplier conducts assessments, which include reviewing satellite imagery and visits to high-risk areas to verify satellite imagery which may have reported legal land use change as deforestation (e.g., corn to cocoa or pruning activities).

**Soy:**  
We have traceability to the country of origin for soy we buy as a natural raw material and have identified that over 70% of soy (fat blends) is from the US which is low risk for deforestation.

**Timber:**  
For paper and board, 99% of our packaging meets the CGF definition of DCF as it is certified or recycled.

**Monitoring deforestation in the palm oil supply chain**

Given the systemic nature of deforestation and human rights issues in palm oil supply chains, we use a combination of approaches to deliver change. These include sourcing in support of the RSPO, direct supplier engagement, and collaboration with industry groups such as the Roundtable on Sustainable Palm Oil (RSPO), CGF Forest Positive Coalition and ASD.

For our fats blends and soap noodles supply chains, we use real-time satellite analysis through Earthworm and the Airbus Starling platform. This identifies areas of potential deforestation and peatland conversion in the sourcing areas identified in our annual No Deforestation Verification (NDV) traceability exercise. In 2023, the analysis identified a number of indirect suppliers that our suppliers' source significant volumes from. To add to our already successful approach that has delivered year-on-year improvements in our NDV volumes, we will now also work directly with these indirect suppliers, which should improve NDV scores for our direct suppliers.

In 2023, we piloted satellite monitoring and NDV analysis for our palm oil derived surfactants through ASD. Initial results were positive as highlighted above and we will work with ASD and its members in 2024 to identify data gaps with the aim of increasing the volumes we purchase from areas free from deforestation.

Where we do not have full traceability to plantation, Earthworm review deforestation in a 20km radius of mills that we source from. We deploy other tools through Earthworm to tackle NDPE risks, such as the Engagement for Policy Implementation (EPI/EPI Lite). This survey analyses the effectiveness of suppliers' policies and processes that are needed to implement NDPE commitments.

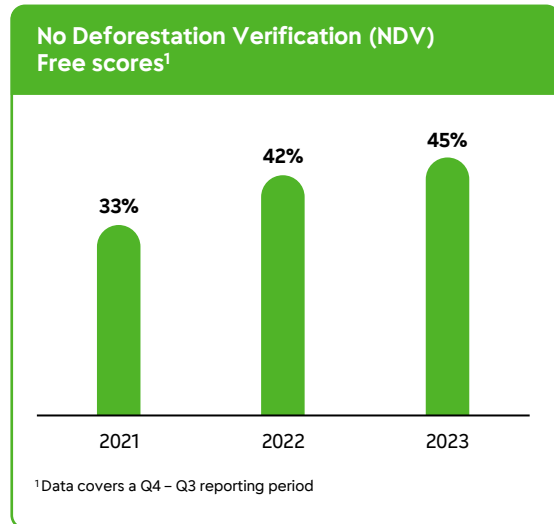




## Biodiversity and ecosystems continued

In 2023, our India based suppliers, who make up over 50% of our soap noodle volume, completed EPI Lite and attended a workshop focused on NDPE implementation. In 2024, we will continue to engage with these suppliers through training, coaching and tracking progress of agreed action plans to improve traceability and NDV in their supply chains.

Another tool we have to monitor deforestation is the Implementation Reporting Framework (IRF). This captures data from suppliers which helps us measure supply chain management effectiveness in our supplier scorecard.



### Performance and metrics

We have been developing an analytical framework to measure our impact on biodiversity over the last two years in collaboration with Nature Based Insights (Nbi). The analytical framework allows us to measure risk, dependencies and impacts on biodiversity at the farm level in our natural raw material supply chains. The framework includes robust, science-based data, which quantifies our impacts and measures improvements over time through the Biodiversity Impact Metric (BIM). We are aiming to apply the methodology to our five key natural raw material supply chains.

The BIM methodology enables us to identify actions that will have the most positive effect on biodiversity by comparing the impact of different interventions.

When prioritising interventions, we follow the mitigation hierarchy of avoid, reduce, restore, regenerate and transform. Alongside this, we also prioritise interventions that have both social and environmental benefits. For example, we are promoting agroforestry in our Thailand latex supply chain with the farmers and communities that we source from. Interventions can vary in each chain. They can prevent negative impacts, such as deforestation or water course pollution, while others could strengthen biodiversity through good agronomic practices and wildlife habitat restoration.

In 2023, we accelerated the BIM analysis in our latex supply chain. We began further work in our palm oil and cocoa supply chains which will continue in 2024. This application of the BIM, with strong metrics applied to the landscapes involved will also form the basis of future targets to strengthen biodiversity.

Alongside our various programmes, we measure progress against our agenda using key performance indicators (KPIs). Due to our reporting reconciliation processes, 2023 data associated with our natural raw materials is not yet available.

▶ Our full suite of Sustainability KPIs and supporting metrics, together with our historic performance and progress towards our targets will be found in our ESG Data Book on our [Reporting Hub](#) in 2024

This will include palm oil performance sourcing in support of the RSPO programme, palm oil volumes used, latex volume for Durex that is FRA accredited, and the number of dairy suppliers that are SDP members.

We are on track to meet our target:



**Target: 80% of palm oil purchased in support of the RSPO programme by 2023**

We do this by using a combination of physically segregated, mass balance and RSPO credits.

### 🔍 CASE STUDY

#### Partnerships to drive progress in our dairy supply chain

We are part of the SDP, a group of suppliers and industry peers working to make the dairy industry more sustainable. We focus on challenges including greenhouse gas emissions, human rights, deforestation and animal welfare, and identify opportunities and solutions to help address them. In 2023, we made it a requirement for suppliers to be SDP members, and to actively report on how they are addressing their identified (and independently verified) risks. 95%<sup>1</sup> (by volume) of the dairy ingredients we purchase are from SDP members and 39%<sup>1</sup> of the volume is from suppliers who are at stage three or above on their SDP journey. Achieving stage three requires suppliers to report annually on progress made against active plans to tackle sustainability risks in the dairy industry and to have these actions independently verified.

In 2023, we set out our requirements for all dairy suppliers in the Dairy Appendix of our NRM Sourcing Standard, engaging through a webinar and direct discussions. To help us prioritise areas of focus and suppliers, we conducted a risk assessment which identified risks specific to different supplier geographies. It also focused on carbon commitments, progress and activities. In 2024, using the outcome of the risk assessment we will identify key suppliers to engage with, and collaborate on reducing carbon emissions in the dairy supply chain.

See our [Dairy appendix - Natural raw sourcing standard](#) ▶

<sup>1</sup>Data covers the 2022 financial year – 2023 data will be available in June 2024 on our [Reporting Hub](#)



## Biodiversity and ecosystems continued



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### Safeguarding workers and communities

We also aim to identify and address impacts associated with deforestation and climate change faced by farmers and their communities. These include declining soil quality, water quality, and biodiversity loss, which can affect water, food production and the livelihoods that the local communities rely on.

We support interventions in our natural raw material value chains that address these risks in collaboration with the communities that supply our natural raw materials. This is most visible in our latex and cocoa supply chains. Where we do not have direct access to farm level, such as in long complex palm oil supply chains, we support landscape programmes in areas that we source from. A landscape approach enables us to pool resources with peer companies to tackle significant environmental and social challenges in our shared sourcing landscapes.

In 2023, we continued to support programmes in Riau, Indonesia, and Sabah, Malaysia through Earthworm.

**Biodiversity and ecosystems continued**

Click to view the following case studies:

**01**  
**More than 80% of Durex latex farmers receive a Fair Rubber Association price premium**

**02**  
**Working with our partners to deliver value to farmers and local communities**

**03**  
**Delivering positive impact for people and nature - Riau, Indonesia**

**04**  
**Partnering with WWF to protect and restore nature**

**CASE STUDY**

**More than 80% of Durex latex farmers receive a Fair Rubber Association price premium**

We have committed to paying all natural latex farmers in our Durex supply chain a price premium through the Fair Rubber Association.

In 2023, we paid a premium of over €700,000 (2022: over €900,000) on more than 80% of our latex volume through two latex suppliers in Malaysia and Thailand. The 2022 premium was higher than usual due to one of our latex suppliers not being credited for the full year, and during the months where a premium payment was provided, we received higher volumes than usual. In 2024, we will achieve 100% by working with suppliers in Thailand, India and Malaysia to identify latex tappers that will receive premium payments. Tappers will then decide how the premium will be invested into their farms and communities, for example purchasing organic fertiliser in bulk at a reduced cost.

The Fair Rubber Association accreditation gives us visibility of our latex supply chain at the farm level, and creates opportunities to invest directly into the communities in our value chain, as we have been doing through our Earthworm programme in Surat Thani, Thailand since 2016.

In this programme, latex tappers now have full visibility of the process that determines quality and pricing at the collection centre level. Transparency in the supply chain builds trust, resulting in a more stable supply chain.

As low incomes are a key driver for farmers to switch from latex to palm oil or durian, the Earthworm-led programme also addresses land conversion risks by delivering training to farmers to increase yield and quality, alongside alternative income activities. The agroforestry approach promoted in the programme has multiple benefits, including increasing incomes and reducing household costs by providing nutritious food sources.

The programme also protects endangered elephants by mitigating the conflict caused by elephant incursions that cause damage to latex farmland and endangers both elephants and latex farmers. Through regular patrols by trained units, and planting elephant food sources, elephants are encouraged to remain in protected areas and incursions have been reduced.

[Learn more about our work with Earthworm](#)



Surat Thani, Thailand





## Biodiversity and ecosystems continued

Click to view the following case studies:

01

More than 80% of Durex latex farmers receive a Fair Rubber Association price premium

02

Working with our partners to deliver value to farmers and local communities

03

Delivering positive impact for people and nature - Riau, Indonesia

04

Partnering with WWF to protect and restore nature

### CASE STUDY


#### Working with our partners to deliver value to farmers and local communities

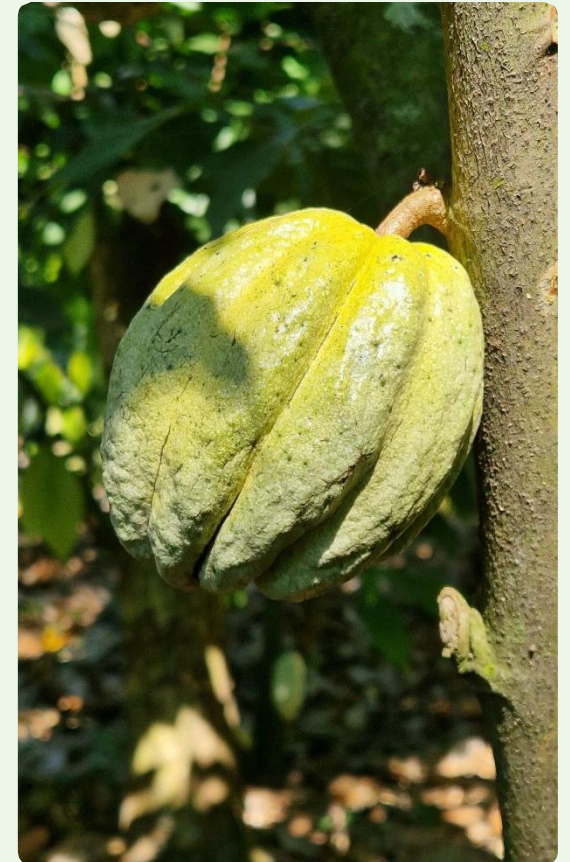
We invest in a sustainability programme via a price premium for the cocoa we purchase. Our suppliers use this premium to actively monitor deforestation and good agricultural practices training to improve farmers' livelihoods. Over 90% of our cocoa volume in 2023 was sourced from Ecuador, where we have been paying premiums to benefit farmers since 2020. These programmes also ensure our cocoa is, at a minimum, traceable to the country of origin. Investing in these also contributes to transparency and sustainable sourcing practices by keeping farmers engaged and improving farm data mapping in the supply chain, aiming to have 100% of their farms mapped by the end of 2025.

In 2022, we also partnered with AguaCapital in Mexico to improve the lives of people within our Choco-Milk supply chain by investing in rainwater harvesting in schools within Reckitt factory catchment areas. In 2023, funding from the Reckitt Fight for Access Fund of over £1 million was secured to scale the AguaCapital school rainwater harvesting programme in Reckitt factory catchment areas and in schools in our cocoa supply chains.

The aim of the programme is to support the right of every child to access good health and education by addressing barriers created by access to water.

Within our cocoa supply chain keeping children in school also helps minimise the risk of child labour at farm level and creates opportunities to encourage the next generation to value biodiversity and consider cocoa farming as a sustainable livelihood.

For more information, see [Water](#) 





**Biodiversity and ecosystems** continued

Click to view the following case studies:

01

**More than 80% of Durex latex farmers receive a Fair Rubber Association price premium**

02

**Working with our partners to deliver value to farmers and local communities**

03

**Delivering positive impact for people and nature - Riau, Indonesia**

04

**Partnering with WWF to protect and restore nature**

**CASE STUDY**

**Delivering positive impact for people and nature in Riau, Indonesia**

We source 18%<sup>1</sup> of our palm oil from Riau, the largest palm-oil-producing province in Indonesia. However, roughly 80% of the agricultural workforce is informal. Thousands of families depend on the palm oil industry and face challenges related to low productivity, poor seed stock, income volatility, and food insecurity. Protected areas, such as nature reserves and national parks remain under threat of deforestation, and smallholder farmers seeking to increase production.

The Earthworm Riau Landscape programme interventions have clear goals to be delivered by 2025 through collaboration between Earthworm, smallholder farmers, local communities and government representatives. These activities address deforestation risks by supporting villages to work towards NDPE through collective action plans, improved yield from good agricultural practices, and improved working conditions, which includes addressing child labour risks. The programme also seeks to embed community and land rights for local communities.

In 2023, the programme successfully partnered with local communities to address deforestation

drivers in ways that both benefit local communities and address environmental risks, including:

**Increasing farmer incomes through a range of initiatives:** intercropping to improve yield and biodiversity outcomes is an approach that enables farmers and local communities to increase their incomes. For example, corn, chillis, watermelons, pineapples and onions are all grown alongside palm oil. 451 farmers implemented this approach in 2023.

**Increased access to support for replanting programmes:** local authorities have schemes available for farmers to help fund replanting programmes. However, these can often involve complex and convoluted processes, so without the right support, farmers would not be able to access these grants. In Surya Indah Village, Earthworm supported the replanting process with the local farmer cooperative through a series of activities, which included raising awareness and education on replanting, supported the farmer cooperative to prepare documents required by governments and facilitated farmers and government dialogue to discuss and solve issues. In 2023, the replanting programme supported 351 farmers to apply for replanting programme grants covering 942 hectares of land.

**Advocating and training farmers to implement good agriculture practices (GAP):** GAP focuses on minimising negative impacts both to the environment and people. This includes using agrochemicals in a responsible way, which combines the use of organic fertiliser and chemical/mineral fertiliser. One example includes the planting of the *Turnera subulate* plant near crops, which draws pests to the plants, instead of the crops, avoiding the use of harsh pesticides.

**Forest protection:** In 2023, over 148,000 hectares of remaining forest inside six villages was under the protection of local communities, enabled by local regulation.



<sup>1</sup>Based on 2021 traceability data

**Biodiversity and ecosystems** continued

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01

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**Partnering with WWF to protect and restore nature**

**CASE STUDY**

**Partnering with WWF to protect and restore nature**

Our WWF and Air Wick partnership is present in 11 countries, including the US, the UK, Brazil, Mexico and Australia. Each country has specific conservation goals. For example, in Canada the aim is to create seed orchards to increase the supply of native seeds and plants available for habitat restoration projects to restore biodiversity, ecosystem function and connectivity throughout this ecologically significant region. In 2023, together with WWF, we planted more than 30,000 plants and restored two hectares of area.

Overall, the partnership has restored 5,500 hectares of land, collected 8,815 kg of seeds - including 294 different species, as well as reaching more than 10 million people through communications activity.



View video - [Air Wick partnership with WWF](#)



Our WWF and Finish partnership aims to protect and restore freshwater habitats in nine countries, including the UK, the US, Portugal, Chile, Sweden, Spain and South Africa. Each country has specific interventions to achieve the greatest impact. In the UK, the ambitions are to improve water quality and replenish 500 million litres of water in Norfolk. The programme is split into three pillars: freshwater species, water focused nature-based solutions, and constructed wetlands.

The initiative has seen almost 70 million litres of water replenished and is on track to deliver 500 million litres by the summer of 2025. The Journey of Water campaign has reached over 500,000 people on WWF's channels and resulted in 511 'My Footprint' app downloads, which helps people calculate their environmental footprint.





HEALTHIER PLANET

# WATER

Water, sanitation and hygiene are critical for a cleaner, healthier world. Our business also depends on access to water since it's an essential ingredient in our products and plays a crucial role in how they're made and used. We're committed to safeguarding water resources now and in the future and driving better access to clean water and sanitation.





Water



## A CLEANER, HEALTHIER WORLD REQUIRES UNIVERSAL ACCESS TO CLEAN WATER

### Our commitment

Halving our water footprint by 2040 and helping people get better access to clean water and sanitation

### Our targets

30% reduction in water use by 2025<sup>1</sup>

Behind schedule

Water positive in water-stressed locations where we operate by 2030

Behind schedule

50% reduction in product water footprint by 2040<sup>1</sup>

Behind schedule



Supporting SDG6 – providing universal access to water and sanitation for all by 2030

### Introduction

Every day, millions of people use water with our products. But many more do not have that option, since they have no access to water or sanitation. In fact, one billion people around the world lack access to water and more than two billion<sup>2</sup> live in countries that are water-stressed, where demand for accessible fresh water exceeds supply. In many regions, climate change is making the problem worse.

Reckitt joined the CEO Water Mandate and Water Resilience Coalition in 2021, a global initiative by the UN Global Compact. Through this, we are committed to continuous improvement in water stewardship practices across our direct operations, supply chain and watershed management, collective action, public policy, community engagement and transparency.

1. From a 2015 baseline

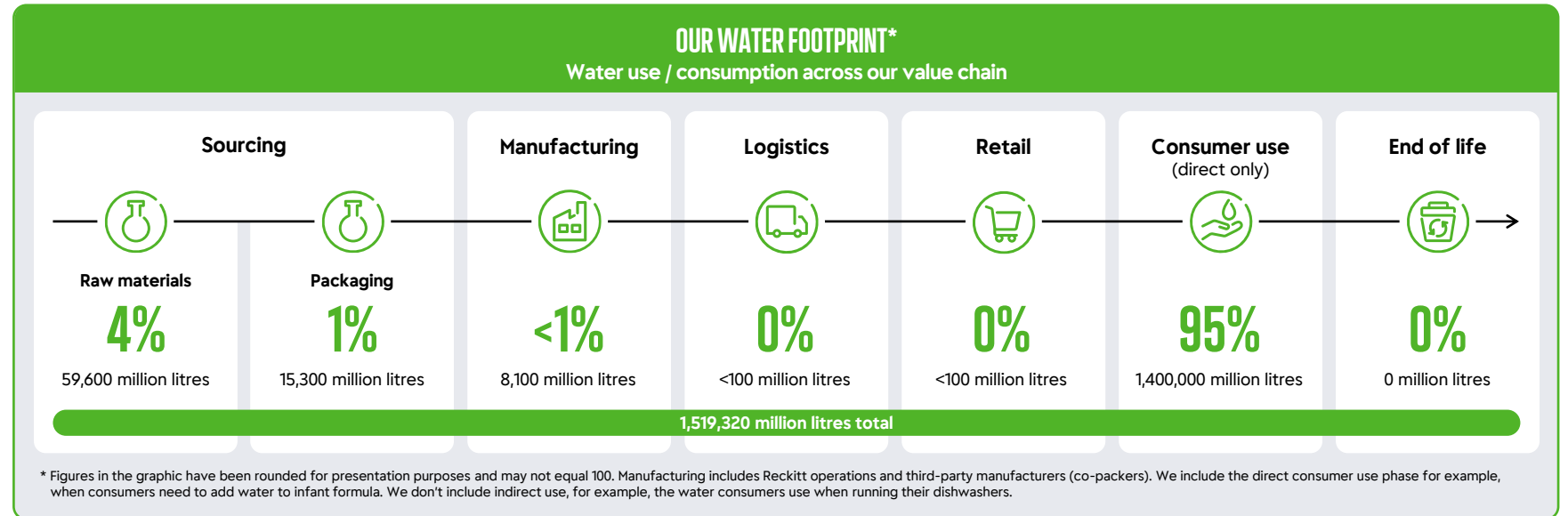
2. UN water



Water continued

Our impact

The water we use to make and manufacture our products makes up less than 1% of our overall water footprint. Most of our water use happens when consumers buy and use our products. This means we need to address water use over the complete lifecycle of our products, a complex challenge given that many of these elements are outside of our direct control.



Understanding our water-related risks, opportunities and interdependencies

Climate change means water stress is becoming more widespread. We currently have 17 sites in regions where water scarcity is a potential risk, and 19% of our total water withdrawals occur in these locations. We focus on reducing our water impact across our manufacturing sites and in these communities. Manufacturing sites must meet our Global Water Management Standard, which requires them to reduce their water impact in support of our Sustainability Ambitions, and our manufacturing sites are independently certified to ISO 14001.

In addition to our Global Water Management standards, all sites must also meet our Global Wastewater Standard which sets out minimum standards for wastewater management. We are increasingly recycling water within our factories, including recirculating treated wastewater, which meets quality requirements to be reused. Pharmaceuticals in the environment associated with the water environment is an emerging global environmental concern. We are evaluating the impact of active pharmaceutical ingredients in effluent, and working on how we minimise and control this. We aim to prevent them entering wastewater in the first instance.

As a large consumer goods company, our product portfolio includes more than 45,000 individual product lines and we're constantly innovating to improve the environmental impact of our products. Our R&D teams continue to assess the water footprint of each new product during its development using our Sustainable Innovation Calculator.

We know that there can be trade-offs between our different Sustainability Ambitions. For example, moving to bio-based and renewable resources may cause our water footprint to increase, especially in raw materials and packaging. We consider these as part of our calculations.





Water continued

Our strategy and approach

Since 2012, we've focused on reducing water use across our value chain. We are taking a number of steps to reduce our water footprint:

1. Action in our operations

In the near term, our focus on driving water reduction has centred on our operations and the catchment areas that we are part of, especially in water-stressed locations. We have improved water efficiency in our operations since 2012 through site specific projects and initiatives. The return on investment from water saving projects is low given the relative price of water, but within water-stressed locations it remains a key part of our water strategy for long-term resilience, alongside our catchment area work.



2. Driving access and changing behaviour

Our Sustainable Innovation Calculator encourages the design of products that reduce water consumption across the value chain and informs our innovation process. We assess the water footprint of each new product during its development and explore product reformulations that require less water to be effective. We also use our purpose-led brands to influence behaviour change and continue our efforts to help consumers cut their water use and save water when using our products. For example, our Finish #SkipTheRinse campaign has encouraged people to save water by not rinsing their dishes before washing.

See our [Sustainable Innovation Calculator](#)

3. Advancing action leadership

We're investing in water access for local communities, covering clean and safe water as well as sanitation and hygiene, to help people live cleaner, healthier lives. We're targeting action where there is the greatest need, for example, through our Hygiene Quest education programme, and particularly in communities who live near our sites. We're scaling access to water and sanitation through innovative social enterprise and finance investments that will help drive better access to water, sanitation and hygiene for millions of people.

See more on outcomes from investments in our [Social Impact Report](#)

See [Hygiene Quest - Dettol AU](#)

Performance against our targets



Target: 50% reduction in water footprint by 2040

Our overall water footprint increased by 9.9% versus our 2015 baseline mainly due to the mix of products that we sold. Our focus in the short term has been on reducing the impact of plastic and carbon in our product portfolio. Product innovations in 2023 did however improve our overall footprint compared to 2022. We remain committed to driving down this footprint, in line with our goal for 2040.

During the year, we completed product reformulations across our portfolio, which have improved the water footprint of our products such as Vanish Oxi Action Premium Powders in Europe and Dettol Lime Fresh Disinfectant Liquid in India. We have also been looking at more concentrated formats and formulas, which can deliver improved dosing in smaller packs, such as launching a concentrated formula of DesTop Liquid Drain Unblocker in France. As a result, our year-on-year water footprint improved versus 2022.



Target: Water positive in water-stressed sites by 2030

Our Hosur site in India became our first water positive site in 2022. We're advancing similar projects in other water-stressed locations, such as nearby Mysore in India, and in Mexico and Pakistan. We partner with local NGOs and governments to support communities and our sites there.



Target: 30% reduction in water use by 2025

Our progress on water reduction in our operations remained relatively static versus last year – 7% reduction per tonne of production versus our 2015 baseline, and a 6% reduction in absolute water withdrawals versus 2015. This was driven by production efficiencies, water treatment recovery, cleaning optimisation and water recycling.

Water saving projects, particularly within water-stressed locations, remain a key part of our approach to build resilience in the long term. This extends to our catchment area work.

In 2023, we recycled and reused 419,887m<sup>3</sup> of water (up 11% since 2022), which is equivalent to around 168 Olympic-sized swimming pools. By increasing the water we reuse and recycle for certain operations, we reduce the amount of water sourced locally. To improve our water efficiency we will continue reducing our water use, reusing and recycling water where appropriate, advancing our on-site water stewardship programmes and optimising our processes.

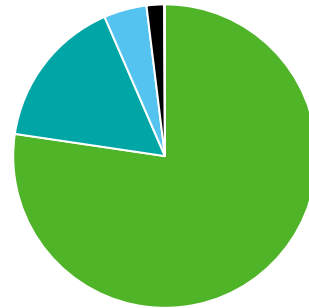


Water continued

Water quantity

Total water use (withdrawals) in our operations in 2023

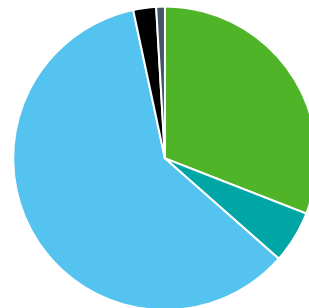
Source	Volume m <sup>3</sup>
● Public supply (e.g. municipal)	5,778,829
● Private wells (e.g. groundwater)	1,252,138
● Surface water (e.g. rivers, lakes, rainwater)	446,301
● Other (third-party sources)	97,430
● Rainwater harvesting	2,975
<b>TOTAL</b>	<b>7,577,673</b>



Water quality

Wastewater discharge by destination / volume

Source	Volume m <sup>3</sup>
● Wastewater discharged to municipal or third-party treatment facilities (treated before discharge)	1,905,748
● Wastewater discharged to municipal or third-party treatment (untreated before discharge)	291,701
● Natural water bodies e.g. rivers treated before	3,004,591
● Natural water bodies e.g. rivers untreated before	106,921
● Other water discharges (treated / untreated)	26,458
<b>TOTAL</b>	<b>5,335,420</b>



	2023	2022 (restated*)	2022	2021 (restated*)	2021
Direct chemical oxygen demand (COD) (metric tonnes)	1,375	2,033	2,081	1,951	1,966

\* The reduction in chemical oxygen demand in 2023 is due to improved site data reporting versus previous estimates. These improvements have shown prior year modelling to be over-estimated. It has also confirmed that a small proportion of sites do not have industrial effluent discharges. These sites have been removed from 2023 and prior year calculations.

Partnering for impact

Because most of our water use is outside of our control, we have long-standing partnerships with WWF and Water.org, and with local NGOs like Agua Capital, to help us drive collective action across our value chain. Here, we highlight some of the work we have been doing with our partners.

WWF x Reckitt

We've had a global partnership with WWF for the past three years. Together we aim to champion the value of nature while safeguarding biodiversity and freshwater ecosystems and the services they provide. We've also made the most of the expertise that our WWF partnership offers to help develop best-practice in water stewardship across our manufacturing sites.

We also held five water and sanitation education sessions with the local government, community members and schools on the importance of good hygiene practices. Read more about this partnership:

See [Biodiversity and Ecosystems](#)

See our [Social Impact Report](#)

Reckitt supports two transformative WWF projects in the Tapajos tributary in Brazil and the Ramganga tributary in India. By preserving and protecting these rivers, we can help ensure local communities continue to have access to freshwater and improve the livelihoods of millions of people. Strengthening the aquatic ecosystem helps support a habitat for thousands of species to thrive. We have supported the agricultural, leather and metalware industries in India to introduce new approaches to reduce the amount of water they use. This has saved around 190 million litres as well as reducing production costs and increasing income.

To increase the provision of clean drinking water to communities in Karachi, Pakistan we have replenished 14,000m<sup>3</sup> of water by installing ablution water reuse systems, rainwater harvesting systems and water filtration plants, and constructing a floating wetland.



Water continued

Water.org and Water Equity

Since our partnership with Water.org began in 2018, this partnership has enabled lasting access to WASH for more than two million people.

Our programme helps families - particularly women - access finance, and plan and build their own taps and toilets. This means families have a safe supply of water. In 2023, we enabled access to improved water and/or sanitation solutions for more than 331,000 people in India, Indonesia and Kenya through the partnership.

To address critical capacity challenges in scaling up this programme, we invested \$2.4 million into WaterEquity's Global Access Fund IV, which seeks to increase access to a further 240,000 people by supporting financial institutions in emerging markets to scale their water and sanitation microloan portfolios.

2 MILLION

people enabled lasting access to WASH by our partnership with water.org

Read more detail on our social impact programmes:

See our [Social Impact Report](#)

CASE STUDY

Keeping children in school by increasing access to water in Mexico

Water stress is a growing concern across much of Mexico, both socially and environmentally. In the areas surrounding our Tlalpan and Atizapan sites, limited groundwater, problems with water infrastructure and the demands of a growing population mean that water availability is a key focus. The region also experiences periods of fluctuating or unpredictable rainfall during the year.

This is a pressing problem for schools in Mexico where an estimated 4 in 10 don't have water available every day. In areas with the highest water stress and high concentration of people, access to water in schools can affect class hours, student attendance, performance and overall learning achievement.

Access to clean water and sanitation is a global challenge our products seek to address. In the areas surrounding our Tlalpan and Atizapan factories, we're working with local communities and Agua Capital to increase water availability.

So far, we've installed 11 rainwater harvesting systems at schools in Estado de México, which captures rainwater for use in washrooms and cleaning. We've also carried out water-saving

pipe upgrades and leak repairs, as well as local engagement and education to increase access and awareness.

We're aiming to have a positive impact on the lives of 2.4 million people in vulnerable communities by generating 116,000m<sup>3</sup> of clean water to keep schools open.

In 2024, we plan to expand the reach of this programme to more schools by partnering with

Walmart on a campaign to install additional rainwater harvesting systems and providing Lysol education materials, particularly in the cocoa farming areas that support our Chocomilk brand.

By improving infrastructure and providing access to education for children, we are helping to secure a more sustainable future for local communities, while promoting health and hygiene education for all.







## Water continued

### CASE STUDY

#### Finish: Inspiring change and generating awareness of the worldwide water crisis

By 2025, two-thirds of the world's population may face water shortages. Finish aims to inspire change and generate awareness of the worldwide water crisis.

The brand promotes water conservation through its ongoing 'Skip the Rinse' campaign, which encourages consumers to save millions of litres of water every year across the world.

See [finishdishwashing.com](https://finishdishwashing.com) – [Skip the rinse and save water](#) 

#### Tackling the water crisis in the US

This year, Finish took its community engagement efforts in the US a step further, where 40 out of 50 states are facing water shortages. The 'H<sub>2</sub>OPEFUL MONUMENT' campaign was designed to inspire action for the future. It sits at the bottom of an at-risk lake in Texas and the intention is that no one will ever see the monument, so long as we take action now. It was created to raise awareness of the larger water crisis issue affecting all bodies of water worldwide.


To support this, Finish collaborated with National Geographic to show people the impact the water crisis has had on one of America's greatest and most endangered rivers – the Rio Grande (also known as the Rio Bravo in Mexico). Spanning two countries (the US and Mexico) and four states, the Rio Grande is America's fourth longest river. It supports millions of people and vital habitats.

View the [Instagram reel](#) 



#### Working with WWF to help replenish the Rio Grande

Finish is partnering with WWF to help replenish and preserve the Rio Grande. The aim is to sustain freshwater habitats and local water supplies for generations to come. Together with WWF, Finish will invest in projects that replenish the Rio Grande and educate Americans about the importance of this river, showing how collective action can make a huge impact.

See [worldwildlife.org](https://worldwildlife.org) 

Finish is working in partnership with WWF across a further eight countries to restore freshwater ecosystems for both people and nature, including in the UK where we are replenishing 500 million litres of freshwater.

#### Bringing the message home

At the Cannes Lions International Festival of Creativity in June, Finish organised and hosted an exhibition to spotlight global water bodies at risk and reinforce its water saving message.

For more on our global advocacy work and partnerships with Water.org:

See [page 08](#) 



Finish has been on a journey to help preserve water. This year we strengthened our water saving campaign through our work with National Geographic and WWF. Small actions we take today can help preserve our water for tomorrow."

**George Drossinos**  
US Finish Sustainability  
Projects Manager



## HEALTHIER PLANET

# WASTE

Waste occurs across our value chain, from when we source and process ingredients and packaging materials, to when consumers use our products and dispose of them.

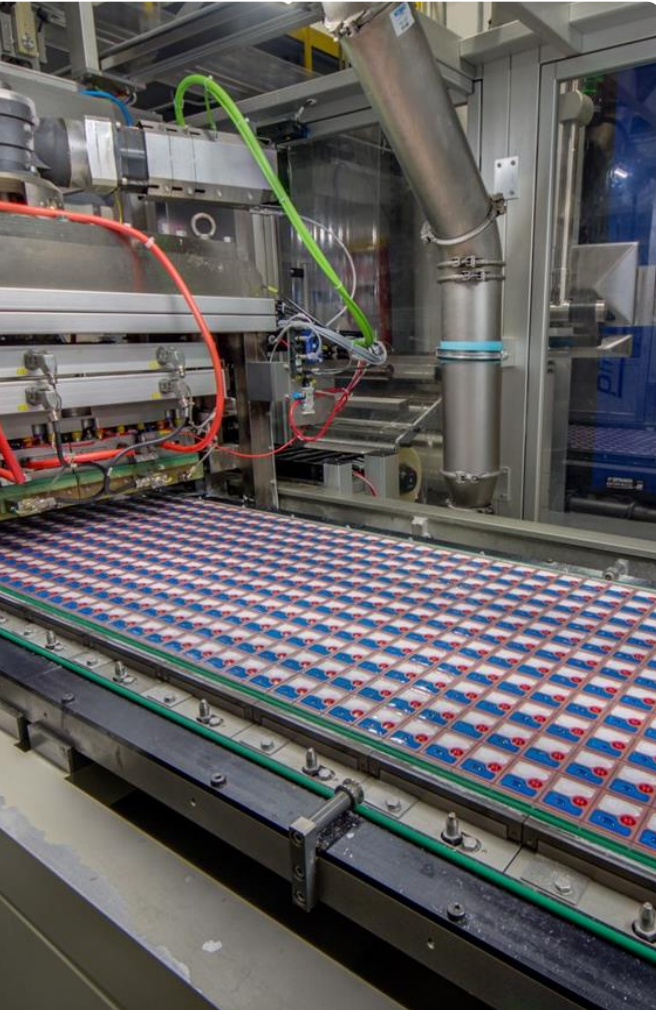
Reducing our waste footprint helps us reduce our environmental impact, cut costs and combat climate change, which is why waste reduction remains an important part of our commitment to a cleaner, healthier world.







Waste



## TOWARDS ZERO WASTE

We continue to make progress against our ambitions to reduce waste. During the year, we reduced waste in manufacturing by 18% versus 2015.

All of our manufacturing sites have now achieved zero waste to landfill<sup>2</sup>, with new waste management and disposal systems in place at our US Nutrition sites (previously the only sites using landfill). Diverting waste from landfill means less carbon dioxide and methane are released as waste degrades, which helps to reduce greenhouse gas emissions.

Looking forward, we'll continue to reduce waste and also focus on reducing end-of-life packaging waste in support of a circular economy.

### Our targets

25% reduction in waste from manufacturing (per tonne of production) by 2025 <sup>1</sup>	● On track
Zero waste to landfill at all of our factories <sup>2</sup>	✓ Achieved
Using more recycled, recyclable and reusable materials in our products and packaging	See plastics and packaging Page 22 >

1. From a 2015 baseline.  
2. Excludes waste which is legally required to be disposed of via landfill.

> See our Basis of Reporting on our [Reporting Hub](#) for more details

### Eliminating waste from our operations and supply chain

We try to generate as little waste as possible in our operations, reuse as much as we can and dispose of the rest responsibly in line with our Global Waste Management Standard and Zero Waste to Landfill policy. Our manufacturing sites drive waste reduction initiatives locally, and share improvement plans through our online Sustainability Glidepath tool.

In addition, we're working to cut waste in our supply chain through our ongoing partnership with Manufacture 2030.

> For more on this partnership see [page 37](#)

This helps us support key suppliers to build waste reduction action plans and improve their waste data reporting, which is key for tracking and improving waste efficiency.

We'll continue to manage, monitor and maintain our focus on eliminating waste in our operations by:

- Monitoring site waste and tracking performance against targets through monthly reporting.
- Optimising our manufacturing processes to make them more efficient.
- Assessing and reducing material waste from production processes through the Reckitt Production System (RPS).

### Our approach to waste management

Our Global Waste Management Standard prioritises **avoiding** waste.

Where this isn't possible, we focus on **reducing, reusing, recycling or reprocessing** and minimising the impacts associated with waste treatment.

All our manufacturing sites are subject to **ISO 14001** environmental certification.

Our site audit programme includes an annual self-assessment against our Global Waste Management Standard, supported by internal and external audits.

Our Global Environmental team analyses progress and investigates any significant variations, developing action and improvement plans if required.



Waste continued

🔍 CASE STUDY

Adopting 'circular economy' principles to reduce waste

At our Granollers site in Spain, waste reduction has been high on the agenda as we look at ways to close the loop on incoming packaging waste.

The local team examined their waste streams and causes across the site. The team identified waste from packaging materials as a big opportunity to make change – in particular, the cardboard boxes used to deliver bottles for our filling lines.

Working with suppliers, the team has established a system to collect, store and reuse boxes 10-15 times before recycling. This circular approach has eliminated over 12,000kg of waste to date.



25% REDUCTION  
IN WASTE YTD

OVER 12,000kg  
OF CARDBOARD  
WASTE ELIMINATED

Product and packaging waste

We also focus on reducing the environmental footprint of our packaging waste at the end of its useful life to support a circular economy.

Across our value chain, end-of-life packaging waste contributes to one of the most significant parts of our footprint. We continue to collaborate with the Ellen MacArthur Foundation, and its vision of a circular economy in which plastic never becomes waste or pollution and the value of products and materials is retained within the economy. We aim to design for circularity and reduce waste by considering the materials we use, the lifecycle of our products, and the potential end-of-life scenarios for packaging.

We're focusing on:

✔ **Using less materials.** By 2030, we plan to halve our use of virgin plastic.

✔ **Using more recycled materials.** By 2025, we're aiming for 25% PCR inclusion in packaging.

✔ **Using more recyclable materials.** Our ambition is for all our plastic packaging to be recyclable or reusable by 2025. We're swapping multi-layer laminates for mono-materials which are easier to recycle, removing black dyes from our bottles that can impede the recycling process, and exploring the use of ingredients from circular feedstocks, which biodegrade better and which have a lower chemical footprint.

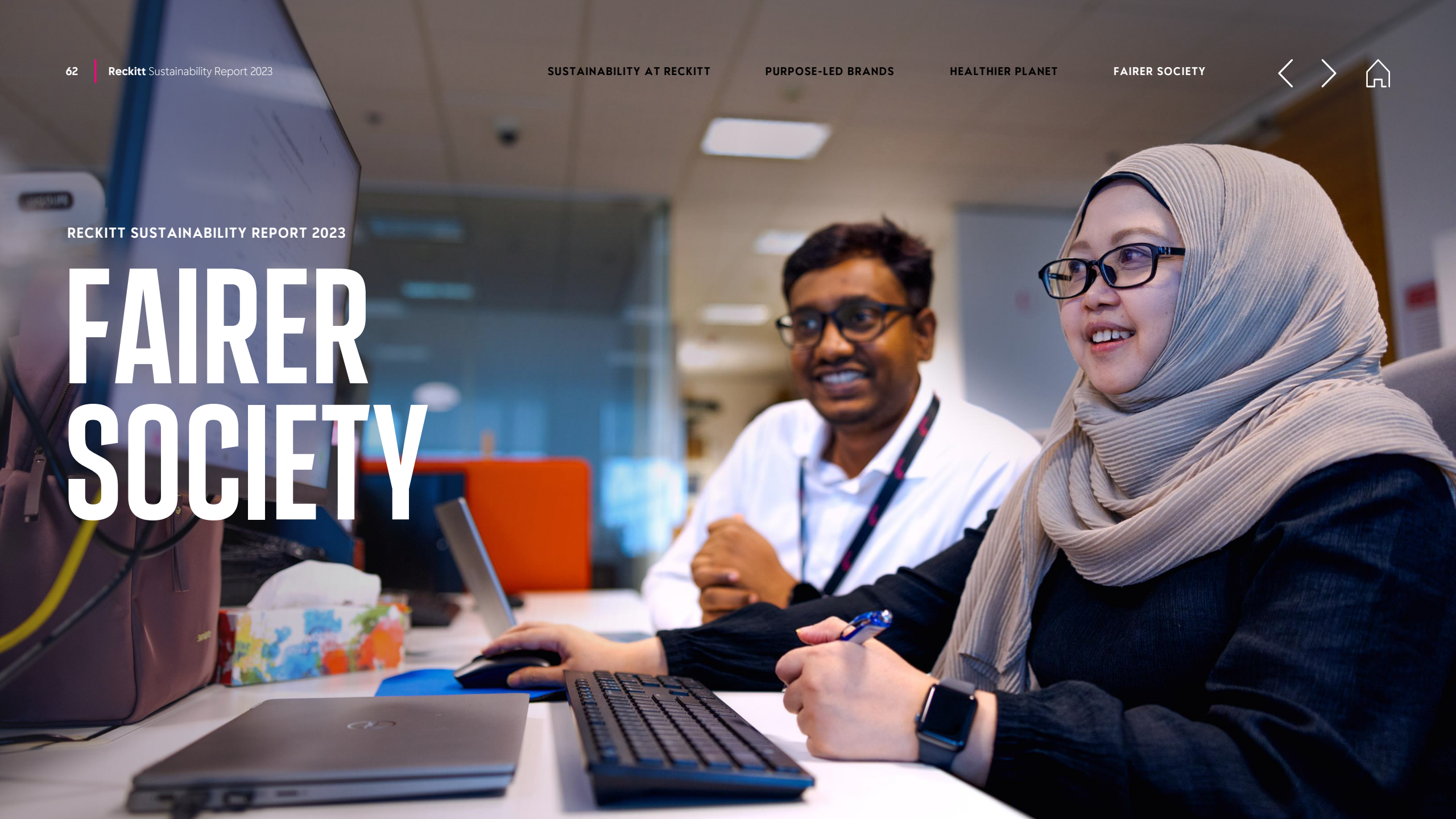


See more on our targets and our progress in [plastics and packaging](#) ▶



RECKITT SUSTAINABILITY REPORT 2023

# FAIRER SOCIETY







## FAIRER SOCIETY

# OUR PEOPLE

Our culture starts with our people. Our diverse team of around 40,000 includes people of all ages, backgrounds, identities and beliefs, from more than 125 nations. Each of us has our own unique story and perspective shaped by our individual experience. This diversity is a strength that enriches our thinking and contributes to our success and growth.







Our people



# A BUSINESS OUR PEOPLE BELIEVE IN

**Ranjay Radhakrishnan**  
Chief Human Resources Officer

Our people believe in and are inspired by our Purpose and brands. They take pride in our business and our shared ambition to achieve.

Today's Reckitt is rooted in a culture that is purpose driven, entrepreneurial, fast paced and action oriented.

Doing the right thing, always, is at the centre of our Compass, which guides our business alongside the Leadership Behaviours that drive our success.



**We always maintain an unwavering commitment to our people, whose passion, energy and professionalism are the source of our enduring strength."**

## Our strategy and approach

Access to talent in a highly competitive marketplace is a challenge for all businesses. Technological and human-centric skills, the evolving workplace and proliferation of hybrid working alongside the increasing uptake of generative AI and other automation technologies mean we cannot stand still.

The workforce of the future will need to learn new skills and continually adapt to change. The demand for technological, social and emotional, and higher cognitive skills including critical thinking and communication is expected to increase.<sup>1</sup>

We know we have a more positive impact in the world when we represent and reflect the diversity of our consumers and communities, so we're creating an environment where all our people feel able to participate fully and realise their potential.

We believe in supporting our people at every step of their career journey and giving them the freedom to succeed in their own authentic way.

To us, it's right to treat people fairly and equitably, whether as consumers, partners or colleagues. Our people first approach is core to our business strategy.

## Our people strategy focuses on:



### Attracting, retaining and developing talent and skills

The investment we make in our future starts with our people. We want to attract, retain and develop the best talent, while creating a learning culture where all our people can realise their potential.

See [page 68](#)



### Embedding diversity, equity and inclusion

We recognise that becoming a more diverse and inclusive organisation drives our performance and is key to attracting and retaining talent. Our inclusion strategy focuses on who we are as a business and the role we play in society. Our People are front and centre of our strategy and the work we are doing to develop inclusive leadership helps make sure we're building a more inclusive workplace. Externally, by putting inclusion at the heart of our approach to procurement and brands, we align who we are with what we do.

See [page 72](#)



### Enhancing safety, wellbeing and resilience

Our commitment to caring for our people goes to the heart of our Purpose to protect, heal and nurture. Today, this means promoting and safeguarding physical and mental wellbeing, as well as ensuring safety in our workplace.

See [page 85](#)

1. Source: McKinsey. Which skills will be needed for the future of work? | World Economic Forum (weforum.org)

Our people continued



2023 external recognition



We scored 84% in the **2023 Workforce Disclosure Initiative (WDI)** survey (exceeding the industry average of 71%) for transparency in sharing information on pay, contract types, diversity and supply chains. The WDI seeks to improve corporate transparency and accountability on workforce issues, providing investor signatories with comparable company data. Greater transparency and an understanding of this data helps to drive international standards and demonstrate publicly that workforce practices are delivering for both the company and its workers.



We were accredited to the **Global Equity Standard (GES)** in 2023, reflecting our commitment to widening participation and increasing diversity. The GES uses an assessment framework developed by EY in partnership with the UK Government. The three-month assessment included consultation with our Employee Resource Groups (ERGs) and nine of our larger markets, a review of over 75 pieces of supporting evidence and one-to-one interviews. We have also achieved local GES accreditation in Brazil, India and the US.



Reckitt was recognised in the **Top Employers Institute Awards** in 15 markets, including Canada, China, Italy, Spain, South Africa, UK and USA. The Top Employers Institute is the global authority on recognising excellence in people practices. In addition, this year we were pleased to be recognised as a **Great Place to Work** in both the Philippines and Malaysia.



We received a top score in the **2023 Disability Equality Index** in the US a comprehensive benchmarking tool that helps companies build a roadmap of measurable, tangible actions toward disability inclusion and equality. We're proud to join the list of best places to work for disability inclusion.



We scored 100 out of 100 in the **Human Rights Campaign's US Corporate Equality Index** and 100 out of 100 in **Mexico's Corporate Equality Index**. We were also named a **Top Employer** and received the **Gold Award** from Stonewall in the UK. These indices are benchmarking tools on corporate policies, practices and benefits relevant to LGBTQ+ employees. They enable us to widen inclusion and better support colleagues from the LGBTQ+ community, as well as promoting inclusion for everyone.



We were awarded as winners of the **"Up and Coming" category by LEAD**. The mission of the LEAD Network (Leading Executives Advancing Diversity) is to attract, retain and advance women in the retail and consumer goods industry in Europe through education, leadership and business development. The award was in recognition of our commitment to gender balance through pay equity studies, structured sponsorship programs, and an intersectional approach to inclusion.



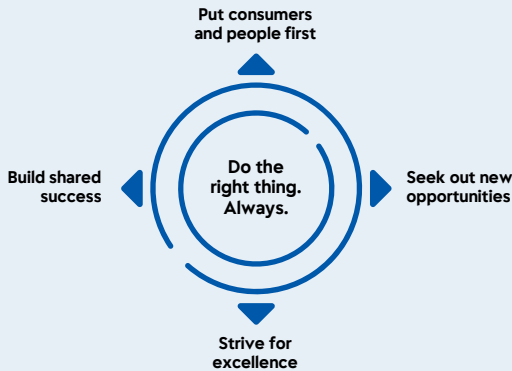
## Our people continued

Today's Reckitt is rooted in a culture that is purpose-driven, entrepreneurial, fast-paced and action-oriented. Doing the right thing, always, is at the centre of our Compass, which guides our business alongside the Leadership Behaviours that drive our success.

### OUR COMPASS

Our Compass guides our business. At its heart is the goal of doing the right thing. Always.

We put consumers and people first, seek out new opportunities, strive for excellence and join forces to win bigger and build a culture of shared success.



### Our leadership behaviours

We give people the freedom to succeed within a clear framework. Our leadership behaviours define how we operate. They apply to everyone in the organisation and form part of our annual performance and development reviews.

We reinforce these behaviours through our leadership development curriculum, employee engagement surveys and personal development tools.

#### Own

Live our Purpose, Fight and Compass  
Know our business cold  
Make decisions

#### Create

Spot opportunities  
Innovate, iterate and scale  
Relentlessly build better

#### Deliver

Focus on what matters  
Move boldly and at pace  
Join forces to win bigger

#### Care

Actively listen, learn and include  
Speak direct with respect  
Act to unleash potential

### Policies and standards

Our global policies define our approach. From recruitment, learning and promotion opportunities, to celebrating religious holidays and parental leave, we strive to ensure our policies work for everyone.

- Our **Code of Conduct** and **Policy on Human Rights and Responsible Business** set the overarching standards for our business.
- Our **Diversity and Inclusion, Anti-bullying and Harassment and Wellbeing Policies** help us create a positive working environment and are published externally to encourage transparency. This includes no tolerance of any form of harassment (sexual or non-sexual) or discrimination within the workplace.
- Our **Parental Leave Policy** recognises that all families are unique, and however they begin, grow and evolve, they deserve the same level of support. As part of the policy, we provide 26 weeks of maternity/primary and 4 weeks of paternity/secondary parental leave.

We review policies regularly and have built an 'inclusive-by-design' approach into all new and refreshed policies, including consultation as part of the review and design process.

We respect the right to freedom of association and all global and local collective bargaining laws as set out in our **Code of Conduct** and **Policy on Human Rights and Responsible Business**. This means employees have the right to assemble, communicate and join associations of their choice, or not. Around 20% of our employees are represented by an independent trade union or covered by a collective bargaining agreement.

We recognise that instances of misconduct can happen. In 2023, we continued to raise awareness of our Speak Up! Policy by encouraging employees, contractors and other third parties to raise concerns of misconduct with confidence. The Speak Up! Service – our confidential reporting platform accessible online and by hotline – is one way to raise concerns. In 2023, we received 641 reports, of which 446 warranted investigation. Investigations can lead to changes in working practice and policy as well as formal disciplinary action.

### Supporting livelihoods

Reckitt has been an accredited Living Wage Employer in the UK since 2020. A living wage goes above and beyond the minimum wage and reflects the real cost of living. Having extended this commitment across our global markets in 2023, we now pay all our employees above the Fair Living Wage thresholds, as defined by the Fair Wage Network. We are also committed to paying a Fair Living Wage for all our contractors, interns and trainees.

In 2023, we completed an assessment to identify if any Fair Wage gaps existed and, where they did, put plans in place to rectify.

Our Sustainable Livelihood Framework goes beyond wages to also capture broader work on providing a safe working environment that promotes health and wellbeing, equality, employment rights, long-term financial security and skills development to support ongoing career development for our people.

➤ See more on [page 93](#)





## Our people continued

### Oversight

Leadership is vital to how we embed our culture and achieve strong and sustainable performance.

Our Global Inclusion Board, chaired by our Group CEO, gives senior focus to inclusion in Reckitt. Its mandate is to drive delivery, governance, monitoring and reporting of our inclusivity agenda, aligned with our Purpose.

The Board's focus is three-fold: it includes our employee community, our brand identities and our supply chain. The Board's membership is made up of senior leaders and sponsors of our 4 global Employee Resource Groups (ERGs). Our ERGs cover gender balance (Women@Reckitt), Sexual Orientation (LGBTQ@Reckitt), Race and Ethnicity, and Disability.

➤ See more on [page 74](#)

This enables the Board to make inclusive, informed decisions based on our people's voices and needs.



As a senior sponsor of an ERG, it is a great comfort to realise how committed our organisation is to fostering an inclusive environment which strives to provide all our employees with opportunities to contribute to our growth."



**Pascal Montilus**  
EVP Supply Global Hygiene and Operations  
Executive Sponsor, Race & Ethnicity ERG

The Global Inclusion Board works in partnership with our Local Inclusion Boards as well as the growing number of local chapters of our ERGs who continue to play a critical role in driving our inclusion agenda.

Our markets and regional clusters have local inclusion boards and local Leaders are expected to lead these boards for their respective areas.

We want all our leaders to be confident and accountable in their support of our inclusion aims – leading change, developing trust, building capability and taking action locally. Their learning is supported through our Conscious Inclusion programme, our Inclusion at Reckitt onboarding module, and through our leadership behaviours.

➤ See more on [page 72](#)

### Meeting global standards and regulations

Our reporting reflects global best practice and follows internationally recognised standards for sustainability and human capital reporting, including the Global Reporting Initiative and the European Sustainability Reporting Standards. We are mindful of the US Pay Transparency Laws, which have been shown to have a significant impact on reducing the gender pay gap across the US. In addition, we are preparing for the new EU Pay Transparency Directive, which may include disclosing pay ranges at the point of recruitment and complying with employee requests for pay data.





### Our people continued

# ATTRACTING, DEVELOPING AND RETAINING TALENT

Success in fulfilling our Purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world depends on our colleagues. It's critical that we have the right skills, capabilities and behaviours to achieve our Purpose and empower people to perform at their authentic best every day.

### Attracting talent

Expanding the diversity of our talent pool is critical to our success. Our talent acquisition policies and processes are inclusive by design. We leverage technology and provide a global interview template that is structured to minimise and mitigate the risk of bias. In addition, hiring managers undergo conscious inclusion training.

We aspire to deliver shortlists that feature diversity of candidates, including gender balance in line with our aim to achieve gender balance across all management levels.

Across the globe, we accelerated our recruitment marketing and attraction efforts and saw a significant uplift in our talent followers, visitors, and applications, underpinned by ongoing and engaging content strategies across our digital and social channels.

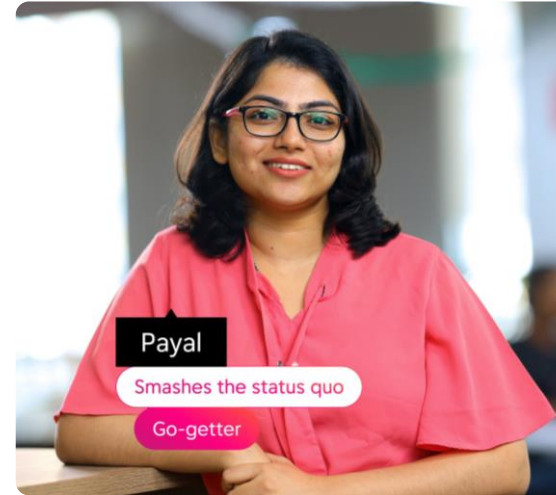
We delivered our first in-house recruitment campaign to attract hard-to-fill roles in IT&D across the UK, India and Poland, which was recognised as 'Recruitment campaign of the year' at the British Recruitment Awards. We also launched our Alumni community to reconnect with former employees. Our digital estate now reflects what we offer to candidates; our LinkedIn, Glassdoor and career site profiles reflect our proud culture, roles and locations.

As a result, we have seen an increase in our Glassdoor scores, our site visitors and candidate applications. At the heart of our approach has been the inclusion of our people, introducing a new creative approach that showcases our diversity and shares their stories via video, photography and social advocacy posts.

In addition, the **Reckitt Global Challenge** is an important graduate engagement tool, especially in markets such as India. Established nine years ago, the challenge to university students is to use a Reckitt product to develop a business idea that demonstrates performance and profitability and is rooted in a social purpose.

### Partnering with MyGwork for inclusion

Our partnership with MyGwork delivers greater access to talent from the LGBTQ+ community globally. MyGwork is a global business community of LGBTQ+ professionals, graduates and inclusive employers. As an inclusive employer, Reckitt actively participates in various events through the platform. Our partnership with them has contributed to an increased focus on LGBTQ+ inclusion at Reckitt. Additionally, MyGwork provides a platform to spotlight our talent and recognise the impact of our LGBTQ+ @Reckitt ERG.







## Our people continued

### Fostering success

We recognise that our colleagues want to develop their skills and career, and we acknowledge that growth can take many forms: from building functional skills, exploring new markets or functions, to developing management and leadership capabilities.

Building on feedback from our colleagues, we have rejuvenated our approach to personal growth by adopting a holistic programme for development in its widest sense. This ranges from equipping individuals with specific skills relating to their function to developing leadership and resilience, as well as providing in-role support, both professionally and personally, through our Wellbeing and Employee Assistance Programmes. All these in combination empower individuals to realise their full potential.



Working with people who share the Reckitt leadership behaviours but have different ideas and leadership styles not only enables a stronger business performance, but is also more enriching for everyone."



**Paolo Dorso**  
EVP Europe, Hygiene General Management

### Learning and skills development

We believe in helping our people grow and develop through experience, mobilising colleagues to move to new roles and markets.

We provide an extensive range of opportunities accessible through our digital learning platform including: workshops, programmes, e-learning and coaching.

We have Functional Development Academies and Leadership Development Programmes to support personal development at all levels of the organisation.

Continuous development and on-the-job learning take place year-round. All employees have a formal Annual Performance Development Review with their line manager to discuss objectives and create a Personal Development Plan. This is an important opportunity for employees to discuss their personal development and career ambitions, and provides a way for us to identify candidates for our Future Leader Development Programmes.

### Future Leader Development Programmes

We recognise the importance and value of building our own internal pool of talented commercial leaders. Regional high potential leadership programmes exist for growing local talent. These feed into the Global Commercial Future Leaders Programme, which is focused on spotting and nurturing talent who can move into senior leadership roles within a 12-24 month period. Last year we ran five development centres with a total of 77 delegates. Of these, 68.8% were designated as being ready now, or ready soon, for a more senior role within 24 months. At a more senior level, our Good to Great General Manager (GM) Leadership Programme is aimed at leaders 12-18 months away from being a new GM and consists of an in-depth evaluation supported by face-to-face coaching for six months. Between 2019-2023, 96% of the participants who were promoted to GM were rated as high, strong or outperformers in their most recent PDR.

➤ See more on our 'Accelerate Programme' on [page 75](#)

### 🔍 CASE STUDY

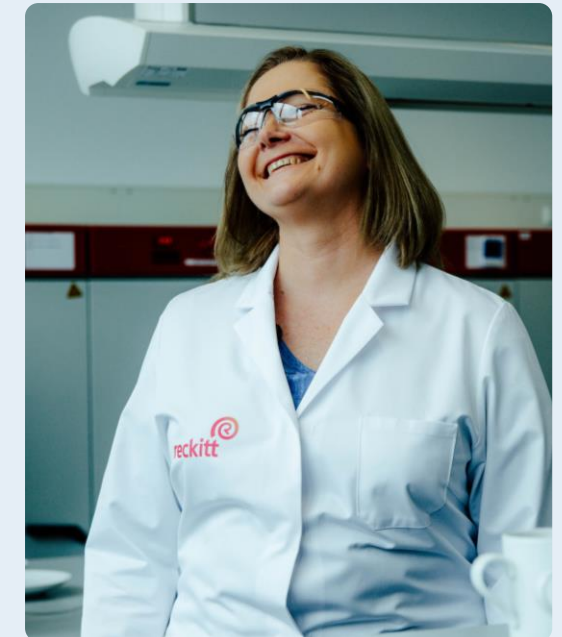
#### Investing in our learning

In April 2023, we introduced a new Learning Library, which draws on LinkedIn Learning to provide access to a variety of personalised resources to build employee skills. Early adoption has been strong, with over 9,500 unique users. In the last quarter of the year, we also launched a new learning experience platform, **myDevelopment Learning**, which brings together personalised learning for professional growth based on the role, function and career aspirations of each individual.

As well as online resources, we now have 10 functional academies across Reckitt. These academies curate development content across specific business functions and enable employees to attain functional skills based on their professional development goals. Each of these academies is augmented by global programmes, such as an embedded leadership curriculum and a thriving mentor and coaching programme that supports individual goals and the needs of specific employee groups.

Embedding these skills across our business is a continual process of development and renewal. This is vital for an organisation like ours, which purposefully introduces new talent from outside

to complement the wealth of experience and skills we nurture from within. This fosters a culture of innovation and change through fresh thinking whilst anchoring our energy in a shared belief in how we deliver outcomes.







## Our people continued

### Listening to and learning from our people

Employee communication is vital to build connections, ensure people understand our strategy and direction, and provide insight on topics which matter most to our people. It also helps us understand people's concerns. We strive to foster ongoing two-way communication and dialogue with our people and there are a number of key mechanisms that enable this.

- **Regular global townhalls for all employees**, hosted by the CEO and Global Executive Committee (GEC), including live-streamed Q&As plus supporting market and function-specific townhalls.
- **Annual Global Employee Engagement Survey**  
In 2023 a record number of 87% of colleagues took the opportunity to share their feedback on how they feel about working at Reckitt. Whilst there are variations between markets and functions, this robust response rate gives us confidence in the action plans we are building, ensuring they are meaningful for our people.
- **Employee Resource Groups (ERGs)** provide a space for underrepresented colleagues to connect and support each other and share views with the business. This provides the opportunity to better understand lived experiences. ERGs also ensure regular touchpoints with their members.
- **Board engagement via Mary Harris**, our designated Non-Executive Director for workforce engagement who maintains regular dialogue with various employee groups, including the ERGs. The Board also receives briefings on the Group's annual employee 'pulse' survey.



- **Informal forums**, focus groups and listening sessions with leaders.
- **'Always-on' communication** provided through our intranet, Rubi, supported by Workplace, provides a more tailored communication platform for employees to share updates, insights and news.

We evaluate the effectiveness of our actions by tracking increased retention, exit survey feedback and succession pipeline. With the aim of continuous improvement, action plans are created based on this data and progress reported regularly to our Board.

### 🔍 CASE STUDY

#### Developing our talent

Our LEAP (Leadership Excellence for Asia Pacific) Local ERG in the US supports and celebrates Asian American and Pacific Islander talent, working to create an environment in which all colleagues can realise their full potential.

LEAP partners with Ascend, the largest pan-Asian non-profit organisation in North America. Several colleagues attended Ascend's 'Inspiring Across Generations' conference in September. Reckitt was proud to sponsor the conference. LEAP members were energised by the discussions around allyship and mutual support; these are behaviours that all Reckitt ERGs seek to promote and celebrate.

LEAP recognises AAPI Heritage Month in May and celebrates cultural events like Diwali and Lunar New Year.



LEAP raises awareness and understanding of the vast diversity and cultural richness of the Indian sub-continent amongst our colleagues."

**Mudita Arora,**  
Hospital Nutrition Business Manager and LEAP Vice President





## Our people continued

### Rewarding outcomes

Reckitt is a results-oriented business with a strong belief in collective accountability. Although ours is a culture focused on outcomes, the way we work is fundamental to our Purpose. Our rewards and benefits align with our diverse and inclusive culture. When reviewing individual performance, we consider not only what is being delivered, but how it has been achieved. This strengthens our culture with strong role models. It also aligns our Leadership Behaviours with the interests of our stakeholders by ensuring that our success is repeatable, beneficial and predictable.


### Salary and bonus

We pay in relation to role and location, taking account of internal pay equity, pay ranges and external market benchmarks. Salary increases are decided by line managers based on a number of factors including business performance, individual performance, local market practice and inflation.

We reward performance with an annual bonus and offer a high proportion of variable pay to encourage outstanding performance and incentivise the creation of long-term stakeholder value.

The majority of our people are enrolled in our Annual Performance Plan (APP). Running each calendar year, this measures our collective performance against key performance metrics, tailored to individual markets. Measures include net revenue, profit and net working capital which vary based on role. We also have local bonus plans, for example for employees in sales and factories.

In addition, Reckitt's most senior managers participate in our Long-Term Incentive Plan (LTIP). This creates a strong focus on ownership, accountability and delivery to ensure that our four Leadership Behaviours provide the frame through which success is evaluated.

 For more details on how we pay our executives and the wider workforce, see our Remuneration Report which is included in our [Annual Report](#)

### Share ownership

Our award-winning, all-employee share plan helps foster a culture of ownership. It gives our people the opportunity to save over a three-year period to buy Reckitt shares at a 20% discount to the share price at the start of this period. They can save anything from £5 to £500 per month and the scheme is risk-free, as people can take back the amount they've saved at any time. At the end of 2023, around 14,000 Reckitt employees were participating in one of our three share plans, with just under a total of £76 million of employee savings in our all-employee share plans, or about £5,500 on average per participating employee.

### Benefits

Benefits vary depending on location and we review them regularly to make sure they're locally competitive. We offer a pension scheme to more than 80% of our employees. Other benefits provided include Employee Assistance Programmes, medical care plans, life insurance, annual health checks, and health, accident, and disability insurance, giving our people and their families peace of mind and stability.

Since 2019, we provide 26 weeks' fully paid maternity/primary parent leave which can be extended to 26 weeks unpaid leave. We offer four weeks' fully-paid paternity/secondary parent leave with the option of four more weeks of unpaid leave. Parental leave arrangements apply to everyone, including same-sex couples and those having a child through adoption or surrogacy. This provision is global. We encourage employees and their line managers to join learning sessions to support those taking parental leave.

### Working together

We're flexible in supporting our people to work in new ways. As we balance hybrid ways of working, we continue to apply the following approach:

#### 01 Connecting and collaborating to build a stronger sense of belonging

Being together reminds us that we're each an important part of a global Reckitt team focused on our Purpose and Fight.

#### 02 Coaching and learning from others

People want to be able to interact directly and personally. This is particularly important for new colleagues who seek to build their network and learn about Reckitt, those who have changed roles or teams, and those who are early in their careers.

#### 03 Creating to improve decision making, speed and innovation

Meeting in person enables closer collaboration, allowing the time and space to be together, to share ideas and have some fun!



Returning to my role was somewhat daunting. How would I juggle being the best parent I could be while delivering what I wanted and needed for the business? I requested flexible hours - moving to a 4 day week. This gives my family and I better balance. The support from my manager and colleagues along with the practical advice from fellow Reckitt parents, made a real difference at a time of transition."



**Gemma Woodall**  
Content Manager, UKI



## Our people continued

# DIVERSITY, EQUITY AND INCLUSION

Success at Reckitt means excelling as who you are. Our goal is to provide a working environment where uniqueness is embraced and inclusion is a lived experience. We recognise that diversity of thought is a key driver of performance.

With over 40,000 people worldwide from 125 different nations, we want to represent the countries and communities we serve in a workplace where everyone feels able to be their authentic self. Equally, our aim is for a global workforce profile that is more aligned with the consumers, customers and markets we serve. Together our colleagues, our partners and our brands will drive that change as we reflect the diverse and inclusive world in which we operate.

Greater diversity in the way we think and lead means we can be more creative and solve problems more effectively. It means the best talent will be more likely to join our business, because they can see how they can grow and succeed.

Our commitment to increasing inclusion by championing different nationalities, ages, backgrounds, identities, beliefs and cognitive diversity – as well as gender – is fundamental to a fair and equitable working environment and to providing products and services that mean more to our customers around the world. At Reckitt, we work to strengthen our inclusive culture to address and celebrate all intersectional identities.

### Enabling an inclusive workplace

All our management and leadership programmes include a focus on leading inclusively.

Our **Conscious Inclusion** learning programme focuses on valuing diversity, mitigating bias, and allyship. Since 2021, over 11,500 colleagues have taken part in the programme, which gives teams the opportunity to explore the role we all play in creating a more inclusive workplace.

Onboarding for new employees features an **Inclusion at Reckitt** module, which outlines clear expectations of colleague behaviour. Almost 85% of colleagues had completed this module by the end of 2023.

Our four global **Employee Resource Groups (ERGs)** – Women, Disability, LGBTQ+ and Race & Ethnicity – include colleagues from the communities the ERGs represent as well as those who support them as allies, and are invaluable in promoting and championing inclusion.

Our conversation series **Stronger Together** drives better understanding of diversity and inclusion by engaging on the issues that matter to our people. Run both globally and locally, the conversations share inspiring and challenging stories around the intersectionality of sexuality, disability, ethnicity, caregiving responsibilities, mental health and other lived experiences. Sometimes challenging to hear, they allow us to understand each other better and build shared trust and awareness. Stronger Together conversations are integral in driving a more inclusive culture through storytelling and education. Since its inception in 2021, there have been over 10 global events, with many others held locally and regionally.

### Supporting diversity beyond our workplace

As well as practising allyship in the workplace, we support diversity in our wider communities via our brands and throughout our supply chain.

➤ See more on [pages 76-77](#)

➤ See more on [People in our value chain](#)







Our people continued



Policy and Process development

In 2023, we enhanced our policies and processes to offer greater support and continue our focus on inclusion.

- Our new **Menopause Guidance** includes a range of considerations, including flexible working patterns, working remotely, reducing working hours and taking more frequent breaks.
- In 2023, we launched a **parental buddy programme in 10 markets** to support those starting or adding to their families. Individuals are connected with colleagues who have been through a similar experience as part of the programme.
- We designed a **learning module for line managers** to support better conversations and outcomes with their direct reports taking 3 months or more parental leave. This supports colleagues at three critical stages, before, during and returning from parental leave.
- Our **Global Adjustments policy** covers disclosure, provision of reasonable adjustments and support for those caring for others with a disability. A discussion template to facilitate better conversations in relation to disability between employees and line managers is included as part of the policy.
- We deployed a **caregivers initiative** in partnership with the Wellbeing Project. This bespoke support programme for those with caring responsibilities includes a focus on personal resilience, emotional wellbeing and setting healthy boundaries.
- In partnership with the LGBTQ+ ERG, our **commitment to our trans, transitioning, non-binary and gender-fluid colleagues** comes to life through our Global Gender Transitioning Guidance.



There is always more for us to learn and improve. The actions we have taken to address gender balance reinforce our commitment to fostering a more inclusive culture at Reckitt."



**Renata Moraes**  
Chief Financial Officer (CFO), Health

 CASE STUDY

**Breaking the menopause taboo**

We launched our Menopause Guide in September, aiming to break the silence surrounding the subject and support women in the workplace. The guidance includes tips for adjusting workflows and schedules, ways we can increase comfort in the office, as well as helpful contacts and resources for menopause support.



Once I discovered that over 80% of women between 45 and 64 years old also experience symptoms, I realised the extent of the taboo around the topic, and it became clear why advice and support is not always easily accessible. I'm incredibly proud to work for an organisation that supports women."



**Helen Cowie**,  
VP Science Platforms & Nutrition Science





## Our people continued

### Employee Resource Groups – driving intersectionality

Our ERGs are grassroots networks of employee communities and allies with shared characteristics or life experiences. They help people connect with and support each other, educate the wider business, and explore barriers to inclusion.

Built around specific dimensions of diversity, they align with our Purpose and Leadership behaviours and are open to all employees regardless of affiliation or identity. Each group is sponsored by a senior leader who represents them on our Global Inclusion Board and they provide input on consumer perspectives and inform our innovation process.

ERGs are important drivers of intersectionality and allyship within Reckitt. Identities such as race, gender, disability and sexual orientation do not exist in silos, and a person's experience can be defined by the intersection of multiple overlapping identities. When our ERGs join forces, they can foster a more holistic approach to diversity and inclusion that recognises this intersectionality. Through their ongoing collaboration, they help create a supportive environment where employees from a variety of backgrounds can come together to learn from each other and support each other's interests.

DISABILITY@RECKITT	LGBTQ+@RECKITT	RACE&ETHNICITY@RECKITT	WOMEN@RECKITT
<p><b>8</b> local / regional / market chapters</p> <p>Focuses on enabling and empowering people with disabilities and their caregivers to fulfil their potential. Builds awareness and knowledge of disability across the business.</p>	<p><b>17</b> local / regional / market chapters</p> <p>Celebrates diversity at Reckitt in all its forms by eradicating discrimination and empowering LGBTQ+ people to bring their authentic selves to work.</p>	<p><b>8</b> local / regional / market chapters</p> <p>Promotes corporate actions to enable an environment where colleagues of all races and ethnicities across the globe can thrive and maximise their contributions to, and value within, Reckitt.</p>	<p><b>23</b> local / regional / market chapters</p> <p>Champions the case for change and shines a light on the everyday experiences of women; creates a movement for change to accelerate our business towards our vision of 50% women at all levels of management by 2030.</p>
<p>“</p> <div data-bbox="988 658 1098 782"> </div> <p>2023 saw solid progress in terms of accessibility and disability inclusion at Reckitt. We launched our Workplace Adjustments Policy, a disability toolkit to support line managers and colleagues, and hosted students with a disability as part an internship programme in the UAE called Tadreeb. Our work on Diversity and Inclusion was externally recognised with several awards, including Mobile Marketing Award (MMA) APEC and Marketing Excellence for 'Own the Heat' Campaign on Dettol, as well as HR Asia Award for Indonesia under Diversity, Equity &amp; Inclusion.”</p> <p><b>Rahul Bibhuti,</b> Country Manager &amp; Marketing Director Nutrition, Indonesia ASEAN Lead, Disability@Reckitt</p>	<p>“</p> <div data-bbox="1403 658 1538 782"> </div> <p>True inclusion and authentic allyship starts with the individual. That is when you see the magic happen. This year the ERG has been successfully expanding through local chapters into newer markets across our ASEAN and South Asian regions. Within the UK, the ERG was the driving force behind major external recognitions such as the 'Brand Ally of the Year' for the Durex partnership from Pink News and 'Top Employer' and 'Gold Award' for LGBTQ+ Inclusion from Stonewall. In the US, we celebrated Unity Day for the first time, to recognise Intersectionality during Pride month as a cross-ERG initiative.”</p> <p><b>Sunil Ayyagari,</b> Global Brand Manager, Biofreeze North America Lead, LGBTQ+ @Reckitt</p>	<p>“</p> <div data-bbox="1844 658 1979 782"> </div> <p>When our employees feel they belong and are their authentic selves, they're able to thrive and contribute in new and exciting ways. Within North America, our Hispanic/Latino/Latinx group hosted a series titled 'De Donde Soy, A Donde Voy' ("Where I come from; Where I am going"), sharing stories of heritage, personal professional growth and aspirations. In Amsterdam, we held a Cultural Day to learn more about personal heritage. These are just a few examples of the great work our colleagues are leading across the globe.”</p> <p><b>Tiffany Hamilton,</b> National Sales Director, Club &amp; Hardware, US Global Lead, Race&amp;Ethnicity@Reckitt</p>	<p>“</p> <div data-bbox="2295 658 2405 782"> </div> <p>It's key to track and measure progress on inclusion just like any other business challenge, because it is a business challenge and a commercial imperative for our success. That is why I am so pleased at the continued adoption of our gender balance scorecard globally. We continuously strive towards creating a workplace where all women feel included. We trialled speed mentoring in the UK as a key initiative, allowing more junior team members to learn from more senior colleagues on various topics. This is now being deployed globally as a cross ERG initiative considering its success.”</p> <p><b>Steph Lilley,</b> Regional Director, UKI, Hygiene Global Lead, Women@Reckitt</p>



## Our people continued

### Progress towards gender balance

We are committed to **diversity across all levels of our organisation** and are continuing to build our understanding of our workforce demographics. Colleague information on caring responsibilities, ethnicity, gender (including non-binary and trans identity where legally possible), sexuality, disability and other intersectional identities is disclosed voluntarily. This option is available in over 20 markets and provides valuable insights which inform our inclusion policies and approach.



We believe that our workforce should mirror society, making us better equipped to understand and satisfy the needs of our consumer base. This fuels our business growth, engages our people, drives innovation, enhances our reputation, and improves our performance. But above all, creating a diverse and inclusive environment is fundamentally about doing the right thing."

**Alison Radford**  
SVP LATAM Health & Hygiene

Inclusion is embedded in our hiring process, leadership development and succession planning.

Access to targeted women's leadership programmes is offered at early and mid-career stages through our Accelerate programme suite. Accelerate Advanced participants have the option to be matched with senior sponsors to develop strategies to achieve their career goals.

We have a Gender Balance Scorecard to empower decision makers across the business with data to better understand the impact of hiring, attrition, promotion and representation in relation to gender balance. Using this data better equips leaders to identify where the gaps and opportunities are, meaning they are able to drive focused action planning and interventions as and where needed.

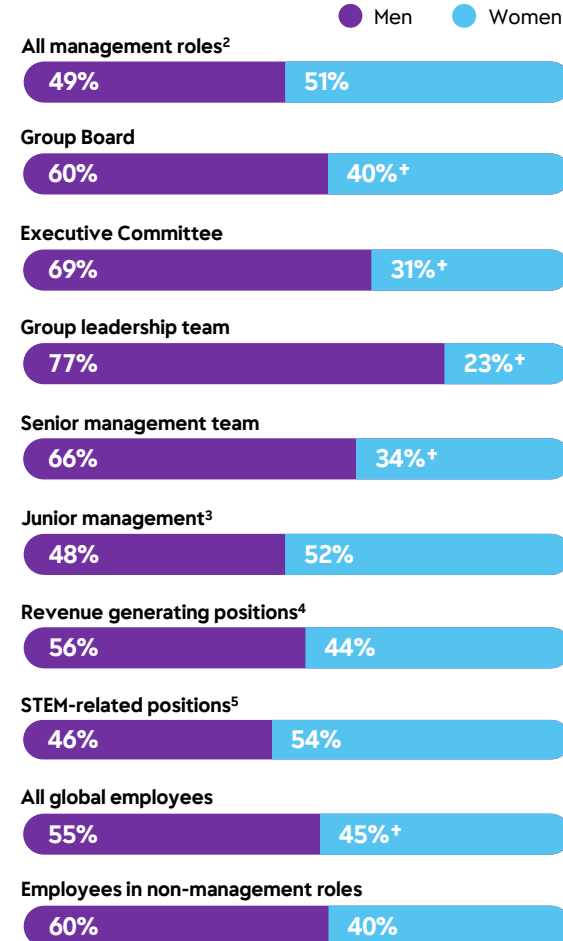
Gender balance at the highest levels of the business is improving in line with our commitment to 50% women at all management levels by 2030. Nearly half of our employees are women, and our manager population is gender balanced. Women make up a third of our senior management team.

Improving gender balance, especially in leadership roles, is critical for our long-term business success. By monitoring our progress, we hold ourselves accountable, whilst being mindful of the reality that gender balance in the workplace may look different in some markets.

We also monitor data at lower levels of management, revenue generating and STEM-related positions to ensure our future senior leadership teams are representative of our colleagues and our customers. We're making progress, and there's still more to do.

### Gender balance across Reckitt

as of 31 December 2023<sup>1</sup>



Diversity of thought isn't a choice. It's an asset. Empowering women in our scientific research teams is not just about achieving gender parity; it is about how we leverage inclusivity as a springboard to deliver even greater impact in the world."

**Angela Naef**  
Chief R&D Officer

\* Assured by ERM CVS as part of its limited assurance scope. The assurance report, along with the principles and methodologies we use in our reporting, can be found online our [Reporting Hub](#).

1. Diversity data is taken as of 31 December 2023 for active Reckitt employees (excluding contractors).
2. 'All management' includes: Executive Committee Member, Group Leadership team, Senior Management team, Middle Manager, Manager.
3. Junior management includes 'middle manager' and 'manager' level.
4. Revenue generating positions include only those whose job function is sales.
5. STEM-related positions include the job functions of IT, medical and R&D.
6. 79 persons with undisclosed gender.

Further information on methodology for calculating diversity performance is available in our Basis of Reporting on our [Reporting Hub](#)





## Our people continued

# INCLUSIVITY IN ACTION

Through our brands we encourage a more inclusive world.

Our iconic brands, such as Durex, Dettol and Finish, have served billions of people around the world for generations. Through these and other brands, we're committed to making sure underrepresented communities have access to the highest-quality hygiene, health and nutrition products.



## 🔍 CASE STUDY

### Diversity in Advertising award-winning campaign for Vanish

For World Autism Acceptance Week, Vanish unveiled its UK Channel 4 Diversity in Advertising Award-winning campaign, **Me, My Autism and I**. Backed by £1 million worth of commercial advertising airtime across the Channel 4 network in the UK, the campaign aimed to broaden public understanding of autism – particularly in girls, who are three times less likely to receive a diagnosis than boys.

The campaign told the story of 15-year-old Ash, a girl with autism and the importance of her hoodie. As a brand, Vanish is committed to helping clothes last longer – and for most people with autism, familiar and consistent clothing can help with sensory regulation and provide a source of comfort.

The initiative included an exhibition in London and was supported by social media influencers. As part of its partnership with the charity Ambitious about Autism, Vanish donated 25p from every pack of selected Vanish products sold during specified periods to help the charity create a world where girls and young people with autism and are heard, included and supported.

The Vanish campaign was recognised with a Cannes Lion Gold award in 2023.



This is an outstanding result for an important campaign shining the light on autism and raising awareness of autism in girls. It's superbly put together being both heartfelt and authentic — using real people, not actors. I can totally relate to this lived experience of autism and I'm immensely proud at this being brought to light. After watching this video, my daughter proudly shared that she is autistic."

**Caroline Curtis-Powell,**  
Senior IT&D Manager and Head of Governance



This high-profile campaign, backed by one of the UK's most influential broadcasters and a household brand genuinely invested in the cause, challenges harmful misconceptions and outdated stereotypes to offer a powerful, positive and authentic representation of girls with autism and their lived experiences. Girls remain three times less likely to be diagnosed with autism than boys, so this campaign, across all its various touchpoints, will be invaluable in increasing public understanding of autistic girls, who are so often overlooked by society."

**Jolanta Lasota,**  
Chief Executive of Ambitious about Autism





## Our people continued

### CASE STUDY

#### Durex: Brand allyship on a global scale

Durex has long been an active supporter of the LGBTQ+ community and was recognised as **Brand Ally of the Year** in the Pink News Awards in October. Pink News is the world's most read and watched LGBTQ+ publisher.

The award was in recognition of our efforts to drive LGBTQ+ inclusion both within Reckitt and externally. It celebrates another year partnering with Stonewall in the UK to champion inclusive education and encourage understanding of how the country's queer community experiences sex.



"It's been so rewarding to see our campaign enact true progress and make an impact to the lives of people in the LGBTQ+ community - both internally at Reckitt and across the UK."

**Jola Maczkiewicz**  
Durex Brand Manager



### CASE STUDY

#### Nurofen: The gender pain gap widens

Undiagnosed and untreated pain can stop women from working, affects their social life and makes everyday tasks harder to do. Our research shows that women feel their pain is disproportionately ignored or dismissed by healthcare professionals (HCPs) compared with men's. In 2022, Nurofen published the first **Gender Pain Gap Index Report**, outlining the gap between men and women's experience of diagnosis and treatment for pain. Since then, awareness has risen. Unfortunately, so has the pain gap itself — from 7% to 11% — meaning 11% more women than men feel their pain has been dismissed or ignored.

Our second report in 2023 revealed that women are waiting longer for a diagnosis than men, for the same type of pain. Just 47% of women surveyed received a diagnosis for their pain within 11 months, compared with 66% of men. More women (around one in three) feel that this delay was down to HCPs not taking their pain seriously, compared to around one in five men.

This year saw the launch of a **Pain Pass** helping track pain and symptoms and empowering women to overcome potential bias and get the right support, diagnosis and treatment for their pain. The pass was launched at an exhibition attended by charities, HCPs and Members of Parliament including guest speakers

Jess Phillips MP and Dr Marieke Bigg, sociologist and author of 'This Won't Hurt: How Medicine Fails Women'.

The exhibition, which spotlighted 13 new 'dismissal' packs of Nurofen, was a thought-provoking maze-like takeover exposing the reality of some women's journey to a successful pain diagnosis and treatment.

For more insight into the gender pain gap, check out the latest **Gender Pain Gap Index Report**.

See the report at [Nurofen's See My Pain website](#)



"Our fight is to ensure everyone's pain is taken seriously, regardless of their gender, ethnicity or age, or any other dimension of diversity."



**Bill Laughey**  
Senior Medical Scientist at Reckitt





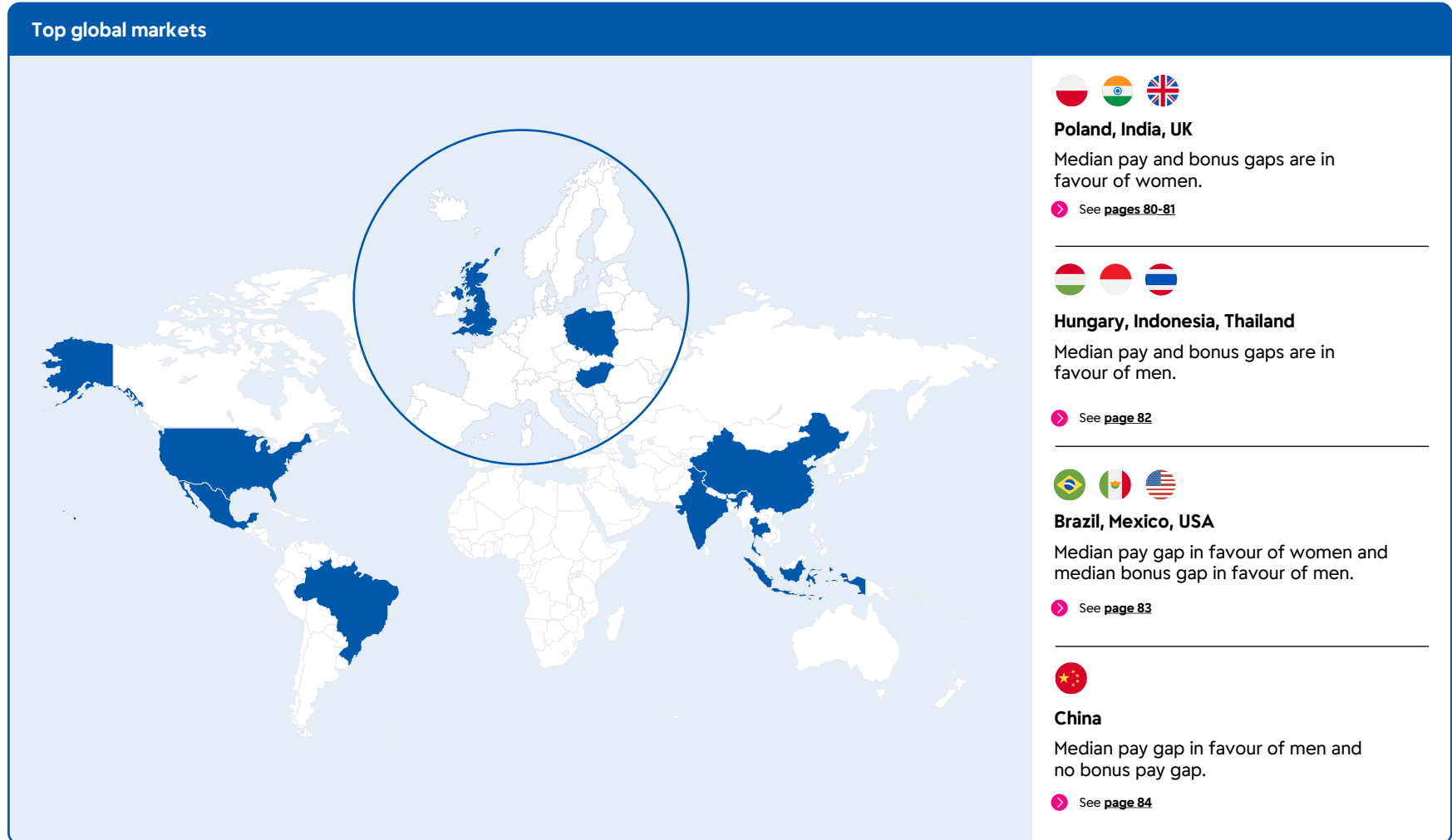
Our people continued

## GLOBAL GENDER PAY 2023

We've been disclosing gender pay data since 2017 in the UK. For several years, we have also voluntarily reported in an additional nine markets - accounting for approximately 70% of our global workforce.

Reckitt's 2023 Gender Pay performance shows relative stability in the data when compared with last year, but also demonstrates the diversity of cultures in which we operate.

We can identify four different groupings with similar Gender Pay characteristics. See each market's data for an explanation.







Our people continued



**How we report gender pay data**

Gender pay reporting is the most commonly required pay transparency measure across OECD\* countries, with 55% of member countries mandating large companies to disclose their gender pay gaps.

In the UK, businesses are required to disclose mean and median gender pay gaps, which show the difference between the pay of the median man and the median woman.

At Reckitt, we report on both the median and the mean pay gaps, providing a more holistic view of gender inclusivity in our businesses globally, at all levels.

For the third year we are reporting data from the UK and nine of our largest markets. This year they include Brazil, China, Hungary, India, Indonesia, Mexico, Poland, Thailand and the USA, covering around 70% of our workforce.

We have identified four different country pay groupings across these 10 markets, and over the following pages we highlight their shared characteristics and the structural reasons behind the data.

➤ See [page 80](#)

**Understanding pay gap data**

It is important to remember that the existence of a gender pay gap does not mean there is unequal pay between those of different genders. Gender pay gaps exist because of the different percentage of men and women in both manufacturing and senior management roles.

Corporate roles tend to be higher paid than manufacturing roles, so in markets where more men work in factories and more women are in administrative roles, the median gender pay gap will be in favour of women, because it is comparing the middle woman with the middle man.

Where there is a higher percentage of men in senior management roles, the mean gender pay gap will be in favour of men, because it is the average pay of all women and all men — so those earning more will carry more weight in the data.

The data we share includes:

- **Median pay gaps**
- **Median bonus gaps**
- **Mean pay gaps**
- **Mean bonus gaps**
- **Proportion of employees eligible for a bonus**
- **Proportion of employees working in manufacturing**

Women ● Men ●



To work out the **median gap**, we take everyone in the market and rank them from the lowest earner to the highest, and the median person is the one in the middle. So, the median gender pay gap is the difference between the hourly pay of the middle man and the hourly pay of the middle woman. The median bonus gap is the difference between the annual bonus of the middle man compared to the annual bonus of the middle woman. It does not include employees who do not receive a bonus.


To work out the **mean gap**, we add up the salaries of everyone employed in the business and divide that figure by the number of employees. The mean gender pay gap is the difference between the average hourly pay of all men and the average hourly pay of all women employed in each Reckitt market, and can be impacted and skewed by gender representation in senior roles. The mean bonus gap is the difference between the average annual bonus for men compared to the average annual bonus for women.

\*Organisation for Economic Co-operation and Development





Our people continued




Gender pay performance 2023

-  United Kingdom



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-  Poland
-  India


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-  Hungary
-  Indonesia
-  Thailand


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-  Brazil
-  Mexico

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-  United States

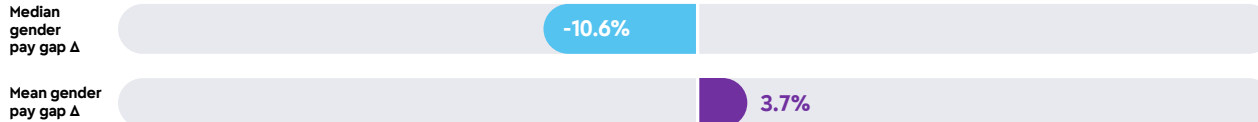
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-  China

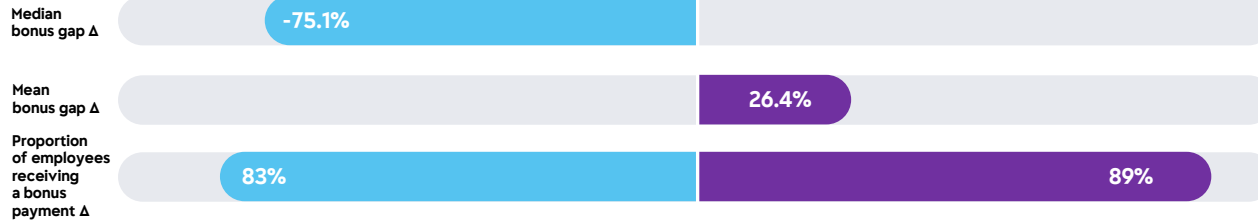
 UNITED KINGDOM

Total employees **4,821**      % in manufacturing **19%**

HOURLY PAY GAP



BONUS GAP



LOCAL MANUFACTURING WORKFORCE

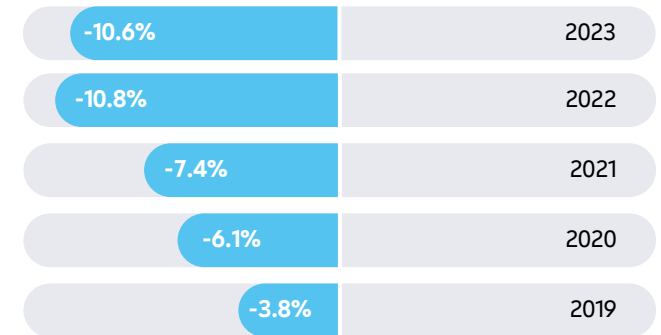


Women  Men 

UK comparison with 2022

	2022	2023
Median gender pay gap	-10.8%	-10.6% Δ
Mean pay gap	2.4%	3.7% Δ
Median bonus gap	-17.4%	-75.1% Δ
Mean bonus gap	35.1%	26.4% Δ

Median gender pay gap over the last five years




Our UK gender pay data is combined from our nine UK businesses. Δ The triangle icon indicates where the metrics have been assured (limited assurance) by our independent assurance provider, KPMG, and reflects the position as at April 2023. Please refer to [the Annual report](#) and [Gender Pay information](#) for details. In addition, as mandated by the UK Financial Conduct Authority, we report against target on the representation of women and ethnic minorities on our board and executive management. See our ESG Data Book on our [Reporting Hub](#).



Note: A negative percentage indicates a pay or bonus gap in favour of women. A positive percentage indicates a pay or bonus gap in favour of men.

Our people continued




Gender pay performance 2023

-  United Kingdom



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-  Poland
-  India


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-  Hungary
-  Indonesia
-  Thailand


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-  Brazil
-  Mexico

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-  United States

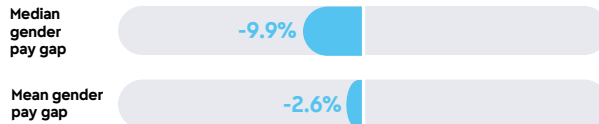
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-  China

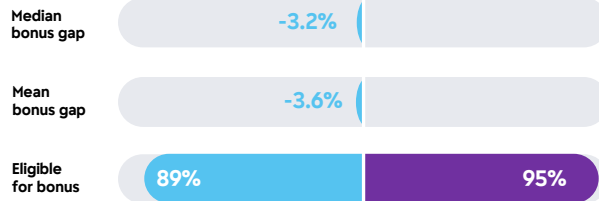
 **POLAND**

Total employees **2,528**      % in manufacturing **55%**

**HOURLY PAY GAP**



**BONUS GAP**



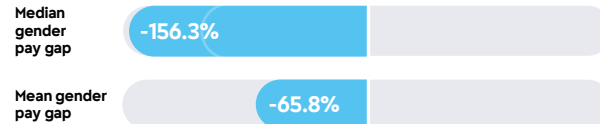
**LOCAL MANUFACTURING WORKFORCE**



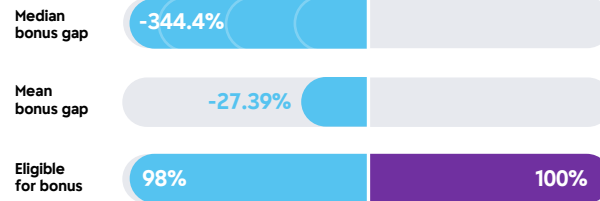
 **INDIA**

Total employees **3,280**      % in manufacturing **39%**

**HOURLY PAY GAP**



**BONUS GAP**



**LOCAL MANUFACTURING WORKFORCE**



Women  Men 



Gender pay in these markets is driven by the proportion of men and women employed in manufacturing. Men significantly outweigh women at lower job levels and therefore the median gender pay gap and bonus gap are in favour of women, as the middle woman holds a higher pay grade than the middle man. In the case of India, the lowest job grade is comprised almost totally (99.9%) of men, so the pay gap is much wider.


Note: A negative percentage indicates a pay or bonus gap in favour of women. A positive percentage indicates a pay or bonus gap in favour of men.







Our people continued




Gender pay performance 2023

-  United Kingdom




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-  Poland
-  India


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-  Hungary
-  Indonesia
-  Thailand

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-  Brazil
-  Mexico
-  United States

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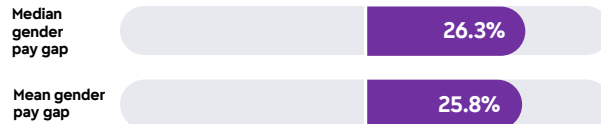
-  China

Women ● Men ●

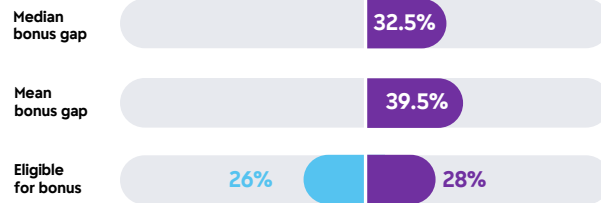
## HUNGARY

Total employees **787**  
 % in manufacturing **63%**

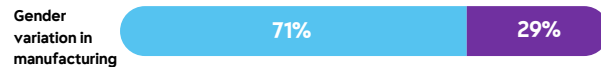
### HOURLY PAY GAP



### BONUS GAP



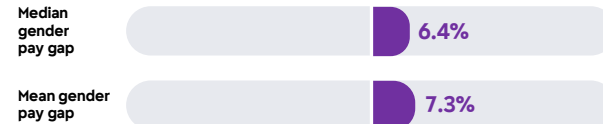
### LOCAL MANUFACTURING WORKFORCE



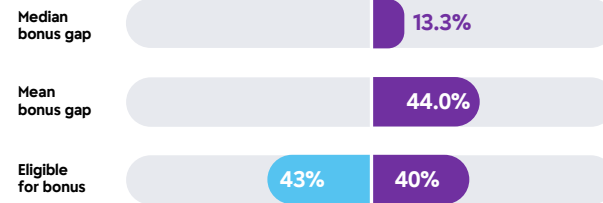
## INDONESIA

Total employees **1,210**  
 % in manufacturing **50%**

### HOURLY PAY GAP



### BONUS GAP



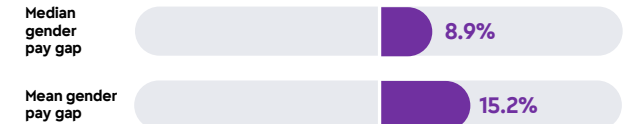
### LOCAL MANUFACTURING WORKFORCE



## THAILAND

Total employees **1,886**  
 % in manufacturing **50%**

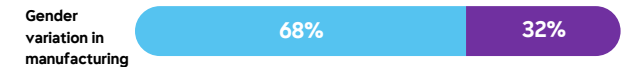
### HOURLY PAY GAP



### BONUS GAP



### LOCAL MANUFACTURING WORKFORCE



In these markets, there are more women than men in manufacturing roles (except in Indonesia: however women are still over-represented in manufacturing) which means the median pay is in favour of men. In Hungary and Indonesia, employees in manufacturing are not eligible for a bonus, so women remain slightly more represented at lower levels in the bonus-eligible population. In Thailand the bonus eligible population is almost the same as the total population, so the bonus gap also remains in favour of men.


Note: A negative percentage indicates a pay or bonus gap in favour of women. A positive percentage indicates a pay or bonus gap in favour of men.







Our people continued




Gender pay performance 2023

-  United Kingdom



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-  Poland
-  India


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-  Hungary
-  Indonesia
-  Thailand


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-  Brazil
-  Mexico

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-  United States

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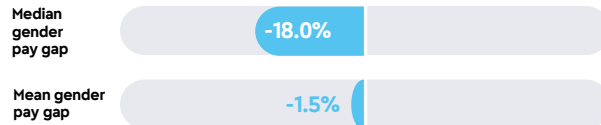
-  China

Women ● Men ●

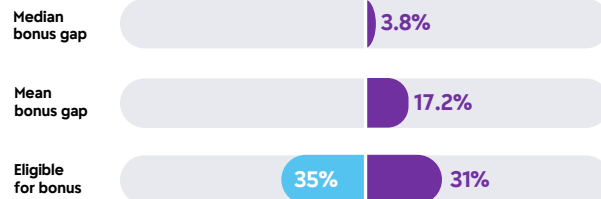
 **BRAZIL**

Total employees **1,641**      % in manufacturing **28%**

**HOURLY PAY GAP**



**BONUS GAP**



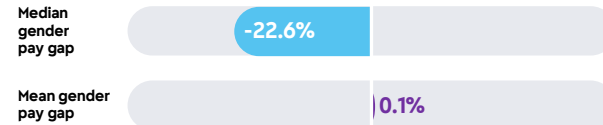
**LOCAL MANUFACTURING WORKFORCE**



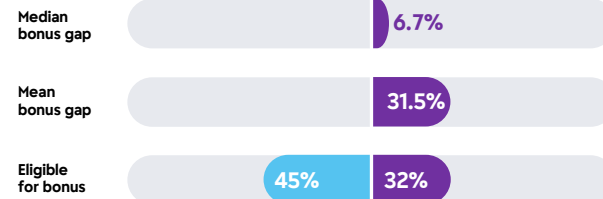
 **MEXICO**

Total employees **1,886**      % in manufacturing **50%**

**HOURLY PAY GAP**



**BONUS GAP**



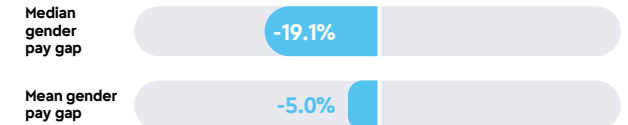
**LOCAL MANUFACTURING WORKFORCE**



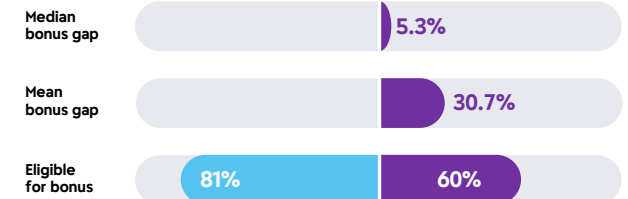
 **UNITED STATES**

Total employees **4,848**      % in manufacturing **30%**

**HOURLY PAY GAP**



**BONUS GAP**



**LOCAL MANUFACTURING WORKFORCE**




In these markets the manufacturing roles are largely occupied by men, so median pay gaps are in favour of women. A smaller proportion of the workforce is eligible for a bonus as manufacturing jobs (largely men) are usually ineligible. As a result, the bonus gap shifts in favour of men.

Note: A negative percentage indicates a pay or bonus gap in favour of women. A positive percentage indicates a pay or bonus gap in favour of men.





Our people continued




Gender pay performance 2023

-  United Kingdom



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-  Poland
-  India


---

-  Hungary
-  Indonesia
-  Thailand


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-  Brazil
-  Mexico

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-  United States

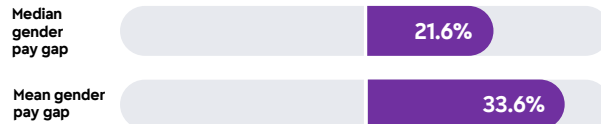
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-  China

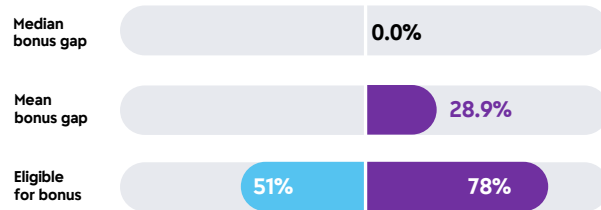
 CHINA

Total employees **2,169**      % in manufacturing **38%**

HOURLY PAY GAP



BONUS GAP



LOCAL MANUFACTURING WORKFORCE



Women  Men 



China has a substantially higher representation (75%) of women in manufacturing jobs at the lowest job grade, so the median pay gap is in favour of men. Most manufacturing roles are excluded from eligibility for bonuses, and those eligible are split fairly evenly between men and women at most job levels, so there is no median bonus gap.

Note: A negative percentage indicates a pay or bonus gap in favour of women. A positive percentage indicates a pay or bonus gap in favour of men.





Our people continued

# EMPLOYEE HEALTH, SAFETY AND WELLBEING

Health and safety is not just about reducing illness and workplace accidents, but safeguarding and boosting our people's wellbeing.

Given our Purpose to protect, heal and nurture, we put this responsibility at the heart of our business. Our primary concern is that our people are safe at work, irrespective of what they do or where they live. With a global business spread throughout 68 countries, this means ensuring we have mature systems in place that enable us to step in quickly to support our people and their families in times of need.

## Health and safety

Across Reckitt, health and safety hazards vary depending on people's roles and where they work. Within our diverse global team of around 40,000 people, two-thirds are in manufacturing, logistics and R&D roles.

Different roles have different levels of risk, so we have standards that reflect specialist areas, which might include driving.

We aim to progressively improve our performance by embedding a safety culture across the business. We do this through training programmes, developing site safety improvement plans and our internal audit programme.

Our health and safety management systems are developed in line with our Occupational Health and Safety Policy, our Code of Conduct, global standards and location-specific guidance. We audit compliance against standards and targets tailored to each role and our global standards aim to take account of all these.

We're also part of a global industry health and safety roundtable network where we discuss key issues and trends, share best practices, global incidents and health and safety performance metrics. When assessing performance against our global industry peers, we came in the top quartile of benchmarking.

\* per 100,000 hours.

\* Assured by ERM CVS as part of its limited assurance scope.

The assurance report, along with the principles and methodologies we use in our reporting, can be found online at our [Reporting Hub](#)

## Progress and performance during the year

Our overall health and safety performance in 2023 declined. We've increased our focus on high hazard management areas which we expect to improve performance, alongside the implementation of our safety improvement plan application, which is now being used across all of our sites.

### Total Recordable Frequency Rate (TRFR)

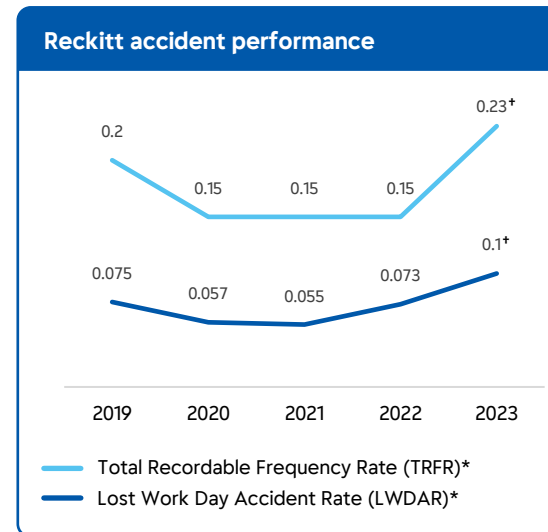
0.23\* (2022: 0.15)

### The Lost Work Day Accident Rate (LWDAR)

0.1\* (2022: 0.1)

### Fatalities

0\* (2022: 2)



## Delivering excellence

We continued our partnership with the International Institute of Safety & Risk Management (IIRSM), a professional membership organisation. We are working with IIRSM on various activities to raise the standards of safety risk management, with a particular focus on health and hygiene. The partnership provides access to resources including training, toolkits, conferences and industry peer insights.

In addition, all our sites have access to support from the Barbour Environment, Health and Safety system, an external resource that provides templates, tools and regulatory updates by country. We also use the iHASCO eLearning platform to support our training programme. This has helped improve our % safety training per employee hours worked by allowing us to offer remote learning in addition to face-to-face training across sites.

Other key activities during 2023 included:

- Ongoing delivery of our behavioural safety observation programmes. During 2024 we plan to introduce digital tools to enable deeper analysis and improved reporting against KPIs.
- Continued manufacturing site infrastructure improvements relating to dust and vapour safety controls and other health and safety focus areas.
- Advanced driver safety training in regions where increased road safety risk is apparent.
- Using the HSE's Safety Climate Tool to measure attitudes and perceptions about health and safety against eight safety climate factors. The results are helping our sites to develop and evolve their safety improvement plans and continually strengthen the safety culture on site.



## Our people continued

### Managing health and safety

We regularly review our global standards and revise them where necessary. During the year, we combined our Global Health & Safety and Security Policy into a single standard. This has helped ensure important information can be accessed more efficiently and effectively. We also updated our Electrical Safety and Aerosol Safety standards and introduced new Risk Assessment and Permit to Work standards.

Each site completes an annual self-assessment against our global standards. This assessment is updated annually based on performance trends across the network, governance output and external benchmarking over the previous year.

We are certified to ISO 45001 – the International Standards Organisation Certification for Occupational Health and Safety. This enables us to drive consistent standards across our global manufacturing facilities and complements our internal health and safety compliance audit programme and governance processes. In 2023, the majority of our manufacturing sites were covered by Group ISO certification. Our two remaining sites, Wanamingo, which was acquired in 2021 and Taicang, which was a new factory opened in 2022, will be included in our next audit and certification cycle from 2024.

### On-site health and safety audits

Our internal audit programme helps us assess health and safety standards at each of our sites, including potential risks and hazards. Audits are conducted throughout the year by senior health and safety team members. We report findings, including corrective action for any issues identified, to the GEC, the RSCC and the CRSEC Committee. Corrective actions are logged and progress tracked through our Health & Safety management system. Audit actions are reviewed monthly by the Health & Safety leadership team.

### Supporting our people's wellbeing

Our wellbeing vision, a key enabler of our culture, is to deliver the resources to enable healthier, happier people and places across Reckitt. It's not just about better work-life balance, but better life, full-stop. Helping our employees to be at their best means they can realise their full potential and is vital to helping our business perform.

- Our **Employee Assistance Programme (EAP)** is provided through web resources and local language telephone support from professional advisors. EAP is available to colleagues across our markets, and provides confidential, anonymous and impartial advice on various wellbeing topics from mental health to financial challenges.
- Our global **Wellbeing Hub** provides employees with access to practical advice, tools, education and training resources to support their physical and mental wellbeing, including mindset, stress management, triggers, resilience, movement, nutrition, recovery and workload.
- We provide access to **wellbeing experts** through quarterly global webinars and monthly Q&A sessions, open to everyone, everywhere and with over 19,000 attendees in total. The webinars focus on helping employees to deal with balance, mental health, and the importance of managing mental energy. We also provide a guided curriculum on mental wellness that consists of video-based training supported by activities.

We also work with wellbeing partners to amplify our impact and support our colleagues.

- Our global partnership with **Heart on My Sleeve**, a not-for-profit organization focused on mental wellness, has entered its third year. It offers practical guidance and resources related to preventative measures for people who need help, their colleagues, supporters, and the organisation at large to improve wellbeing and help us care for others at work and at home.
- Our **Caregiver Support Network Programme** in the UK offers extra resources and a support platform for caregivers, focused on personal resilience, emotional wellbeing and healthy boundaries. This addresses the attendees' needs as carers and the additional challenges this can bring.
- We teamed up with **Hints**, a global leader in wellbeing and high-performance coaching, to deliver bespoke wellbeing resources, including one-to-one and group performance coaching, training, social learning events and access to help through digital apps. In 2023, there was a 61% increase in people leader coaching versus 2022.
- In 2023 we held a virtual steps challenge, supported by the **WWF** and mirroring a sustainability challenge in India. With almost 2,000 employees from over 30 countries taking part, colleagues were invited to boost their physical wellbeing alongside learning about sustainability and WWF's work in India.







FAIRER SOCIETY

# PEOPLE IN OUR VALUE CHAIN

Protecting people in our value chain is critical to our business success. From workers in our supply chain to wider communities near our manufacturing sites and key sourcing regions, these important stakeholders create value for Reckitt and our customers, producing high quality products and maintaining supply chain resilience. By respecting human rights and supporting communities, we are helping to enable people in our value chain to have prosperous futures.







## People in our value chain

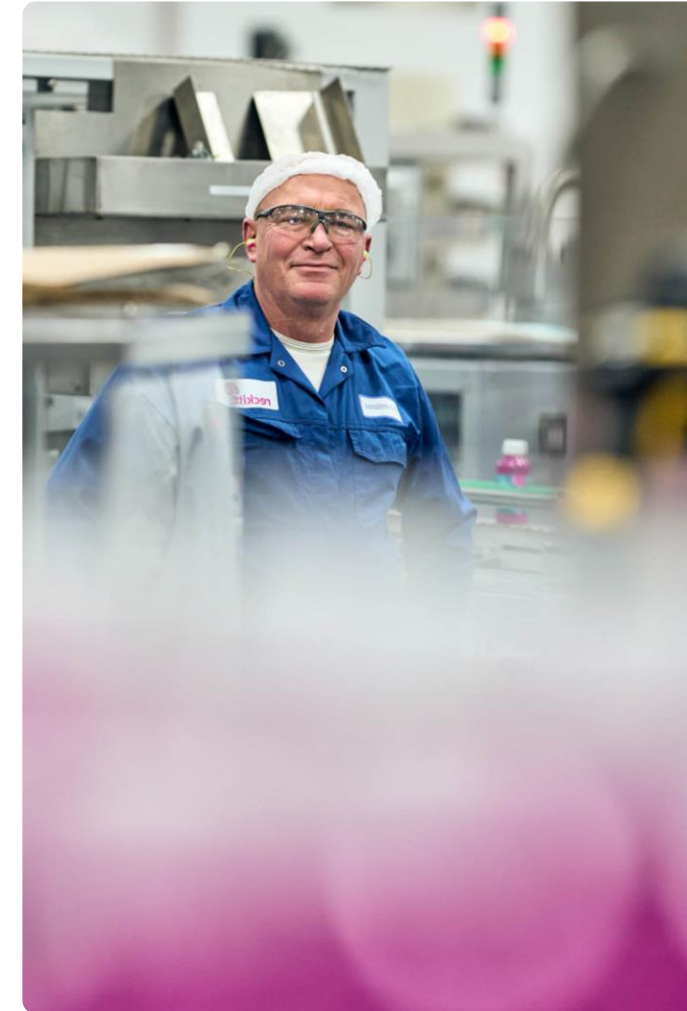
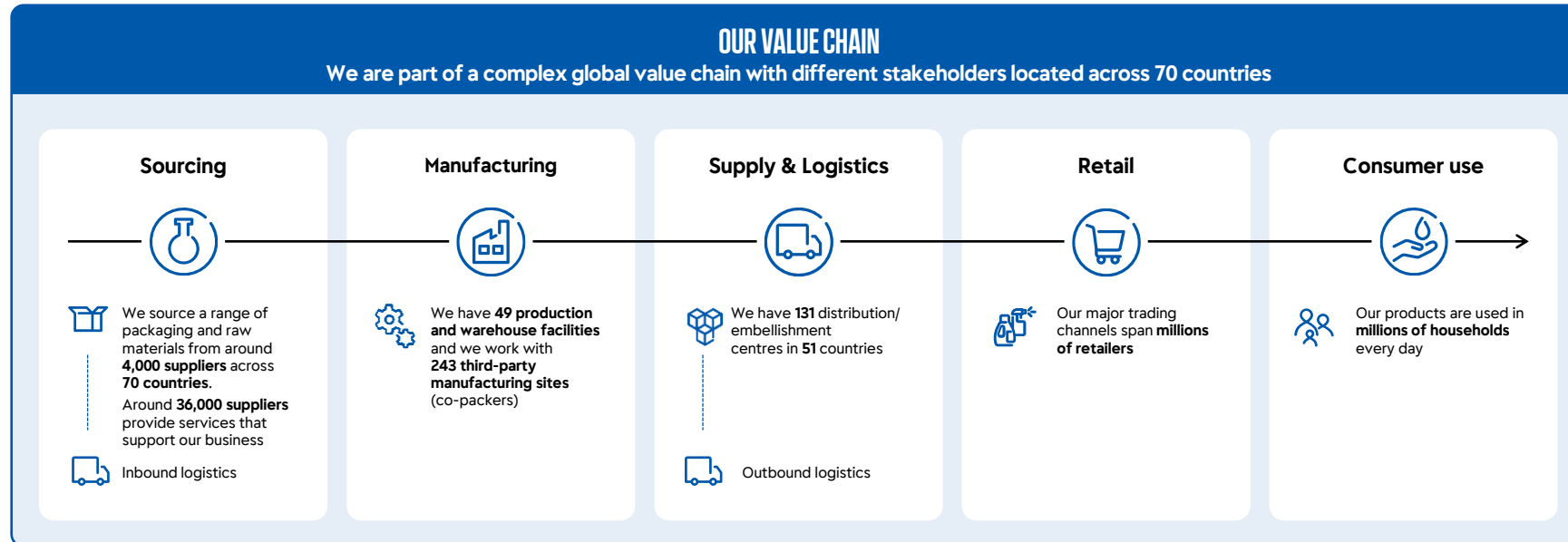
### Introduction

Our truly global value chain spans includes people who work directly for us, or for our suppliers. They might supply goods or services, or farm the raw materials we need to make our products. It also includes the communities we work alongside and the consumers who use our products.

What that means is that we aim for business practices that have a positive impact across our whole value chain and contribute to a resilient future for our planet and people – in doing so we demonstrate our purpose to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world.

We have a duty to respect the human rights of everyone who comes into contact with our business, and we are committed to empowering those people to help them prosper. This is fundamental to our responsible sourcing approach and the heart of our 'Fairer Society' pillar within our sustainability ambitions framework.

## PROTECTING PEOPLE IN OUR VALUE CHAIN IS VITAL TO OUR SUCCESS





## People in our value chain continued

### Our approach

It's essential for us to identify and address human rights impacts across our value chain, putting right problems where we can and working with others where we can't deliver change alone.

We work in partnership with others to understand the issues affecting workers and communities in our value chain and focus our activity on the most salient issues, where we have a responsibility and capacity to make a positive, lasting impact.

We are committed to implementing the UN Guiding Principles (UNGP) on Business and Human Rights and respecting the requirements outlined in the International Bill of Human Rights and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. We follow the OECD Guidelines for Multinational Enterprises and support the Ten Principles of the UN Global Compact.

We take a risk-based approach to tackling human rights issues across our value chain, based around the salient issues workers face combined with our scope of impact.

## WE TAKE A RISK-BASED APPROACH TO TACKLING HUMAN RIGHTS

### Our salient human rights issues

In 2020, we worked with the Danish Institute for Human Rights to map our salient human rights issues on which to develop our strategy and inform our areas of focus and activity. This assessment considered a range of resources, including internal data from supply chain audits, external resources and risk assessments, as well as key risks across our value chain and the rights holders, commodities and countries most likely affected. Issues identified included:

 Working hours	 Fair wages	 Health, safety and environment	 Freedom from forced labour	 Freedom of association
 Gender, diversity and inclusion	 Effective grievance mechanisms	 Access to water and sanitation	 Access to health, hygiene and nutritional products	 Sexual health and rights
 Marketing practices	 Product safety	 Data privacy		

The prominence of these issues varies across different countries and sectors and can shift with the ever-changing socio-economic and political landscape. We continuously monitor these issues and collaborate with NGOs and our peers to better understand our risks and ensure we focus our activity on the areas where the potential threat to human rights is greatest.

### Governance and risk management

Our Group Head of Sustainability leads our human rights strategy and is responsible for monitoring progress. Our Human Rights team is responsible for managing our programme on a day-to-day basis, overseen by our Sustainable Supply Director.

At a Group risk management level, human rights violations and the associated consequences such as reputational or trade impact and fines are covered within our ethics and compliance activities. This forms part of our ESG Transition principal risk and is governed by our Risk, Sustainability and Compliance Committee (RSCC). Activity is managed through relevant functions including Supply Chain operations, Ethics and Compliance and Sustainability. We have a range of reporting channels to ensure leadership teams are aware of our human rights risks, due diligence and remediation activities. The Global Supply Leadership team receives a monthly progress report and quarterly updates go to the RSCC, which reports on supply chain risk, audit validity, and improvement and remediation plans, especially for sites with the most concerning findings such as modern slavery or passport retention.



## People in our value chain continued

### Standards and policies

Our policies and standards uphold the requirements of international laws and human rights principles. This is especially important in sectors and regions where human rights infringements are greatest, and where local laws and their enforcement may be limited.

Our commitment to respecting human rights is embedded within our **Code of Conduct**. This outlines the principles and ethical values that Reckitt expects all employees and contractors to uphold. The Code covers key issues including corruption and bribery, discrimination, confidentiality, conflicts of interest, anti-trust, money-laundering, environment, health and safety and the confidential Speak Up! whistleblowing service.

Alongside the Code of Conduct, our **Sourcing for Sustainable Growth** policy sets out our expectations of third parties and outlines our approach to due diligence.

### As a minimum, we expect all business partners to:



Comply with all applicable laws and regulations, and in the absence of those laws, with international standards.



Work to implement the recommended practices outlined in the supporting technical standards, demonstrating continuous improvement.



Operate due diligence processes appropriate to their size and risk profile and demonstrate risk based action.



Communicate these requirements to their suppliers, monitoring and strengthening compliance as far as is practical.

See our [Standards and Policies](#)

We adopt a slightly different approach between our own operations/third-party manufacturers (co-packers) and our natural raw material suppliers. For co-packers, we follow a five-stage process:

- 01 Engagement:** outlining what we expect of our facilities and suppliers and integrating policies and standards within commercial agreements
- 02 Self-assessment:** encouraging sites and suppliers to take ownership for compliance and build awareness of good practice
- 03 Site risk assessment:** assigning sites a risk rating by considering inherent risks alongside audit findings where relevant and management controls
- 04 Auditing:** completing audits of critical and high-risk sites and ensuring time-bound corrective action plans are in place and completed
- 05 Training:** building capability and understanding of issues to prevent them happening

As our audit and engagement programmes become more embedded, we are increasingly expanding our approach into lower-risk suppliers and moving beyond compliance to performance management, capability building and creating more resilient supply chains.

For our natural raw material suppliers, we identify and address the human rights risks that affect people working on farms. We identify these risks by commodity, alongside any specific risks associated with the sourcing location. We then seek to address those risks through clear supplier expectations set out in our Sourcing Standards, alongside interventions at farm level within the supply chain.







## People in our value chain continued

### Due diligence in our operations

We own and operate 49 manufacturing and warehousing sites around the world. While our own operations are typically lower risk than those within our supply chain, ensuring the human rights of workers remains a top priority. Our due diligence processes help us identify and understand the issues arising and forms the basis of our mitigation and remediation activities. Our sites may also have contractors present and their safety and the standards they work to is equally important to us, even if they are employed by others.

All Reckitt sites complete an annual compliance self-assessment against our human rights and responsible business requirements. In 2023, these assessments confirmed that all sites were operating in line with our policies and standards. Our in-house experts also conduct audits on selected high-risk sites, based on location. This year, we conducted eleven site audits in China, Nigeria, Bahrain, Pakistan, India, Singapore, South Africa, Poland, the UK and Mexico, all of which met our standards.

### Due diligence in co-packers, distributors and embellishment centres

Across our global operations, we work with 243 third-party manufacturing sites (co-packers) and 131 distribution and embellishment centres. These third parties bring enhanced capacity to our operations and we expect them to follow the same policies and standards as our own operations.

Since 2021, our strengthened third-party risk management practices have helped ensure we have a robust due diligence process in place for our third-party operating sites.

As part of our contracting process, we communicate our standards and policies to prospective vendors and we conduct preliminary due diligence assessments according to the inherent risk profile of the third party. This picks up compliance, human rights and environmental, social and governance (ESG) issues. Outcomes then guide our assessment on medium and high-risk suppliers and where compliance investigations and/or human rights audits may be required. For high-risk suppliers we complete in-depth due diligence via a Dow Jones investigator and issue a high-risk engagement assessment to gauge the maturity of their compliance programmes. All third-party manufacturers, and distribution and embellishment centres located in high-risk regions are audited as part of their onboarding.

We require all co-packers, distribution and embellishment centres to join Sedex, a membership platform that helps assess supply chain risks. All those in high-risk regions are required to undergo an audit at least once every three years.

Audit requirements depend on the latest audit result:

- Suppliers rated 'good' are audited every three years.
- Suppliers requiring improvements are audited every two years.
- Any suppliers that require significant improvement are audited annually.
- Any suppliers deemed unacceptable are audited at least annually, must provide a clear corrective action plan and are subject to regular follow-ups with our Sustainability and Procurement teams to assess progress.

While we prefer to work with suppliers to improve standards, any who fail to meet our standards may be excluded from our supply network.

### Supply chain due diligence

Good relationships with our suppliers are the bedrock to the effectiveness of our programmes. We choose suppliers based on quality, cost, location and how their processes align with our policies and standards.

As with our co-packers, distribution and embellishments centres, we carry out due diligence before entering any business relationship. We take a risk-based approach, with raw material and packaging material suppliers qualifying for inclusion where supplier risk is high. Risk is assessed using country risk scores, where spend is over £1 million per annum and where suppliers are smaller i.e. non-multi-national that typically tend to have sustainability teams and programmes in place. We require all suppliers to complete a Sedex self-assessment questionnaire (SAQ) and require a site audit for any supplier located in a high-risk region before we enter any commercial relationship.

During 2023, 546 supplier sites were included in our due diligence programme, with 23% of these deemed critical and high risk, requiring the site to undergo a site audit to assess compliance at least every three years.

We also apply commodity-specific approaches in our natural raw material supply chains which follow the principles of the due diligence processes outlined above.

For example, for dairy we work with suppliers who are part of the Sustainable Dairy Partnership, which requires members to complete assessments to identify material risks and put action plans in place. These are then reviewed by a third party to verify progress.

For palm oil, where we are a number of steps removed from the farm-level supply chain, we have set clear expectations for suppliers in our Sustainable Sourcing Standard Palm Oil Appendix, and are committed to identifying and following up on human rights grievances within our grievance procedure.

▶ See [Sustainable Sourcing Standard Palm Oil Appendix](#)

In 2023, we created a palm oil supplier performance scorecard which includes the progression of grievances as a performance indicator. At farm level, we support Earthworm Foundation's (Earthworm) Landscape programmes, which include activities to address common human rights risks such as child labour, and employment practices at mill and refinery level within our palm oil supply chain.



People in our value chain continued

Working with others

Collaborating with industry and partnering with expert organisations are essential in our approach to understanding human rights risks and abuses and taking action to address them.



Oxfam Business Advisory Service

We've worked with Oxfam since 2020 to develop effective ways to help address human rights issues across our value chain, principally in relation to grievance mechanisms, gender equality and worker wellbeing.

Oxfam Business Advisory Service



AIM-Progress

We're a member of AIM-Progress, a forum of leading fast-moving consumer goods (FMCG) manufacturers and suppliers, working to develop and promote responsible sourcing practices and sustainable supply chains. Reckitt co-chairs the Capacity Building workstream, helping members to build strong responsible sourcing programmes.

AIM-Progress



Consumer Goods Forum (CGF)

We're a member of the CGF, in collaboration with other leading brands. The CGF's Forest Positive Coalition (FPC) focuses on landscape programme investment to tackle the root causes of deforestation, and subsequently, the risks associated with it. With this, we ensure that we are leveraging collective action to drive more sustainable supply chains.

Consumer Goods Forum

Building capability

We aim to embed robust responsible sourcing practices throughout our supply chain, by increasing our employees' and suppliers' capabilities through effective tools and knowledge building.

Engagement and training helps to build people's understanding of issues, empowers them to identify the root cause. It can also help stop the issues arising at all. We provide this training and engagement through onsite visits and online sessions as well as sharing resources and good practice. Launched in 2018, our Capability Building programme is a mixture of training workshops, site visits and regular technical guidance and 20 of our suppliers within high-risk regions have been involved in 2023. This programme is helping to foster a closer, partnership-based relationship with our suppliers that delivers sustained long-term improvement and we're starting to see the results in improved audit ratings.

We also co-sponsor supplier events in partnership with AIM-Progress. In 2023, Reckitt suppliers attended AIM-Progress events in Malaysia and Kenya and participated in the Ganapati Capacity Building Initiative Project, aimed at providing support to suppliers with responsible recruitment capabilities and practices. Another initiative focuses on understanding the challenges facing migrant workers in Thailand and Malaysia in our sector. Two of our suppliers are participating in the project, which will be completed in 2024.

We also offer our own employees human rights training as part of our annual compliance passport training. This helps employees better understand human rights issues and the role of business in respecting them, as well as our salient human rights issues and what we're doing to address them. The training includes tools, knowledge and advice on how to recognise and report breaches of human rights.

Progress and performance

Grievance mechanism roll-out

**THE GRIEVANCE TOOLKIT PROVIDES FLEXIBLE GUIDANCE THAT CAN BE ADAPTED FOR THE LOCAL CONTEXT**

We have worked with Oxfam Business Advisory Service to introduce a new grievance mechanism toolkit to help tackle discrimination and inequality throughout global supply chains and give confidence to workers, farmers and communities that their concerns will be heard and addressed. The practical toolkit builds on existing work and practical experience accumulated by companies, trade unions and NGOs, and is informed by interviews with human rights practitioners and experts. It was piloted with several of our tier 1 manufacturing suppliers across India, Pakistan, China, Peru and the UK and identified common pitfalls and challenges that could be addressed by following the practical guidance and tips contained within the toolkit. We have made the toolkit publicly available and to date it has been downloaded more than 600 times. In 2023, we rolled-out this programme to 13 suppliers from Australia, Brazil, Mexico, Pakistan, India, the UAE, Egypt, Malaysia, Poland and China.

In October 2023, Reckitt participated in a supplier event in Kenya focused on human rights in the region, including gender and sexual harassment and grievance mechanisms. During the event, we shared our new grievance mechanism toolkit and some of the outcomes from the pilot projects we ran.



## People in our value chain continued

### Responsible recruitment

During 2023, we performed on-site visits of eight high-risk suppliers in the Middle East, an area that faces systemic exploitative recruitment practices. We focused on forced labour and responsible recruitment. These suppliers were identified using diginex Lumen, an innovative tool that gives us visibility of compliance with ethical recruitment practices within our supply chain and helps us take targeted actions. Following the site visits, improvement and corrective action plans were implemented.

### Supplier diversity programme

We seek to identify and encourage diverse businesses across our supply chain, believing that supplier diversity brings opportunities for generating innovative products and services and supports economic growth in our communities. We launched our supplier diversity programme in 2022. The programme is aimed at awarding projects to diverse suppliers or those that demonstrate a commitment to a diverse supply base by including diverse business partners when opportunities exist.

Our focus to date has been on engaging with businesses in the US, a market that has established laws in place to support businesses owned and operated by certain socio-economic groups. During 2023, we supported certification efforts of classified diverse businesses, implemented tools to expand diverse supplier participation, and provided training to align with buyers on inclusion goals. We intend to expand the programme into other markets, including South Africa and the UK in the near future.

### Fair wages in our supply chain

We believe in fair wages for all and that all workers in our value chain have the right to a decent living standard that is essential for a fairer, more inclusive society. Despite this, we recognise that in some supply chains, wages and incomes are still too low, including at farm level, and we are aiming to address this in collaboration with the producers that are essential to our natural raw material value chains.

Where we identify producers in our priority natural raw material supply chains who do not have sustainable livelihoods, we work with local stakeholders, such as our suppliers and NGOs to engage farmers and forest-dependent communities to understand and address the barriers they face. In collaboration with our local partners, we provide commercial incentives and invest in training and capacity building, including training on more efficient farming practices, which can reduce costs, build resilience and improve incomes, leading to wider community benefits.

Our focus to date has been on our palm oil, cocoa and latex supply chains. We carried out a human rights impact assessment of our Durex natural rubber value chain in Thailand in 2019, which found that low rubber prices were adversely affecting the livelihoods of smallholder latex farmers.

➤ See [page 48](#)

As a result, we committed to paying a price premium for latex, through the Fair Rubber Association (FRA).

➤ Read more about our latex, cocoa and palm programmes in [Biodiversity and ecosystem](#)



Latex farmer in Surat Thani, Thailand harvesting sweet potato leaves – growing sweet potatoes is one of the income generating activities in the programme. ©The Earthworm Foundation





## People in our value chain continued

### Human rights impact assessment

Using a tool developed with the Danish Institute for Human Rights together with additional knowledge and insight on markets, we have identified 10 priority markets in which we plan to conduct human rights impact assessments by 2030.

In 2019 we initiated our first human rights impact assessment of our Durex and Enfa brand value chains in Thailand. The pandemic delayed activity but in 2023, we completed an assessment of our operations in Brazil, covering the value chains of our Olla condoms, SBP's Aerosol Pesticides, and Veja's Multipurpose Cleaners. It took into account consumers, our employees, tier 1 suppliers and workers in the raw material supply chain. These assessments focus on understanding the broad range of human rights impacts affecting a given geography and part of our business.

The findings acknowledged the positive impact we are having through our purpose-led brands. It also identified several potential human rights issues, related to systemic issues in Brazil. These are areas of strength for Reckitt where we have programmes and strategies in place.

We have identified three key areas where Reckitt can continue to drive improvements in our operations, across our value chain and for the communities where we operate:

- Continuing to take a leadership position on diversity, equity and inclusion matters.
- Working with local suppliers to ensure the responsible sourcing of raw materials.
- Increasing access to intimate wellness products and information on sexual health in disadvantaged and lower income communities.

### Human rights impact assessment findings: identifying risks and opportunities

In response to the findings from the human rights impact assessment in Brazil, we concentrated on three primary areas encompassing both risks and opportunities. To address these, we facilitated numerous workshops involving internal and external stakeholders to deliberate on the following topics:

#### Accessibility and affordability of intimate wellness products

We are on a mission to make access to high quality health, wellness and nutrition a right, not a privilege. To do that, it is important that we help ensure people from lower income communities have access to sexual health and intimate wellness products, as well as information on sexual health.

During 2023 we hosted two workshops that explored how we can increase access to these products in disadvantaged and lower income communities in terms of price point, distribution and availability. We also engaged with external stakeholders, including the United Nations sexual and reproductive health agency (UNFPA), to identify opportunities to increase access to information around intimate wellness, at schools and universities in Brazil.

#### Gender, diversity, equity and inclusion (DE&I)

This is a systemic issue in Brazil and many other countries. We recognise the challenge many companies are facing and can build on the work we have already done to help address this challenge in Brazil. We used the roundtable to showcase our leadership and our five-year DE&I strategy.

▶ See [Our people](#)

#### Carnauba Wax

We procure carnauba wax in very small volumes, as an ingredient used elsewhere in our supply network beyond Brazil. The human rights impact assessment indicated that there are inherent human rights risks connected with the origins of carnauba wax in Brazil. This is often linked to the use of temporary labour for harvesting the raw material. With input from our Procurement, Sustainability, Legal and Brand teams and a peer company, we shared learnings to increase the visibility of human rights in this supply chain and strengthen the respect for them. We have since engaged our carnauba wax supplier and sourcing agent to improve their Human Rights Due Diligence and are exploring sourcing options such as certification to mitigate the risks.





People in our value chain continued

Tracking progress

In addition to launching programmes, we track our advancement against our human rights agenda using key performance indicators (KPIs). These KPIs serve as valuable benchmarks for measuring progress against our commitments, with a primary focus on our audit programme – a crucial element of our due diligence strategy. Below is the latest performance update:

	2022 performance	2023 performance	Commentary
205 site audits in 2023	217	205	We conducted 205 site audits in 2023 (66 co-packers, 24 distribution centers, four embellishment centres, 74 packaging material suppliers and 37 raw material suppliers), covering more than 72,000 workers.
% of in scope suppliers completing Self-Assessment Questionnaire (SAQ)	53%	59%	In scope suppliers include third party manufacturers (co-packers), distribution centres, embellishers, packaging material and raw material suppliers. In 2024, we will be working with our suppliers to meet their overdue SAQs.
% pass rate of those audited	67%	62%	We are disappointed this number has dropped. Our 62% pass rate (127 pass audits out of 205) is lower than the target. In total we have 69 failed audits (49% were raw material and packaging suppliers, these are typically lower in maturity). Out of the 69 failed audits, 25 failed their previous audit. We are focusing on increased capability building for these 25 suppliers and working with them to improve standards. This includes building supplier understanding and activity on workplace standards. However, we have been making progress with our suppliers over the past few years, which is demonstrated by supplier improvement from the initial audit to the most recent one conducted. It is also important to note that in many cases, local legislation on workplace standards may be limited or have little focus on enforcement. The audits may be the first assessment suppliers have faced. As such, working with suppliers to build and maintain standards is an important step in supporting workplace conditions.
% of audited suppliers with approved corrective action plans	96%	97%	We are pleased with our continued progress in 2023. In 2024, we plan to complete all audits by the end of October.
Number of human rights impact assessments completed	0	1	During 2023 we completed one human rights impact assessment in Brazil (see <a href="#">page 94</a> for further details). This builds on the human rights impact assessment completed in Thailand in 2020 taking our total completed assessments to two.
% employees completing human rights training	99%	94%	Annual training data each year is snapshot data at a point in time. The annual training is delivered into 2024 and captured during mid March at 99%.

Further details on the methodologies associated with these KPIs can be found in our [Basis of Reporting](#)

Our future priorities

Addressing human rights issues and ensuring the communities we rely on have resilient, sustainable livelihoods remains challenging. We continue to evolve our approach to balance compliance with positive impact to enable people in our value chain to have prosperous futures.

We have made steady progress in 2023, on tackling some of the systemic issues we know exist within our supply chains – issues such as recruitment fees, gender inequality and forced labour practices. But human rights infringements still exist and we are committed to continuing our efforts on these issues, directly and with our partners. In 2024, we plan to:

- Complete further human rights impact assessments in priority markets.
- Continue to expand our sustainable livelihoods programme.
- Further embed sustainability into our procurement practices.
- Finalise and roll out our responsible recruitment strategy.
- Continue rolling out our grievance mechanism toolkit to more co-packers and embedding across operations.
- Expand the scope of sustainably training to capture specific human rights training for site leadership and certain functions, such as procurement and manufacturing.

