



# **About this report**

This report provides an overview of progress against our Sustainability Ambitions during 2024 and should be read in conjunction with our Basis of Reporting.

Data is reported for the year 1 January to 31 December 2024 unless otherwise noted. Information is prepared with reference to Global Reporting Initiative (GRI) Standards, the globally recognised standard for sustainability reporting.

ERM CVS provide independent limited assurance over selected sustainability KPIs.

Further information including our ESG Data Book and SASB metrics, Basis of Reporting and Assurance Report can be found in our Sustainability Reporting Hub.

We also submit data directly to CDP, EMF and the CGF Forest Positive Coalition.



Visit reckitt.com/reporting-hub

# POWERBRANDS THAT PEOPLE TRUST

Reckitt is home to some of the world's best loved consumer brands in their categories, which people trust to care for the ones they love. Our products are chosen by consumers millions of times each day to support their health and wellbeing.

Our purpose is to protect, heal and nurture in the pursuit of a cleaner, healthier world. That's because we believe that good health starts at home, and in our communities and workplaces. We believe hygiene is the foundation of health and we deliver for consumers, whether they are treating a cold, preventing the spread of germs, or protecting against sexually transmitted infections.

We use deep consumer insights and science to create superior products that address the everyday issues we all face when it comes to our family's health and hygiene. Whatever challenge we are serving, we help to make lives easier, cleaner and healthier, both now and in the future.

# SUSTAINABILITY AT RECKITT

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# Introduction



# A SUSTAINED COMMITMENT TO A CLEANER, HEALTHIER WORLD

Our sustainability programmes continue to play an important part in helping us meet global challenges. Our brand leadership, innovation programmes, supply networks and partnerships build both resilience and opportunity for the future, while contributing to a healthier planet and a fairer society."

Embedding sustainability and delivering our Sustainability Ambitions is an integral part of our strategy and our purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world. 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, we address shared challenges, build resilience and protect resources.

During the year, we continued to invest resources and progress plans to mitigate climate-related risks. We invested capital in projects related to energy efficiency and decarbonisation, water efficiency and water stress mitigation. These are alongside operational resources deployed for green energy and R&D development for new, more sustainable, lower-carbon products and packaging.

Within our operations, we continued to surpass our science-based target to reduce our Scope 1 and 2 emissions, achieving a 69% reduction vs our baseline. We achieved water positivity at our Mysore site in India - moving us closer to our goal for water positivity at all sites in water-stressed areas by 2030. Almost all of our electricity is from renewable sources, while a third of our sites now generate some of their own renewable energy. We maintained our target of zero waste to landfill from our manufacturing sites.

We're now focused on reducing emissions across our value chain with our extensive network of suppliers. In 2024 we began a partnership with CO2 AI and Quantis to enhance our Scope 3 modelling capabilities and decarbonise our value chain.

Last year, we put additional resources in place to meet our 2025 PCR packaging target and continued our programmes to reduce the use of certain chemicals. The impact of these projects has contributed to an increase in net revenue from more sustainable products, which now accounts for over a third of total revenues (34.9% in 2024 vs 29.6% in 2023).

Upstream, our ongoing work with Nature-based Insights has helped us assess the biodiversity impacts of our sourcing activities, particularly in our latex supply chain. It supports our contributions to the Taskforce on Nature-related Financial Disclosures (TNFD) and our early-adoption of the TNFD recommendations.

In communities, our social impact programmes continue to deliver at scale. These programmes enable grassroots innovation to flourish and help solve health and hygiene challenges, such as a lack of clean water in communities (more detail in our Social Impact report).

Those communities and natural resources such as water are at the heart of our business and our value chains. Whether in the origins of our natural raw materials or in the homes of people using our brands, our Sustainability Ambitions aim to contribute to a cleaner, healthier world.

# Our business and value chain

# RECKITT: A WORLD-CLASS

# **HEALTH AND HYGIENE** COMPANY

Reckitt is focused on a portfolio of market-leading Powerbrands that support health and wellbeing. These brands have a high level of consumer trust, premium positioning and competitive advantage. Alongside this core portfolio are two businesses, Essential Home and Mead Johnson Nutrition.

We are a diverse global team of over 35,000 people, operating in over 60 countries. We develop superior, science-based solutions and we use our Sustainable Innovation Calculator to design products that contribute to our sustainability targets.

For a description of our business model, strategy and key markets, please see our Annual Report



# **VALUE CHAIN**

#### Sourcing



We source a range of packaging and raw materials from around 3,800 suppliers across 59 countries. Around 31,000 indirect suppliers provide support services.

# Manufacturing



We have 48 production facilities, supported by 282 third-party manufacturing sites (co-packers).

# Supply and Logistics



Our global distribution network consists of 144 distribution and embellishment centres across 54 countries.

#### Retail



Globally, our major trading channels span millions of retailers. from brick and mortar stores to online retailers, and leverage a network of distributors to reach consumers.

#### Consumer use and end of life



Our products are used in millions of households every day. We aim to design for a circular economy to help reduce plastic and packaging waste.

# **OUR STAKEHOLDERS**



### Our customers and consumers

Putting consumers and people first is a guiding principle for our business. Our partnerships with retail customers and distributors are the way in which consumers access our products.



# Our people

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



# Suppliers and partners

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



# 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.



### Governments, NGOs and industry

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

Fairer society

# Strategy

# **OUR SUSTAINABILITY AMBITIONS**

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: more sustainable brands, healthier planet and fairer society, informed by the issues that matter most to our business and our stakeholders.

We manage core standards such as product quality and safety and ethical business conduct, through our policies, procedures and global governance activities.

Full details on how we calculate our KPIs are provided in our Basis of Reporting on our Reporting Hub

A complete summary of year-on-year data performance, including relevant metrics from the SASB Household and Personal Care Products Standard, can be found in our ESG Data Book on our Reporting Hub

### Interaction with our strategy, business model and value chain

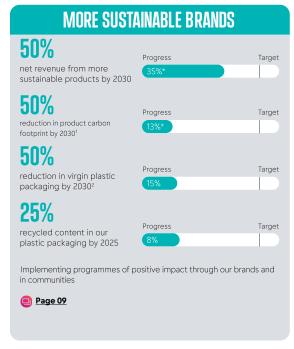
We aim to create positive impact for people and society while supporting resilience and growth for our business. Our strategy encompasses the three pillars of activity outlined below: more sustainable brands, healthier planet and fairer society. Progress is measured through a holistic set of targets and KPIs. For example, 50% net revenue from more sustainable products by 2030 and net zero by 2040 both relate to how we formulate, market and sell our products and the way we interact with our suppliers and customers. Details on our programmes to mitigate risks, create impact and make progress towards our ambitions, are included within this report.

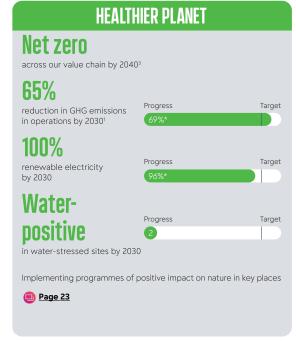
### Our commitment to advancing the global sustainable development agenda

We are signatories to the UN Global Compact and our annual communication on progress demonstrates our commitment to the Ten Principles and the sustainable development goals (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







- \* 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 at www.reckitt.com/reporting-hub
- Reduction targets for GHG emissions are from a 2015 baseline
- Reduction target for plastic is from a 2020 baseline. All packaging data relates to 2023, which is driven by the Ellen MacArthur Foundation reporting timelines. 2024 data will be available in mid-2025 3. Reckitt's net zero target means we aim to negate the amount of greenhouse gas emissions across our value chain, including Scopes 1, 2, 3.1, 3.4, 3.11 (direct only) and 3.12 by 2040. It includes our near-term science-based emissions reduction targets for
- 4. Data as of 31 December 2024 for active Reckitt employees (excluding contractors). 'All management' includes: Executive Committee member, Group leadership team, senior management team, middle manager, manager

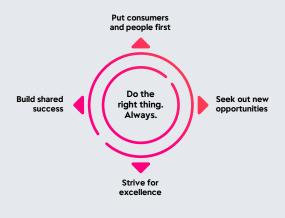
## Governance

# **UPHOLDING STANDARDS**

High standards of corporate governance, combined with a transparent approach to reporting, are central to running our business with integrity, and to maintaining the trust of our stakeholders.

# **OUR COMPASS**

Our Compass and our commitment to 'Do the right thing. Always' guide us in acting responsibly.



## Our approach

We do business with high ethical standards and in line with the laws and regulations of the countries in which 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 the following 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

#### Policies and standards

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

• Reckitt's Code of Conduct outlines the principles and ethical values expected of all employees and contractors. The Code covers corruption and bribery, discrimination, confidentiality, conflicts of interest, anti-trust, money-laundering, environment, health and safety and the confidential Speak Up! whistleblowing service. 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 undertaken annual training. The Boardlevel Compliance Committee receives regular updates from the legal and compliance team

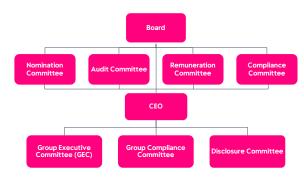
- Our Speak Up! Policy and confidential reporting platform allows any employee or third party to confidentially report a violation of the Code of Conduct, local law or regulation, or concerns about unethical behaviour. In 2024, 789 concerns were raised through our SpeakUp! service, with 55% of cases warranting investigation under the Speak Up! Policy
- Our Human Rights and Responsible Business Policy sets out the requirements and practices expected of our supply chain, and upholds the requirements of international laws and human rights principles. We respect the right to freedom of association and all global and local collective bargaining laws which give employees the right to assemble, communicate and join associations of their choice, or not. Around 5% of our employees are represented by an independent trade union or covered by a collective bargaining agreement
- Reckitt's Product Safety Policy covers our approach to safety assurance for products, including product development, monitoring in-use safety and feedback from consumers, and reacting promptly and effectively to mitigate potential harm
- Our Health, Safety and Security Policy is part of our Group Occupational Health and Safety Management system (certified to ISO 45001), which enables us to investigate any incidents and take any necessary action
- Our Environmental Manufacturing Policy sets out our objectives for reducing our environmental impacts in our operations. It requires compliance with relevant legislation, consideration of environmental issues in key decisions, and engagement with multiple stakeholders. Performance is monitored through our Group Environmental Management System (certified to ISO 14001)

- Our <u>Sourcing for Sustainable Growth Policy</u> sets out our expectations of third parties and outlines our approach to due diligence. It applies to Reckitt employees and third parties. The policy includes our six responsible sourcing principles: 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
- 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
- Our Diversity and Inclusion, Anti-bullying and Harassment, Parental Leave 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 or discrimination within the workplace



# **Governance** continued

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



For more detail on our governance framework and mechanisms and the Board's activities during the year see our 2024 Annual Report

## **Board oversight**

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The Board is responsible for overseeing Reckitt's ESG strategy as set out in its terms of reference (schedule of matters reserved for the Board). Through regular reviews and monitoring, the Board ensures the integrity of the Group's corporate responsibility, sustainability, ethics and compliance strategies, policies, programmes and activities.

The Board discusses ESG and sustainability matters at least once per year and more often as required, alongside at least an annual review of Reckitt's Sustainability Ambitions. The Board regularly reviews progress and performance against ESG and sustainability targets and last did so at its May 2024 meeting. Prior to June 2024, a sub-Committee of the Board had responsibility for ESG and sustainability matters which met quarterly.

As part of the Board's annual review of principal and emerging risks, ESG and sustainability-related risks were considered. The Board's focus included both ESG performance and sustainability reporting regulation.

# Management's role

The CEO is accountable for sustainability performance at executive level, including related risks and opportunities and agreeing new sustainability targets.

The CEO chairs the Group Executive Committee (GEC) which is responsible for overseeing Reckitt's management and ensuring collaboration between functions and in-market operations. It recommends and implements the strategy and related budget as approved by the Board.

The GFC drives business and cultural transformation. reviews business performance and approves business development plans and major investments. It plays a critical role in talent management and development and oversees the integration of sustainability within business operations.

The Supply 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, Safety, Quality and Regulatory and Compliance teams.

The Disclosure Committee is responsible for ensuring the accuracy and timeliness of disclosures and other public announcements.

Supporting these formal management structures are cross-functional steering committees who provide governance and oversight across key transition risks and sustainable product activities. For example, we have a governance forum responsible for overseeing 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. guides the development of non-financial reporting and planning strategies, policies and programmes and ensures effective internal controls and procedures are in place.

# Risk management and internal controls

Ownership and day-to-day management of principal risks resides with the GEC. There is an accountable GEC owner for each principal risk. Throughout the year, Group and management level risk and compliance committees across the business have supported the GEC in its oversight role.

Reckitt operates an integrated company-wide risk management process for financial and non-financial risks. For a general description of our risk and internal control processes, refer to the Risk section in our annual report.

Sustainability is considered in our annual Group risk assessment within 'ESG transition risk'. Executive ownership of this principal risk resides directly with the CEO and the Chief Supply Officer.

Our Sustainability function acts as a centre for excellence, keeping abreast of external developments and ensuring sustainability programmes are set up for success.

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 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! whistleblowing systems, alongside our social impact programme and progress towards our Sustainability Ambitions.

Operational risks are assessed across sites through annual global asset and environmental risk reviews. Additionally, through our double materiality assessment, sustainability risks are reviewed every 2-3 years. In 2024. we reviewed and evolved our approach to double materiality in line with EU standards and in preparation for the Corporate Sustainability Reporting Directive (CSRD) (see next page).

Internal controls related to sustainability and its subsequent reporting are in place to ensure the accuracy and completeness of our disclosures. Depending on the sustainability topic, these controls span multiple internal functions with the Sustainability and HR functions responsible for preparing the majority of reported KPIs.



Further information on our approach to risk management can be found in our 2024 Annual Report

# Impact, risk and opportunity management

# **FOCUSING ON WHAT'S** MATERIAL

We identified the focus areas for our Sustainability Ambitions in 2021 following a review of our business and stakeholders' priorities.

### **Double materiality assessment**

During 2023-24, Reckitt updated its double materiality assessment in accordance with the requirements of the European Sustainability Reporting Standards (ESRS) and the latest guidance from the European Financial Reporting Advisory Group (EFRAG).

The assessment provides an overview of the material impacts, risks and opportunities related to environmental, social and governance matters across our value chain. It builds on the materiality approach we have taken for the past seven years, and from our assessment of climate risk over the past three years.

## Process to identify and assess material ESG impacts, risks and opportunities

Since 2016. Reckitt has assessed its material sustainability topics for the consolidated group every two to three years based on Global Reporting Initiative (GRI) Standards and following AA1000 Accountability principles. Our historic materiality assessments categorised key issues based on 'stakeholder importance' and 'strategic importance'.

In 2023-24, we applied the guidance available from EFRAG, combined with our own interpretation of ESRS requirements, and developed a process and scoring system to assess sustainability-related impacts, risks and opportunities across our value chain.

Our **impact assessment** builds on how we have previously identified and assessed sustainabilityrelated impacts, risks and opportunities under GRI. Quantitative and qualitative inputs, including external drivers, trends and data were combined with the views and knowledge of internal contributors to determine relevant areas of focus.

We conducted a **financial assessment** of sustainability-related risks and opportunities. Where possible, we quantified the effects of those matters supplemented with qualitative assessments.

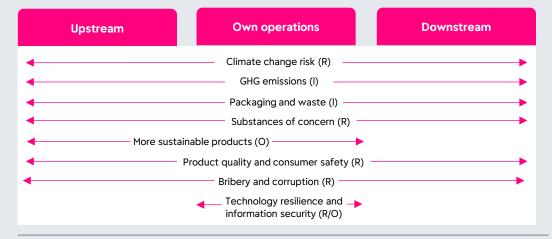
As part of our double materiality assessment, we consulted with relevant stakeholders and subject matter experts on sustainability-related impacts risks and opportunities. In line with the UK Corporate Governance Code, we publish information on how we engage and incorporate stakeholder views in our Annual Report.

#### **Outcomes**

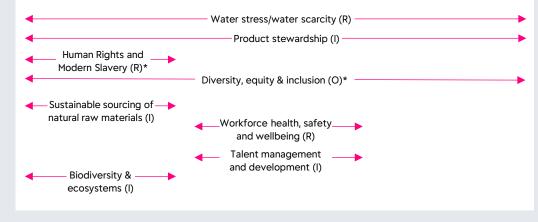
The material impacts, risks and opportunities identified are shown on the right. In addition to these material matters, there are a number of other relevant topics. Matters related to legal requirements include human rights due diligence and diversity and inclusion. Other relevant matters are those which we deem necessary to understand the business context Reckitt operates in, and which we consider to be fundamental for organisations with our size and global impact.

Our double materiality assessment will be reviewed on an annual basis in line with our risk review and reporting cycle (more details in the annual report). Material impacts, risks and opportunities will be updated based on the outcomes of this review. The assessment will be updated in 2025 to reflect the restructuring of the Group announced in July 2024.

# 2023-24 DOUBLE MATERIALITY ASSESSMENT OUTCOMES



# OTHER RELEVANT TOPICS



(I) = Impact, (R) = Risk, (O) = Opportunity \* = Mandatory requirement

# Impact, risk and opportunity management continued

# **SUPPLIER ESG PERFORMANCE AND MANAGEMENT**

Reckitt has defined sustainability standards which outline specific requirements and expectations of suppliers, including our Third-party Code of Conduct, Sustainable Sourcing Policy and Environmental Protection Standard.

Our new Supplier Sustainability Standards go beyond these requirements to drive action in high impact areas across our supply chain. We are specifically targeting around 50 priority raw materials and packaging suppliers in our upstream supply chain.

# Supply chain due diligence

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Detail on our supply chain due diligence approach and Responsible Workplace programme is included in our Modern Slavery Statement. Compliance with our standards and policies is evaluated by our Responsible Workplace audit programme and Sedex Self-Assessment Questionnaires. Reckitt is also partnering with EcoVadis to support more holistic supplier assessments and we expect to see results from this in 2025

### **Engaging suppliers**

In 2024, we developed new Supplier Sustainability Standards which go beyond the requirements outlined in our Third-party Code of Conduct, Sustainable Sourcing Policy and Environmental Protection Standard. These new standards include nine targets covering emissions, renewable energy, water reduction and waste (see below).

We are working to communicate our expectations and embed these new standards with the priority raw material and packaging suppliers identified (see right). We will assess ongoing performance through wider routine reviews and supplier balanced scorecards.

To support this engagement and our procurement activity, we developed a range of tools and resources including a buyer guide and playbook. We are also reviewing our supplier selection processes to include more specific sustainability-related criteria.

We have an ongoing Supplier Environmental Performance programme which focuses on action with our third-party manufacturing sites (see page 29).

## How we assess and prioritise suppliers for engagement

Due to the complexity and scale of our global supply chain (described on page 3), we focus on assessing the impacts and dependencies of suppliers based on spend and impact across the following key areas:

#### Climate

Our focus is on high spend raw material and packaging suppliers, as well as some suppliers of GHG emissions intensive commodities like soap noodles. Total upstream emissions from raw materials and packaging account for over half of our total Scope 3 emissions and is a priority area for carbon reduction. We have identified around 50 priority suppliers who we are actively working with to decarbonise. In addition, climate-related requirements are captured in supplier scorecards for our most important third-party manufacturers (co-packers).

#### Natural raw materials

We have risk assessed our natural raw material portfolio and identified suppliers of commodities commonly associated with deforestation or human rights risks. These include palm oil, latex and timber suppliers. The risk assessment considered social and environmental risks in the supply chain, and to Reckitt. Other factors included spend, volumes purchased and association with our brands. For timber, we mitigate risks through certification; for palm through RSPO certification, traceability and no deforestation verification exercises and supplier engagement. More detail on page 32.

#### Water

As with climate, our focus is on high spend raw material and packaging suppliers and we have identified 50 priority suppliers with whom we are actively engaging. In addition, we focus on 'high spend, high impact' third-party manufacturers in waterstressed locations where a high percentage of our water use occurs. This comprises around 50 sites and is part of our water management programme and catchment area development.

# Joint supplier targets for the health sector

Reckitt is a member of the Sustainable Markets Initiative Health Systems Taskforce, which brings together leading voices from across the health sector, with the aim of accelerating the delivery of net zero, patient-centric health systems.

In 2023, the Taskforce aligned on joint minimum climate and sustainability targets for health sector suppliers, to address emissions across the value chain and reduce the complexity of multiple asks for suppliers. More details can be found here.

# **RECKITT'S SUPPLIER SUSTAINABILITY STANDARDS:**



Laundry Sanitizer O%BLEACH

Crisp linen

new product launches to small incremental changes.

We could be improving an existing product range by reducing plastic packaging; switching to a more sustainable, lower-carbon ingredient; exploring new solutions with our suppliers; or we could be developing a completely new product with a lower environmental footprint.

## Leveraging the power of our brands

Beyond product design, we leverage the scale and reach of our iconic brands to influence consumer behaviour. For example, Finish promotes water conservation through its ongoing 'Skip the Rinse' campaign, Vanish promotes sustainable fashion through its 'Clothes live longer' ethos, Nurofen continues to raise awareness of the gender pain gap through its 'See My Pain' campaign, and our Dettol Hygiene Quest school education programme aims to improve hygiene

reduction in our product carbon footprint

24%

reduction in our chemical footprint

15%

reduction of virgin plastic in packaging



# **Product innovation**

# MORE SUSTA **PRODUCTS**

More sustainable brands

Healthier planet

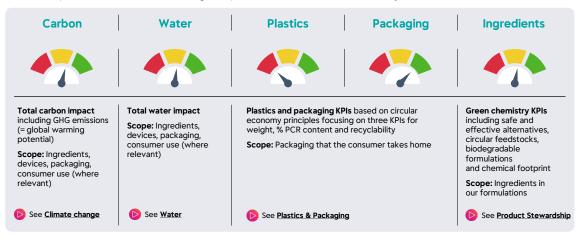
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Sustainability is embedded into our product innovation programme.

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.

#### Our Sustainable Innovation Calculator

Our Sustainable Innovation Calculator is a streamlined product lifecycle assessment tool, which guides our innovation process and decision-making at a product level. It measures five key metrics:



The calculator 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 hours of pain relief or a recommended daily dose of a vitamin. This allows us to reflect improvements in dosing and concentration.

The calculator helps us track whether a product is more sustainable than the benchmark. 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. By comparing 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)
4	≥ 10 points (≥ 10 reduction)		≥ 10 points		MORE SUSTAINABLE ≥ 10 points	
474	≥ -1.5 points to < 10 points (between 1.5% increase and 10% reduction)		>	-10 points to < 10 poi	nts	AS SUSTAINABLE > -10 points to < 10 points
	≤ -1.5 points (≥ 1.5% increase)			≤ -10 points		LESS SUSTAINABLE ≤ -10 points

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

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 to a product's existing plastic packaging may have a higher carbon footprint, so a more sustainable position in one direction may not always have a completely positive outcome. 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.



We're constantly innovating to improve the environmental impact of our products. Our near-term focus has been on reducing the impact of plastic and carbon across our portfolio and our ongoing sustainable innovation programme has continued to deliver results."



Vanish is the number one fabric treatment brand worldwide, committed to helping clothes live longer.

Improvements across the portfolio include:

- Enhanced formulas like our premium Vanish Oxi Action Gold Stain Remover powders, which contain an innovative cold wash catalyst that helps to remove the toughest stains even in 30 minutes and at 20 degrees. It helps consumers save energy in use and reduces the product's carbon and water footprint\*
- Concentrated formulas like our Vanish PLUS super concentrated powder which deliver more for less as consumers only need to use half the amount to achieve the same great results. These changes have reduced the product packaging by over 80% per dose vs the plastic tub format\*
- Increasing recycled content across the portfolio In Europe, we've increased PCR content in our pre-treatment trigger bottles to 75% and in our powder jars to 70%

# More than just clothes

In partnership with the charity Ambitious about Autism. Vanish has continued its efforts to broaden public understanding of autism through its 'More than just clothes' campaign.





# Nurofen is the number one analgesics brand in Europe, continuing to be pioneers in pain relief.

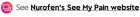
We have improved our carbon footprint\* through packaging and formulation innovations

- The new Nurofen prolonged release tablet launched in Romania has a sustained release technology which reduces the dose per day, resulting in less carbon, water and packaging per dose\*
- In Mexico, we launched the new Temprafen liquid capsule format which not only provides 8-hour pain relief but also uses more regenerative and biodegradable ingredients and less water and carbon to produce\*. We also launched Tempra nighttime tablets with lower carbon and water impact ingredients

## The gender pain gap

Through its multi-year 'See My Pain' campaign in the UK, Nurofen continues to highlight the gender pain gap. The 'PAINPASS' is a tool designed to help women track pain symptoms and empower

them to have data-centred conversations with their healthcare providers to get the right support, diagnosis and treatment.





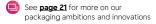


Harpic is the number one selling toilet cleaner in the world. It fights to bring access to sanitation to everyone.

Improvements across the portfolio include:

- Increasing recycled content in packaging Using PCR to replace virgin plastic in packaging helps us meet our plastic targets as well as reducing our carbon emissions. We increased PCR content in our toilet bowl cleaners to 75% in Europe, 50% in India, and 30% in South Africa\*
- Removing high impact components We reduced the plastic packaging in our Hygienic & Fresh selfadhesive toilet blocks by launching a product without the plastic cage and developing a formula that lasts longer
- Using better ingredients We expanded the range of our power plus deep clean tablets using a bio-based citric acid as the main formula ingredient





# **Product stewardship**

# PRODUCT STEWARDSHIP

Our products sit at the heart of our Purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world. 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, the quality of our products and processes, and the protection of the environment.



# Our approach

Consumers rightly expect that our products are safe to use and have minimal impact on the environment across all stages of the product lifecycle.

Our approach encompasses three interconnected pillars covering every stage of a product's lifecycle, from design to disposal:

# Consumer Safety

Upholding the highest standards of safety

#### **Product** Quality

Maintaining the quality and effectiveness of our products

# Ingredients

Providing transparent information about ingredients

We face different safety and quality risks across our expansive portfolio of thousands of products, and we aim to preempt and respond to them. We evaluate the safety of all new products and continually assess changes and emerging issues that may impact our portfolio.

We listen to feedback from key stakeholders to continually improve our products, including consumers and their comments about our brands. We work with our suppliers and academic partners to identify and champion innovative materials where alternatives are not vet 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.

#### Governance and risk management

We promote a culture where everyone sees safety and quality as part of their job to help ensure high standards. Our global policies on ingredients seek to go beyond what the law demands to help us futureproof the materials we use. Our Regulatory Affairs & Safety and Quality teams govern how we apply our policies across the product lifecycle and how we adopt safe and sustainable alternatives in new or reformulated products.

Our Reckitt Quality Manual covers the whole product lifecycle and includes our Product Safety Policy and Commitment to Quality. 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 upcoming EU Green Deal requirements, a set of policy initiatives by the European Commission with the overarching aim of making the EU climate neutral by 2050. There will be many new requirements for companies to meet. We have initiated our Green Deal implementation programme and have set up governance models to ensure we are well placed to meet these requirements.

We are also taking steps to better understand the potential impact of endocrine disruptors and persistency as part of our ingredient management programme.

We have a cross-functional science-led technical forum comprising quality, regulatory and safety experts to debate and make decisions on key topics. This forum helps to 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. 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 oversees our ingredients policies, including our Restricted Substances List (RSL) and its watch list.



# **CONSUMER SAFETY**

Consumer safety is our top priority. We are dedicated to embedding safety-by-design principles in our operations. Building on a five-year global safety transformation programme, we have continued to enhance our risk management, governance, and compliance standards.

# Integrated regulatory and safety functions

We have unified our safety and regulatory functions to optimise oversight and compliance. Key initiatives include:

- One operating model: a standardised approach for managing products with similar regulatory classifications
- Integrated teams: Global and regional teams combine local insights with global oversight
- Lifecycle strategies: clear accountability for regulatory and safety across product lifecycles



# **Technological advancements**

We have established a centralised ingredient governance model to improve product stewardship and made significant investments in regulatory intelligence and consumer safety and Vigilance IT systems.

In 2024, we launched the first phase of our safety assessment platform, which uses automated assessments to identify risks to consumers and the environment early in the process. This platform includes risk assessment calculators that enable consistent toxicological evaluations globally.

Additionally, we upgraded our systems for preparing safety data sheets, hazard labelling, and poison centre notifications, which are essential for our hygienefocused brands.

We also introduced the IQVIA Vigilance Platform, enhancing pharmacovigilance with a Signal Detection Management System for improved safety signal analysis and analytics access. The platform streamlines case processing, ensuring efficient management and compliance through a Medic Review for all reportable cases.

This comprehensive approach underscores our commitment to consumer safety and regulatory excellence.



### **Animal testing**

As a global innovator and manufacturer of consumer goods Reckitt has a diverse portfolio of products. Animal studies are on occasion mandated by law for the safety assessment of novel ingredients to ensure human safety. Reckitt has a global policy on Alternatives to Animal Testing which outlines the steps we are taking to act responsibly and minimise testing. The policy is available on our website.

Reckitt does not have in-house facilities for animal testing. Necessary testing, if approved by senior management, is outsourced to Contract Research Organisations (CROs). We conducted an internal audit of our processes in 2023. Subsequent audits were conducted by our specialised team of quality and subject matter experts during 2024 to implement the internal audit findings with CROs. There were no findings in relation to animal welfare, and there were no areas of escalation required. However, we took actions which strengthened the scope of our policies and governance, ensuring a consistent approach across our portfolio.

Reckitt is globally engaged with professional bodies and industry associations to drive the development and regulatory acceptance of alternatives to animal testing. Reckitt is present on the Board of the International Collaboration on Cosmetic Safety (ICCS) which is focused on advancing the adoption of animal free safety science and environmental assessment for cosmetics, personal care products and their ingredients though research, education and regulatory engagement.

# Product stewardship continued

More sustainable brands Healthier planet

# QUALITY

We remain dedicated to embedding a culture of quality that drives our product stewardship behaviours. This culture enables us to identify early warning signs, allowing us to respond swiftly and effectively before issues arise.

### Making sure consumers are informed

We aim to ensure that product information and labelling is clear and accessible so that consumers have the information they need to use our products safely.

On-pack labelling provides guidance on how our products should be used and aims to minimise the risk of misuse. Through media monitoring, if we find that misinformation or incorrect advice is spreading widely. we respond with the correct information.

In addition to on-pack labels, we also use websites to provide more detailed product information. We've continued to improve our US ingredients website by adding more technical details, including on fragrances, and making it easier for consumers to search for information.

## **Engaging with consumers**

Maintaining consumer satisfaction and ensuring we monitor and respond to enquiries and complaints is a key part of our product stewardship strategy.

Our global consumer care teams track contacts to our consumer helpline. Contacts include complaints, as well as enquiries and feedback. Trends from consumer contacts are analysed and used to help enhance our products and services.

In 2024, we continued to expand the coverage of our service, covering new platforms like TikTok and WhatsApp across more countries. We also leveraged technology to ensure that we were able to capture and analyse all types of consumer feedback gathered by our partners RB Manon in China.

As a result, we have seen total contacts grow by 68% in 2024 (vs 2023), as we continued to improve coverage and make ourselves more accessible to consumers. This increase was particularly driven by China where we recorded 291% more contacts in 2024 (vs 2023).

We measure Complaints per Million (CPM), which shows the relationship between sales and complaints. In 2024, the average CPM for the Group was 37.3 (2023: 30.9) as a result of our efforts to capture more feedback from more consumers. To highlight the impact of the increased data volumes and our efforts to capture all consumer feedback in China, the average CPM excluding China is 22.3.

#### **Product recalls**

Our products are used in millions of homes 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 2024, we had one consumer product recall as a result of minor mislabelling (three in 2023). 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 potential future issues.

## Driving excellence through our systems and processes

Our commitment to quality is reflected through our dedication to delivering safe and effective products to consumers worldwide. QualityOne, our process excellence platform, which was fully embedded into the business in 2024, is a tool which will help us achieve these goals by standardising and scaling quality processes across the organisation.

QualityOne aligns with our global standards and aims to harmonise processes across the entire product lifecycle, enabling collaboration among all functions responsible for safety, quality, and compliance. The system saves time and supports improved decisionmakina.

In 2024, we continued to develop and improve our internal Reckitt Quality Management System (QMS). The QMS leverages the capabilities of QualityOne, with a focus on consistent standards as well. Its modular design is built to be adaptable to the evolving demands of our markets, aligning with legislative requirements tailored to each product category.

In 2024, Reckitt achieved a 99.3% pass rate in external audits to relevant product and global standards. This success reflects our commitment to maintaining the highest standards of compliance while continuously enhancing our processes to meet the needs of our customers and consumers.

# **Quality champions at Reckitt**

Our Culture of Quality Champions dismantle barriers to execution. Most importantly, they collaborate closely, ensuring that no one acts in isolation.

These champions come from diverse backgrounds and experiences, bringing unique perspectives that fuel continuous improvement. They are equipped with tools, resources, and actionable objectives, including valuable insights from external partners like Gartner. This support is crucial for implementing the annual Culture of Quality action plans tailored for individual sites and functions at Reckitt.

In 2024 the Culture of Quality community continued to expand, with over 100 committed champions deployed across the organisation and many more actively participating in the programme.

# SPOTLIGHT

# CAPABILITY BUILDING AND CONTINUOUS IMPROVEMENT

By leveraging expertise from diverse functions, we are driving innovation and reinforcing our culture of quality.

We supported our QMS with targeted capability training and tools focusing on critical elements like audit management, risk management and change management, which complement quality improvement plans.

We have also expanded our internal networks in areas such as QMS, hygienic design, and quality control excellence, which aim to foster collaboration, knowledge sharing, and capability building across the organisation.



**SPOTLIGHT** 

IMPROVING PRODUCT

**FORMULATIONS** 

# Product stewardship continued

# **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, and we work with our suppliers to improve their knowledge of safe and sustainable design.

### Safe and sustainable design

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 also ensuring our products retain 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 Change Chemistry (formerly the Green Chemistry & Commerce Council (GC3)), who help us put emerging principles on sustainable chemistry into action. Our raw materials playbook provides guidance on green chemistry. 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.

# SAFE AND SUSTAINABLE BY DESIGN

Extract from our raw materials playbook for suppliers

## Sustainable chemistry

## **Chemical footprint**

Measure and scope their chemical footprint

Remove or reduce chemicals of high concern from their raw materials

Identify, share and collaborate on alternatives for emerging chemicals of high concern

# Safe and effective alternatives

Supply basic hazard data for individual substances

Provide public GreenScreen benchmark scores

Provide evidence of efficacy

# Carbon

Share processes used to source, make and deliver raw materials

Measure and provide emissions factors for greenhouse gases across the full lifecycle of the material supplied

Progressively identify areas of opportunity to support carbon capture within ingredient technology

# Water

Measure water use across the full lifecycle of the material supplied

### **Environmental impacts**

- We expanded the range of our Harpic power plus deep clean tablets in the UK, Ireland, France and Belgium using an equally effective but bio-based citric acid as the main formula ingredient
- We've successfully removed boric acid and salts from our Air Wick, Harpic, Lysol, Vanish and other EU product formulations. Removal is in progress outside of Europe
- We launched a new Mooy Cool range in India. This new formulation has allowed the use of more sustainable, regenerative and biodegradable ingredients which has improved the carbon and water footprint compared to the current portfolio\*, and provides a quicker cooling sensation that the current product
- More on our Sustainable Innovation Calculator





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

## Circular feedstocks

Provide information on the origin of raw material feedstocks

(i.e. bio-based and circularity: virgin or derived from waste)

# Biodegradable

Provide measures of biodegradability against set standards

# Product stewardship continued

## **Priority substances**

Our Restricted Substances List (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. We've steadily reduced ingredients of concern since 2012, as the RSL has become a key part of product development.

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.

Since 2021, we have 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. 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.

Our Sustainable Innovation Calculator incorporates 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.

We are reviewing our chemical footprint goal in line with regulatory developments, particularly substances of concern and high concern as defined by the EU Corporate Sustainability Reporting Directive.

See more on our Sustainable Innovation Calculator

### Controlled ingredients monitored via our **Restricted Substances List**

# **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. 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.

# Chemicals of high concern (CoHC)

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

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.

Our latest score of 89.7 was received in 2024, covering our 2022 data. Reckitt was recognised once again as a Frontrunner - for the third consecutive year.

**Completion Progress** 

# Chemical removal programme

Ingredient

to remove	date	Removal in progress	
Red 3 (dye)	2026		
Boric acid and salts	2024 (EU) 2026 (RoW)	EU removal complete. RoW removal in progress. More long-term investment is needed to identify suitable safe and sustainable alternatives for a few individual product lines	
1,4-Dioxane	2024 (US) 2029 (RoW)	Reduction programme for US complete. Reduction programme for RoW has now been approved. To be completed by 2029	
Lilial	2023	Complete	
Mercury compounds	2024	Ban of intentional use	
2-Pyrrolidine 2024		Ban of intentional use	
2-Ethylhexanoic acid and salts	2024	Ban of intentional use	

### Performance against our targets

### reduction in chemical footprint versus 2020 (Target: 65% by 2030)

In 2021, we announced our ambition to reduce the chemical footprint of our products by 65% by 2030 versus 2020. We define chemical footprint as: net revenue from SKUs containing >0.1% (by weight) of chemicals of high concern (CoHC) listed on our RSL, as legally allowed, across the aroup.

This year, for the first time, we can report that we have reduced our chemical footprint by 24% vs our 2020 baseline. Reporting was enabled by investment in and efforts to strengthen data quality, utilising technology and leveraging our partnership with CO2 Al.

The reduction has been driven by removing boric acid in Europe, related to our Vanish, Dettol and Airwick brands, as well as our focus on more sustainable fragrances and flavours, such as with our global lilial removal programme.

We expect to further reduce our chemical footprint through our ongoing boric acid removal in other markets by 2026, as well as switching from other ingredients such as Benzophenone, 2,2-Iminodiethanol (DEA).



Further information on how we calculate our chemical footprint can be found in our Basis of Reporting on our Reporting Hub

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# **Plastics and packaging**

# PLASTICS AND PACKAGING

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. Our actions through our brands and at a local level to reduce plastic and use more recycled and recyclable packaging materials have yielded results as evidenced by our performance data. 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 recyclable or reusable by 2025

25% recycled content in our plastic packaging by 2025

On track

50% reduction in virgin plastic packaging by 2030 vs 2020

On track



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

We currently report in line with EMF timings annually in July. The data within this report covers our 2023 performance. Our ESG Data Book contains our detailed packaging data and we will update this during 2025 with 2024 performance data.

- See more on our Performance against our targets on page 21
- See the ESG Data Book on our Reporting Hub

#### Sources:

- 1. weforum.org
- 2. un.org
- 3. emf.com
- 4. imperial.ac.uk

# The plastics challenge

The plastics challenge is global. 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. 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, the environmental impacts associated with packaging are often exacerbated by limited or poorly adopted 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, the global plastic packaging market as a whole has increased virgin plastic use by 8%<sup>3</sup> since 2018.

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.

Recycling prevents packaging materials from ending up in landfill, being incinerated or leaking into the environment. While infrastructure to enable recycling varies globally, designing packaging that is suitable for recycling is the first step to helping reduce waste. Recycling plastic also avoids 30-80%<sup>4</sup> of the carbon emissions that virgin plastic production produces, helping to reduce Scope 3 GHG emissions.

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 slow pace of innovation and infrastructure development that have not matched the expectations set in 2018.

More sustainable brands Healthier planet Fairer society

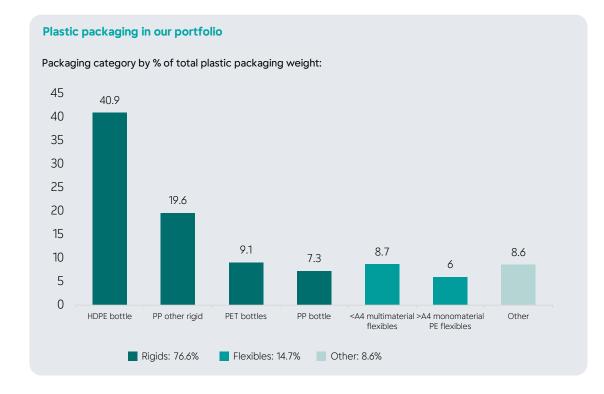
### Our packaging footprint

Plastic comprises around 34% of our packaging footprint. Paper and board, metal and glass, together represent 66%.

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 EMF's Annual Global Commitment Report.



#### Governance and risk management

Our senior leaders monitor progress towards our plastics and packaging goals and associated emerging and ongoing risks. This 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.

# 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 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.

There are increased costs of doing business stemming from Extended Producer Responsibility (EPR) schemes and plastic taxes. As EPR requirements continue to scale globally, we are strengthening our data capabilities to support local teams with the increase in reporting requirements. This will result in improved data availability, which is critical to support our wider approach to plastic and packaging and carbon reporting, while also helping to mitigate these rising EPR costs.

The EU Packaging and Packaging Waste Regulation (PPWR), which has evolved from the existing Packaging and Packaging Waste Directive (PPWD) aims to further prevent packaging waste, boost reuse and refill, and optimise recycling systems, as well as reduce the use of primary natural resources. While the requirements are challenging, we are building structures and strategies to help us prepare for it. This includes reviewing our products to understand compliance against the relevant criteria, working closely with suppliers to investigate material solutions, and updating our packaging data based on the groupings and calculations within the regulation.

The UN's Global Treaty on Plastic Pollution negotiations failed to reach agreement on policy as planned in 2024. Through our membership of the Business Coalition, we remain strongly supportive of the need to reach an agreement to address key areas globally and consistently. This would support both public and private sector activity to tackle plastic waste and 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.

# OUR STRATEGY AND APPROACH



### **Product design and innovation**

We aim to design effective and durable packaging with consumer use and environmental impact in mind.

Our Sustainable Innovation Calculator is a critical tool. 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.



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. Our internal Sustainable Packaging Handbook provides quidance 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 or different 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.

We also assess opportunities for replacing plastic with other materials, such as paper and board, by looking at a multitude of factors including recyclability and recycling rates to understand potential circularity achievable, carbon emissions, impact on product performance, and consumer perception. After considering the relevant trade-offs we're then able to choose the best option for a particular product format.



# **Using more recycled materials**

We use post-consumer recycled (PCR) content 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 can be 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.



# Designing more recyclable packaging

We aim to design our packaging to improve recyclability.

Our overarching aim is to design packaging which meets the criteria for recycling, based on the available infrastructure.

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, nonplastic 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.

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Fairer society

#### Collection and takeback schemes

We support national recycling and reuse efforts through collection and takeback schemes to help reduce non-recycled waste. However, the collapse of REDcycle in Australia highlighted significant gaps in the Australian recyclability infrastructure, as the programme was unable to manage the overwhelming volume of soft plastics collected, leading to stockpiling and eventual suspension. This situation has underscored the urgent need for more robust and sustainable recycling systems generally.

As a member of the National Plastics Recycling Scheme (NPRS) in Australia, Reckitt is taking a proactive steps to address these challenges. We have also initiated a partnership with Finish, our largest brand, and TerraCycle to close the loop on soft plastic waste. Together, we aim to enhance local recycling capabilities and ensure that soft plastics are effectively processed and recycled, contributing to a circular economy.

For our medicine blister packs, we're partnering with industry peers as part of the Circularity in Primary Pharmaceutical Packaging Accelerator (CiPPPA), aiming to collectively develop and deploy recycling solutions.

Given the important role the consumer plays in ensuring that packaging reaches the correct recycling stream after use, we're updating our packaging with disposal guidance, including How2Recycle labels in the US and Canada.

# Collaborating internally across functions and with our partners

The challenges around packaging and plastics are 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 (CGF), where we are collaborating on plastic packaging design, through CGF's Golden Design Rules. We're currently collectively assessing how we can remove barriers to close gaps, and establishing what future rules are needed to drive improved plastic packaging design.

In 2024, we continued 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 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 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 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 negotiations in Busan, South Korea in December 2024, which will conclude in 2025

Internally, we are striving to embed sustainability across every function. We have created a sustainability dashboard that brings together our packaging data, tracks our progress, and supports shared decisionmaking across the business. This is valuable not just for sustainability and R&D functions, but also marketing. sales, regulatory and finance functions, for all of whom packaging data is a key component of decision-making.

# **SPOTLIGHT**

# DEVELOPING AND LEVERAGING SUSTAINABILITY PACKAGING DATA

Our approach to both internal and external collaboration was acknowledged with our win of the Australian Packaging Covenant Organisation (APCO) Education Award.

The award recognised our work to develop and leverage sustainability packaging data across our business and the broader industry. In particular:

- Cross-functional teams: delivering our KPIs by embedding sustainability through every function and across our operating model
- **Retail partners:** Collaborating on joint business and category plans that integrate sustainability
- **Industry Partners:** APCO and the Australian Food and Grocery Council (AFGC) fostering cross-industry conversation and advancing packaging ambitions for the region



# Performance against our targets

### reduction in amount of virgin plastic packaging by 2030 vs 2020

We made promising progress towards our aim to reduce virgin plastic in packaging by 50% by 2030 versus 2020. In 2023, we achieved a 15.1% reduction compared with 2020. This was driven by our work to increase recycled content, which has been a key focus in the last 18-24 months, as well as projects that reduce the amount of plastic used.

We continued to explore how we can make our packaging smaller, lighter or thinner, without compromising on performance. Partnering with innovation technology providers and working closely with existing suppliers to deliver the same packaging performance with less material.

In 2024 we expanded our paper-based Finish dishwasher tablet pouch to the UK, which reduces plastic use by 75% compared with the previous pack. In Europe, we've reduced the weight of measuring caps used for a number of laundry and cleaning products, resulting in a total saving of 5 metric tonnes of plastic per year. Dettol changed some of the bottle formats used in Middle East markets from polypropylene to PET, which is not only more widely recyclable, but also saves 17 metric tonnes of plastic per year by enabling lighter bottles. In Latin America we have changed the materials used for Finish dishwasher powder and Vanish sachets, collectively saving 14 metric tonnes per year.

We continue to explore refill and reuse options, and how this can help to reduce our overall plastic footprint. These 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 concentrated formats and pouch refills. 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 the end of 2025 and beyond, we expect to continue making progress in our PCR work and achieving this target.

# SPOTLIGHT

# **CILLIT BANG LAUNCHES GRIME** AND LIMESCALE REFILL

In 2024, Cillit Bang launched a grime and limescale concentrated refill in France. This product allows consumers to refill their original bottle packaging, with a product with the same product performance, but with up to 75% less plastic where the 200ml concentrated liquid enables the refilling of two 750ml trigger bottles.



#### of plastic packaging to be recyclable or reusable by 2025

We reached 78.2% in 2023 (versus 76.4% in 2022). We worked to strengthen our performance and, while our progress remains slower than we'd like, it reflects the industry trend of increased flexible packaging use, combined with a lack of recycling infrastructure and the slow pace of technological developments.

This can be particularly challenging for regulated medicinal and infant nutrition products 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 continued our R&D activities to test and develop solutions for trigger and pump components which meet recyclability criteria but also meet consumer expectations
- We assessed problematic colours, additives and design elements of packaging that contaminates the recycling stream once it becomes waste. For example, we've introduced perforated shrink sleeves to trigger sprays and pourable cleaners in the US, enabling easier separation of materials. In Mexico, we've removed the carbon black colourant from our Nugget shoe care bottles to improve detection and sorting in the recycling process

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 auidelines 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.



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 will 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 solutions. Our aim is to ensure that the packaging solution can unlock kerbside recycling for consumers, and increase the amount of recovered materials for recyclers.

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.



25%

#### recycled content in our plastic packaging by 2025

In 2023, we put additional resources in place to meet our 2025 target and are on track to achieve this. In 2023, we included 8% PCR content (up from 5% in 2022) as a result of this additional investment.

By the end of 2024, key projects included:

- Lysol wipe canisters and other types of packaging contained 100% PCR. In laundry sanitisers and toilet bowl cleaner bottles, Lysol increased PCR content to 50%
- In Brazil, Veja contained 100% PCR in PET dilutable bottles. 25 million bottles are sold each year, which equates to a 600 metric tonne reduction in virgin plastic use
- In Europe, Vanish introduced 25% PCR to gel product bottles in 2023, and in 2024, increased to 45% PCR in Vanish powder tubs, totalling more than 1,000 metric tonnes of PCR per year. Vanish also increased PCR content in its upholstery and carpet cleaner bottles from 0% to 75% and has committed to going even further in the coming years

Demand for PCR continues to grow, which can create localised challenges in getting sufficient 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, which includes both direct and third-party manufacturing sites by 2025. We reached 99% in 2023.



For further information on our approach to sourcing certified paper and card packaging, see **biodiversity and ecosystems** 





Image credit: WWF

# **Highlights:**

69%

reduction in absolute operational (Scope 1 and 2) GHG emissions

13%

reduction in absolute Scope 3
GHG emissions

96%

renewable electricity

# 2 water positive

sites in India

# **Zero waste**

to landfill from our factories

# Climate change

# CLIMATE CHANGE

2024 was the warmest year on record, with temperatures exceeding 1.5°C above pre-industrial levels. Every rise in global warming increases the impact on our lives, economies and planet. The impacts of climate change range from biodiversity loss and water stress, to impacts on health and increasing inequalities. All aspects of Reckitt's value chain will be susceptible to climate-related risks to varying degrees as extreme weather events become more common. We recognise and embrace the need for urgent action in our pursuit of a cleaner, healthier world.



#### Our commitment

Achieving net zero across our value chain by 2040

### **Our targets**

65% reduction in Scope 1 and 2 emissions by 2030 (vs 2015) <sup>2*</sup>	V	Achieved
100% renewable electricity by 2030		On track
50% reduction in Scope 3 emissions by 2030 (vs 2015) <sup>2*</sup>		On track



**Supporting SDG 13** – to limit and adapt to climate change

# on health and hygiene

The impacts of climate change

Climate change poses a significant threat to human health with almost half of the world's population at risk.

Extreme weather events, air pollution, wildfires and compromised water, land, and food security - are already contributing to many lives lost and affected by infectious diseases and heat-related illnesses

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>3</sup>

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 2050.4

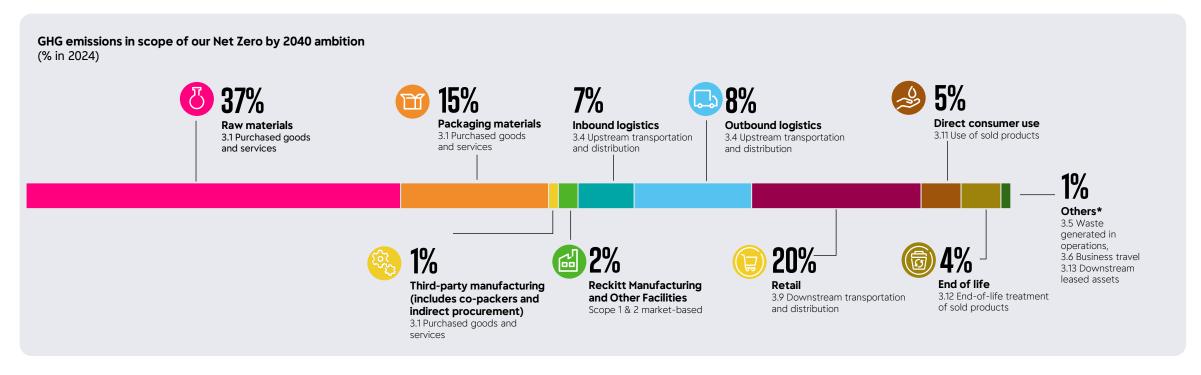
As part of our Purpose to help build a cleaner and healthier world, we aim to minimise our impact on the planet by making our operations, and our value chain, more sustainable.

#### Our climate disclosures

Information	Location
Climate-related risks and opportunities (including the TCFD recommendations)	Published in our annual report, pages 218-222
Plans and targets to transition towards net zero	This document, page 26
Progress against our transition plans and targets	Published in our annual report, pages 46-47
Additional climate disclosures	CDP disclosure, published online and via the CDP website

- \* Science-based target
- 1. World Meteorological Organisation
- 2. From a 2015 baseline
- 3. Quantitative risk assessment of the effects of climate change on selected causes of death, 2030s and 2050s (who.int)
- 4. Health and Climate Change (worldbank.org)

# **OUR GHG EMISSIONS**



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, used and disposed of.

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 designing new products or modifying existing ones.

# **RECKITT'S CLIMATE TRANSITION PLAN**

Healthier planet

### 1. Our net zero ambition

Our ambition is to achieve net zero across our value chain (excluding indirect consumer use emissions) by 2040.

# 2. Our near-term GHG reduction targets

We have set near-term GHG reduction targets which cover emissions from our operations as well as our value chain.

#### Our operations (Scope 1 and 2)

Reduce our absolute Scope 1 and 2 GHG emissions 65% by 2030, from a 2015 base year\* (SBTi validated as 1.5 °C-aligned). Increase annual sourcing of renewable electricity from 5% in 2015 to 100% by 2030

#### Our value chain (Scope 3)

Reduce absolute Scope 3 GHG emissions from purchased goods and services (associated with ingredients and packaging materials), direct emissions from use of sold products and end-of-life treatment of sold products by 50% by 2030, from a 2015 base year (SBTi validated)

Our Scope 3 targets include direct consumer use only. This is in line with the GHG Protocol and SBTi guidance and helps us focus on the things within our control.

Direct Consumer Use: products that require fuels and feedstocks or that directly consume energy (fuels or electricity) during use, or products that contain or form GHGs that are emitted during use, for example an Air Wick plug-in or aerosol.

Indirect Consumer Use: products that indirectly consume energy or emit GHGs, calculated with a use-phase profile (i.e. modelling how the product would typically be used, such as running a dishwasher for Finish dishwasher tablets). Indirect emissions are not included in our targets.

# 3. Our emissions reduction plan

We are working to reduce our GHG emissions in line with our 2030 reduction targets for Scopes 1, 2 and 3, and our commitment to achieving net zero by 2040.

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 Sustainability Ambitions are supported by specific targets and metrics to drive disciplined execution across the business. They are underpinned by investment in more energy efficient equipment and green energy, lower carbon materials, and existing and broader action on issues such as deforestation which also contribute to climate change. Specifically, in 2024 we have invested around £5 million in activity to decarbonise our value chain, including ongoing R&D, sustainable product innovation and brand activities, CAPEX items and purchasing green electricity.

The complexity of our global value chain means we need to work together with our suppliers, customers and other partners to find innovative, sustainable ways to decarbonise, particularly across raw materials and packaging. This helps us mitigate the risks to our business from a changing climate, but also presents opportunities as we adapt to a low-carbon

We prioritise reducing the footprint of our operations and products and we do not currently use carbon offsets. Our principle remains to abate first and offset last. In preference, we will consider carbon insetting solutions within our value chain over other carbon offsets.

# Our path to net zero focuses on the following key action areas:



















## 1. Product design

Developing more sustainable products with a lower carbon footprint

Leveraging technology to drive decarbonisation efforts at scale

# 2. Raw materials

Switching to low-carbon ingredients

Reducing the GHG intensity of our key chemical ingredients

# 3. Packaging Redesigning

packaging for recycling and lower carbon intensive solutions

Increasing post-consumer recycled content in packaging

## 4. Our operations

Reducina GHG emissions from our operations Investing in

more efficient equipment, alternative low carbon processes and renewable energy sources

# 5. Logistics

Improving our logistics network

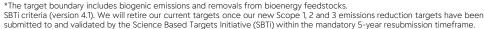
Driving load and route optimisation, intermodal and alternative fuels and sustainable logistics partnerships

#### 6. Supplier performance

Expanding and further developing our Supplier Environmental Performance Programme

#### 7. Nature-based solutions

Sustaining and scaling our approach to nature-based solutions





















# **RECKITT'S CLIMATE TRANSITION PLAN**

# Our operations (Scope 1 and 2)

We've already surpassed our initial target to reduce emissions in our operations, achieving our near-term Scope 1 and 2 emissions reduction target nine years early. In 2024, we achieved a 69% emissions reduction vs 2015 by increasing our use of renewable energy, optimising high energy manufacturing processes and investing in longer-term renewable electricity generation.



### **Key actions:**

We've been reducing GHG emissions in our operations since 2012. Over the next three years, we plan to invest in decarbonising our operations focused on the following areas:

## Long-term renewable electricity solutions

- Extending on-site energy generation and storage
- Implementing local power purchase agreements (PPAs)

## Pursuing zero-carbon technologies and lowcarbon energy

- Progressively replacing fossil fuels with alternatives
- Replacing combined heat and power (CHP) with electrical/biogas alternatives in priority locations
- Replacing heating, ventilation and air conditioning (HVAC) systems with low-carbon alternatives like air source heat pumps
- Evaluating and optimising spray drying

# Energy use

Driving energy efficiencies in parallel with switching to renewable energy is fundamental to our strategy. Specifically we are:

- Optimising processes to reduce absolute carbon emissions, continuing to target efficient use of gas and evaluating thermal energy alternatives
- Optimising existing technologies to drive energy efficiencies, prioritising gas for carbon reduction rather than electricity where it is already renewable

# SPOTLIGHT

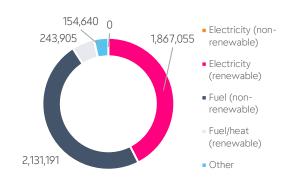
# **INVESTING IN ON-SITE** RENEWABLE ENERGY

# One-third of our sites now generate some of their own renewable energy

During the year we completed the expansion of solar installations at our Taicang and Chonburi sites. Further installations are planned at our Tatabanya, Chittagong and Mauripur sites in 2025.

A great example of on-site renewable thermal energy generation is our Tuas site in Singapore. The site has reduced emissions and delivered cost savings by installing solar thermal collectors to produce hot water, eliminating the need for gas.

## **Energy use in operations (GJ)**



# **SPOTLIGHT**

# **DECARBONISING OUR SITES**

# Replacing CHP and HVAC systems with low-carbon alternatives

A key focus in decarbonising our operations is reducing our use of natural gas by switching to alternative energy sources, such as electricity, and de-commissioning combined heat and power systems. For example, our Bangpakong site in Thailand has successfully converted its steam drying assets to electric and de-commissioned its CHP system, achieving a 99% reduction in emissions

HVAC systems are common in manufacturing sites. They're essential to ensuring good working and production conditions however older systems can have a significant impact in energy use and GHG emissions. Our Nowy Dwor site in Poland has installed air source heat pumps for its HVAC system - replacing the use of natural gas to generate heat. Air source heat pumps use electricity which, for Nowy Dwor, is renewable and makes the switch truly sustainable.



More sustainable brands

# RECKITT'S CLIMATE TRANSITION PLAN

# Our value chain (Scope 3)

Our plan to achieve our near-term Scope 3 GHG emissions reduction targets has six priority action areas. We focus on the largest emitting categories and the areas in which we have greatest influence. Raw materials and packaging account for more than half of our carbon emissions which is why we're prioritising action in these areas.





# 1. Product innovation

### **Key actions:**

### Developing more sustainable products that meet growing consumer demand

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.

We're designing our products so that they have a lower carbon footprint and also need less energy and/or water to use. 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 20°C. Lower temperatures mean less energy.

More concentrated formulas can help reduce the water in products which reduces their packaging footprint. Product concentrates and refills not only reduce packaging but also lessen the carbon impact from logistics.





### **Key actions:**

## Switching to low-carbon ingredients

Upstream emissions from raw materials and packaging account for over half of Reckitt's scope 3 emissions and is a priority area for carbon reduction.

25 key raw materials comprise 80% of our ingredients and packaging carbon footprint which is where we target our efforts.

Our innovation and science platforms focus on reducing CO<sub>2</sub>e in materials by exploring low-carbon alternatives, developing and scaling our green chemistry programme and progressively transitioning from fossil-derived feedstocks to renewable feedstocks. We are evaluating the potential of carbon capture ingredients through initiatives like the Flue2Chem project, which aims to cut CO<sub>2</sub> emissions by converting industrial waste gases into chemicals to create more sustainable consumer products.





# 3. Packaging

# **Key actions:**

#### Increasing our use of recycled and recyclable materials

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.

Recycling plastic avoids 30-80%<sup>3</sup> of the carbon emissions that virgin plastic production produces, helping to reduce Scope 3 GHG emissions.

Our targeted switch to 25% PCR content, using less virgin plastic and progressive plastic replacement will deliver CO2e savings across our value chain. PCR is recycled plastic made from waste plastic from households and businesses.

#### Sources:

- 1. weforum.org
- 2. un.org
- 3. imperial.ac.uk



# 4. Logistics

Outbound logistics account for almost 10% of our Scope 3 emissions. The majority of these emissions are from road transport between our factories and distribution centres, and to our customers - 76% road. 11% ocean freight, 8% intermodal (rail) and 5% air.

### **Key actions:**

#### **Green logistics**

In 2023 we took the opportunity to re-evaluate, prioritise and build greater capacity in our green logistics programme and its contribution to our Scope 3 emissions reduction target. Through this we have been engaging with our customers, suppliers and distribution centres to evaluate low-carbon road and sea-freight options, including:

- Intermodal change: increasing road to rail and short sea transport, and reducing air freight usage
- Fuel change and use of biofuels: exploring fuel switches in ocean freight and road transport
- **Electric Vehicles (EVs):** trialling and scaling EV HGVs where diesel is heavily taxed and green solutions are incentivised, for example in Europe
- **Productivities:** targeting fuel efficiencies and more efficient transportation by optimising transport loads

In 2024, we advanced our reporting capabilities to pull primary data from transport management systems and launch an internal carbon accounting and modelling tool to track outbound logistics emissions by market. This has enabled us to further direct focus to the markets, modes and supply routes with the most intense emissions footprints, and has informed our roadmap for action towards our 2030 and 2040 ambitions.

In Europe, we continued to increase the volume of rail and short sea transport versus prior years.

Reckitt is also now part of the Zero Emissions Maritime Buyers Alliance (ZEMBA) which aims to accelerate more sustainable, scalable and economic solutions within the maritime sector. For 2025, Reckitt has committed volumes on key shipping routes in Latin America, which will help us reduce emissions from ocean freight in this region.

# **SPOTLIGHT**

# SUPPORTING THIRD-PARTY **MANUFACTURERS**

We partnered with Manufacture 2030. Ricardo plc and Haleon to create the Supplier Environmental Toolkit. Designed to help suppliers improve resource efficiency and reduce environmental impact in their operations, the toolkit covers topics such as carbon, water and waste. It builds awareness of environmental standards and shares good practice and guidance.





# 5. Supplier performance

## **Key actions:**

#### **Engaging suppliers**

Our focus is on high spend raw material and packaging suppliers, as well as some suppliers of GHG emissions intensive commodities like soap noodles. We have identified around 50 priority suppliers who we are actively working with to decarbonise.

We continued to work with more than 200 third-party manufacturers through our Supplier Environmental Performance programme. Our ongoing partnership with Manufacture 2030 helps us engage on climate matters, and supports these suppliers to measure, track and progressively reduce their emissions, and develop performance improvement plans. We're also supporting suppliers to proactively reduce their carbon, water and waste footprint and improve in areas like energy efficiency.

## Improving data collection

We have started collecting carbon footprint data directly from priority suppliers of raw materials. This improved visibility will support more detailed analysis of our Scope 3 carbon footprint, enabling progress and performance monitoring and more impactful interventions, including collaborations with suppliers to target carbon reductions.

In addition, our partnership with CO2 AI and Quantis means we can now target specific materials and suppliers that account for around 80% of our raw material and packaging footprint.



For more information, see our Annual Report



# 6. Nature-based solutions

#### **Key actions:**

Through our work with Nature-based Insights we're exploring the potential positive impacts that different nature-based solutions could have. This work will guide how we help to protect and restore biodiversity and ecosystems, while addressing GHG emissions, and do so in ways that enhance the livelihoods of local communities. Specifically we're looking at:

- Developing nature-based insetting and regenerative agriculture programmes in key raw material value chains that also strengthen biodiversity
- Brand sponsored ecosystem programmes, for example, the Air Wick and Finish partnerships with WWF (more on page 36)
- Developing biodiversity and ecosystem metrics that measure ecosystem protection in landscape programmes with our partners on the ground
- Ensuring deforestation conversion free raw materials



For more detail on our approach to nature-based solutions, including afforestation projects, see Biodiversity and Ecosystems

 Water management programmes and catchment area development. We look to optimise both social and environmental benefits through targeted interventions. For example, from rainwater harvesting in schools and increasing access to safe water, sanitation and hygiene, to water course and forest restoration projects



For more information, see Water

# RECKITT'S CLIMATE TRANSITION PLAN

# Advocating for global action

Since COP26 in 2021, Reckitt has advocated to put health at the heart of the climate conversation. We've worked to build awareness of the impact of climate change on people's health at international forums including New York Climate Week and COP. 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.

# Climate and health

The climate crisis is a health crisis, and the healthcare sector is responsible for 5% of global emissions.

Resilient health systems are the backbone of health equity, but climate change is exacerbating pressures, widening health inequalities and access.

The consequence of inaction is enormous, for our planet, and our health. And these challenges are too big for any one organisation to tackle alone.

#### Sustainable Markets Initiative

Reckitt is part of the Sustainable Markets Initiative Health Systems Taskforce, a public-private partnership accelerating the delivery of net zero healthcare. In partnership with Bupa and others, we are developing a scalable approach to preventative healthcare interventions at the city level, to improve health, reduce pressures on health systems, and decarbonise the patient care pathway. Specifically, the partnership is focused on:

- A pilot in the London borough of Camden to improve air quality and respiratory health by mobilising the private sector and large employers. Camden's vision is to be a clean air borough, yet asthma related hospital admissions are four times higher and its air quality is poorer than the UK average, falling below the WHO's standard for safe, breathable air
- A framework for action and programme of work, to scale preventative healthcare solutions in cities. Our aim is to empower cities to take sustainable action, improving public health and decarbonising healthcare systems

# More details in our Social Impact Report

# **Supporting a Just Transition**

#### Oh Yes! Net Zero

'Oh Yes! Net Zero' is our ongoing city-wide collaboration in Hull, the most carbon intensive industrial region in the UK.

In 2024, 'Oh Yes! Net Zero' was showcased at the international Smart City Expo in Barcelona, alongside other globally significant climate action initiatives. It was highlighted as a business-led example of a city driving action to combat climate change, with a key focus on the campaign's work to bring companies and organisations of all sizes together to collaborate and reduce their carbon emissions. The event attracted 25,000 attendees, from 850-plus cities across the globe, ranging from government leaders, to global experts and opinion formers.

# Gender equity in climate finance

As part of our commitment to advancing women's health and economic empowerment, we joined the Climate Gender Equity Fund (CGEF) in 2023.

We are investing \$3 million to build solutions to tackle the impacts of climate change. These will help mitigate and adapt to climate change. especially through women-led organisations and where inequity increases the risk people face.







# **Biodiversity and ecosystems**

# **BIODIVERSITY** AND ECOSYSTEMS

The threat of biodiversity loss is a global challenge that is intertwined with climate change - that's why we've been continuing to develop our sciencebased approach to measure our impact on nature and focusing on the actions that will have the most impact in key value chains that we depend on. Collaboration across industry is essential, so we have aligned our approach to the Taskforce on Nature-related Financial Disclosures (TNFD) and have committed to being a TNFD early adopter.



# Our approach to nature

Our approach to nature considers our whole value chain: upstream in the origins of the materials we use; around our operations; and downstream in the use of our products. Specifically, we focus on biodiversity in key natural raw material supply chains which includes our commitment to deforestation and conversion free (DCF) supply chains, and certification for palm oil and timber. Our wider approach to climate, resource use, pollution and water are covered elsewhere in this report. Our programme on water, and specifically water catchment area activity is a key element of our biodiversity agenda as it supports both aquatic and terrestrial ecosystems.

#### Target setting to deliver on impact

We have longstanding nature-related targets on key natural raw materials. This includes 100% of our direct sourced palm oil to support the production of certified sustainable palm oil by 2026 and 100% of paper and board from certified or recycled sources by 2025. In addition, we have been developing an analytical framework over the last three years with Nature-based Insights (NbI) to assess factors such as ecological integrity, carbon, ecosystem change and water stress and on which to set impact-related targets in key sourcing regions.

The framework includes robust science-based data. which quantifies our impact on biodiversity, capturing this in the Biodiversity Impact Metric (BIM). Applying the BIM methodology allows us to evaluate the benefits of different interventions on biodiversity, informing the choice of actions that protect and restore biodiversity.

When prioritising interventions, we follow the mitigation hierarchy to 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 latex supply chain in Thailand with the farmers that we source from. Our lead partners in the programme. Earthworm Foundation, have embedded monitoring and evaluation to evidence the expected positive impact on biodiversity.

Interventions vary in each supply chain. They can prevent negative impacts, such as water course pollution, while others could improve biodiversity through Good Agronomic Practices (GAP) and wildlife habitat restoration.

In 2024, we expanded our work with NbI to identify our impact on biodiversity (using BIM) in palm oil landscapes in Indonesia and Malaysia, and our cocoa supply chain in Ecuador.



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

# Identifying, assessing and managing naturerelated risks and opportunities

### Upstream: prioritising natural raw materials

During 2024, we continued to monitor and assess our use of natural raw materials to ensure our programmes remain focused on our priority raw materials. The assessment considers risks linked to biodiversity, climate change, water and human rights at the natural raw material origin level, alongside other factors such as volume, value, reputational risk and brand dependency.

Our priority natural raw materials are palm oil, latex, soy, timber, dairy, cocoa and natural fragrances.

By focusing on priority raw materials, we ensure our activities and resources are focused on the most material risks and strategic actions, including protecting and restoring biodiversity. We are delivering various programmes through suppliers and partners, such as WWF and the Earthworm Foundation, in our supply chain and piloting the TNFD's LEAP approach.

Traceability is a core part of our Natural Raw Material Standard and our approach focuses on natural raw materials that are susceptible to high environmental risks such as deforestation and land conversion, alongside social risks such as human rights and land rights. To understand the origins and nature-related risks of natural raw materials in our prioritised supply chains, we use a range of tools including satellite monitoring, supplier engagement and external certification and accreditation.

#### 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 seven sites 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. Ongoing operational controls are in place and monitored to prevent pollution incidents and risks that may impact local biodiversity.

We also focus on the communities around our sites For example, we are working to reduce our water use at sites located in water-stressed regions. More information on our approach to being water positive in these areas can be found in Water.

#### Downstream: consumers and communities

Using our Sustainable Innovation Calculator, we're able to assess our products' environmental footprint. This covers both the materials we use and how consumers then use the products, which helps us design our products in ways that reduce their impact on natural resources where possible, by using more sustainable ingredients and packaging solutions.

We also encourage consumers to use and dispose of our products responsibly to minimise adverse impacts and pollution.

As part of our product safety programme, we select ingredients and screen our products to prevent risks to the environment. We are working to reduce our chemical footprint, details of which are covered in our approach to product stewardship.

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 and connect millions of people to nature.

# SPOTLIGHT

# **UNDERSTANDING RISKS IN** FRAGRANCE SUPPLY CHAINS

In 2024 we assessed risks related to our fragrances with a focus on essential oils. After identifying essential oils associated with key brands such as Airwick, we used the Union for Ethical Bio-Trade (UEBT) risk assessment tool to identify high risk raw materials and/or origins.

The UEBT risk assessment tool allows us to identify common risks associated with specific fragrance ingredients. The risk assessment includes human rights, biodiversity protection, good cultivation and wild collection practices alongside community wellbeing. Utilisig the UEBT risk tool enabled us to have productive conversations with our fragrance suppliers on risk mitigation activity as well as exploring biodiversity and carbon reduction shared opportunities.



More sustainable brands Healthier planet

Fairer society

# **Progress and performance**

# Our commitment to deforestation conversion free (DCF) supply chains

As members of the Consumer Goods Forum (CGF), we are working to achieve our collective commitments related to deforestation and conversion free supply chains for our priority raw materials.

Palm oil production has long been associated with deforestation risks and we have a longstanding commitment to No Deforestation, No Peat, No Exploitation (NDPE) in our palm oil supply chains, as outlined in our Natural Raw Materials Sourcing Standard Palm Oil Appendix.

We deliver our commitment to NDPE through our palm oil policy and programme which is focused on increasing traceability across our supply chains. RSPO certification is a key part of our approach, alongside landscape programmes and industry collaboration. For example, we support a landscape programme in Riau, Indonesia and Sabah, Malaysia which covers impacts and interdependencies associated with both timber and palm oil supply chains (see page 35).

In 2024, we set timebound targets for deforestation conversion free (DCF) palm oil, aiming for 100% of fats blends to be NDPE by 2025 and palm derivatives by 2030.

Deforestation targets on palm oil are more readily achievable when the palm oil is not highly processed, for example for fat blends used in food production. In this case, the supply network is usually less complex and segregated supply networks are more practical. The challenge is greater for processed derivatives as the supply network is more complex due to the level of processing involved and so evidence of DCF will take longer to secure.

In our palm oil supply chains, we conduct annual traceability exercises that establish traceability to refinery, mill and plantation. In our fats blends and soap noodles supply chains, we use real-time satellite analysis through Earthworm and the Airbus Starling platform, which provides 100% global coverage.

Deforestation risks also exist with other natural raw materials that we use such as soy, cocoa and latex, however our approach to sourcing these commodities from lower risk origins helps mitigate this risk. For example, the areas we source latex from in Thailand and Malaysia are not associated with deforestation risks. For cocoa, we support farmers through premium payments which help address deforestation risks.

In preparation for EU Deforestation Regulation (EUDR) compliance, we identified the impact of EUDR on our natural raw materials supply chains. The products Reckitt places on the market in the EU are not in scope of the EUDR, however we have identified suppliers that will be required to supply us with EUDR compliant material and have engaged those suppliers to mitigate possible supply chain impacts.

of our direct sourced palm oil (by volume) supports the production of certified sustainable palm oil

We have a longstanding commitment to using sustainable palm oil. We aim for 100% of our direct sourced palm oil (by volume) to support the production of certified sustainable palm oil (RSPO) by 2026, with an interim milestone of 80% coverage as reported in 2023.

We have aligned our RSPO approach to support our timebound NDPE target and from 2025 we intend to increase our volumes of RSPO certified mass balance materials within our derivatives sourcing and decrease the volume of credits. Analysis of our supply chains show that while RSPO certification does not guarantee deforestation conversion free palm oil, there is a correlation between higher rates of traceability and lower rates of deforestation at the plantation level when sourcing from RSPO certified supply chains. We remain on track to achieve 100% RSPO coverage by 2026.

In addition, guided by our traceability activities and where possible, we use RSPO credits to invest directly in the regions where we source our palm oil, in partnership with Achieve Now.

100%

of paper and board to be from either recycled or certified sources by 2025

Annually, we engage with over 250 direct suppliers and co-packers who, in 2023, supplied over 260,000 tonnes of paper and board. Details such as chain of custody certificate number, origin of material and supplier sustainability commitments are provided. This information helps us to identify compliance with our Natural Raw Materials Sourcing Standard and work towards alignment to the Consumer Goods Forum's (CGF) Forest Positive Approach. This engagement approach helps us to track progress against our target. It also provides us with a better understanding of our sourcing regions and where deforestation and conversion risks are highest.

In 2023, 99% of our volume was from recycled or certified sources<sup>1</sup> and we are focused on improvements with the remaining 1%.

See further details on our specific approaches to palm oil, paper and board and soy on our website and in our ESG data book

SPOTLIGHT

# **DUREX: INVESTING IN A RESILIENT SUPPLY CHAIN**

Within our latex supply chain, we are engaging suppliers and farm level stakeholders on activities that will help ensure our Durex brand has a sustainable supply of natural latex for the long term. Our approach focuses on identifying and assessing environmental and social risks and impacts through our partnerships with NbI, Earthworm, the Fair Rubber Association and through our human rights programme.

In 2019, we commissioned a human rights impact assessment of our Durex natural rubber value chain in Thailand which identified that low rubber prices were adversely affecting the livelihoods of smallholder latex farmers. In 2024, we expanded our work to assess human rights risks across our full supply chain in Thailand, India and Malaysia, focusing on landless latex tappers, smallholder farmers and those working at primary processing facilities. Common issues in supply chains in these regions include health and safety related to equipment and pesticides, and recruitment fees.



We have committed to pay smallholder rubber farmers and rubber tappers in our Durex supply chain a price premium through the Fair Rubber Association (FRA). The FRA model is based on groups of farmers and tappers becoming formal associations so they can receive the premium directly as individuals and make decisions collectively that benefit them all. For example, the price premium has been used to:

- purchase organic fertilizer in bulk at a lower cost
- support farmers wanting to start microenterprises
- hire experts to provide farmers with agronomy advice to improve yield and quality
- fund interest free loans for farmers in crisis

The impact of the premium payments not only directly increases incomes, but also provides opportunities to reduce costs. Over time, the premium contributes to farmers becoming more resilient and better able to withstand the challenges smallholders face

In 2023, we paid a premium to farmers supplying 80% of our latex volume through the FRA model. In 2024 we expanded our supply chains in India, Malaysia and Thailand, which increased the Fair Trade premium payments. However, certifying a dynamic supply chain is challenging, and we are continuing to work with suppliers to develop the farm network to distribute premiums to cover 100% of our latex volumes.

Further information on payments will be available in our ESG Databook from Q2 2025.

In Surat Thani we have a longstanding programme with Earthworm to support farmers with their production practices. Our R&D team collaborated with Earthworm and the Prince of Songklah University on a study, which used soil analysis and yield and quality data to demonstrate that the interventions in the latex programme have improved yield and quality since the start of the programme interventions.



Learn more about our work with Earthworm



# Partnerships to drive progress in our dairy supply chain

We are part of the Sustainable Dairy Partnership (SDP), a group of suppliers and industry peers, convening to drive sustainability within the dairy supply chain in a harmonised way. Our involvement in the SDP enables us to have a greater influence in driving continuous improvement within the dairy supply chain.

We expect our suppliers to be members of the SDP and working to, or working towards, stage three onwards (see our NRM Sourcing Standard, Appendix B: <u>Dairy</u> for further information). Suppliers are required to conduct a materiality assessment on 11 sustainability topics developed by the Dairy Sustainability Framework which includes greenhouse gas (GHG) emissions, working conditions, soil, water, biodiversity, and waste, prioritising the issues most pertinent to them. Based on their priorities, achieving stage three requires suppliers to set out plans and actions, with these actions independently verified. All suppliers are required to share their plans with the SDP. Example plans include initiatives related to sustainable land management, carbon and methane reduction.

Around 90% of the dairy ingredients we purchase (by volume) are from SDP members and over 60% is from suppliers who are at stage three or above on their SDP journey.

The SDP also requires traceability information from stage two onwards, covering 75% of our volume in 2024. This identifies the origins of milk from our direct suppliers, most of whom source locally.





SPOTLIGHT

# LANDSCAPE PROGRAMMES: COLLECTIVE APPROACHES TO ADDRESS THE ROOT CAUSES OF DEFORESTATION FOR THE LONG TERM

Palm oil is a priority natural raw material for Reckitt. In 2023 we sourced 25% of the palm in our fats blends and soap noodles from Riau, Indonesia and Sabah, Malaysia, where deforestation linked to natural raw materials sourcing is an ongoing concern.

Deforestation risks are highly context specific. In Riau for example, deforestation is in part linked to the expansion of palm and timber plantations, whereas in Sabah there is a pattern of deforestation linked to logging within forest reserves.

Rates of deforestation also fluctuate throughout the year depending on demand for raw materials, and key seasons such as those most suitable for replanting.

Our partner Earthworm is able to track the patterns of deforestation using satellite monitoring (in partnership with the Airbus Starling platform) and align their programme activities to tackle the underlying drivers of the deforestation that is identified.

#### Holistic landscape programmes

Landscape programmes take a holistic approach, with smallholder farmers, companies, communities and local authorities working together to find collective solutions to the causes of deforestation.

In mixed commodity landscapes like Riau it is essential to also take a multi-commodity approach, engaging stakeholders from both palm and timber industries to achieve a significant impact on deforestation.

A landscape approach also enables collaboration by companies like Reckitt, our peers and competitors to pool our resources in shared sourcing regions. The Consumer Goods Forum Forest Positive Coalition actively promotes supporting landscapes as an effective form of collective action in supply chains where companies are often a number of steps removed from farm level where the deforestation risk is present.

# Collective action plans

Earthworm work closely with local communities to ensure they are actively involved in developing collective action plans to deliver no deforestation targets. These include activities that improve incomes such as through the introduction of good agricultural practices, alongside tackling issues such as land rights.

The landscape programme team also work with mills to improve working conditions and address labour risks, including child labour.

#### **Progress**

In 2024 the Earthworm programmes achieved a number of their objectives including:

- High Conservation Value (HCV) and High Carbon Stock (HCS) land was mapped in Riau totaling over 200,000 hectares (an area bigger than London). These areas have high carbon and biodiversity value and an action plan to protect them is now in development
- Over 3,000 farmers in Riau were trained in good agricultural practices, and around 1,760 farmers were supported in palm replanting activities. These interventions will enable farmers to increase incomes through improved quality and yield. Low incomes are one of the drivers of deforestation
- In Sabah, over 9,500 hectares of land was assessed as part of investigations into forest loss. By engaging with local stakeholders Earthworm identifies the root causes of deforestation in that specific context, and can then work with communities to develop interventions to address the drivers
- Over 450 farmers in Sabah received support from Earthworm in 2024, including training in the Malaysian Sustainable Palm Oil Certification (MSPO) standard to embed knowledge of no deforestation requirements of supply chains, and how to meet standards that enable access to these supply chains alongside certification premiums. Other activities including tree planting were conducted with these farmers to diversify incomes, for example introducing a second commodity such as managed timber

# 200,000+ ha

high carbon and biodiversity value land mapped (equivalent to 1.25 times the size of London) and protection plan is in development

1,760

farmers supported in palm replanting activities



#### Biodiversity and ecosystems continued

## PARTNERING WITH WWF SINCE 2021 TO PROTECT AND RESTORE NATURE FOR A CLEANER, HEALTHIER WORLD

Reckitt and WWF's global partnership has focused on water and nature for the past three years, helping to strengthen key water ecosystems and supplies for future generations. The partnership has helped protect key species through government and community-led initiatives. It has empowered local communities with conservation actions that support livelihoods and economic opportunities.

#### The next phase aims to:

- · Deliver conservation programmes in India, Brazil, Indonesia and Pakistan to help regenerate nature and replenish freshwater
- Help improve sustainability across palm oil supply chains in Indonesia to contribute towards a lasting, positive impact in communities
- Provide practical solutions to support Reckitt's ambition for water positivity in water-stressed sites by 2030

200,000

people positively impacted through the Reckitt and WWF partnership since 2021 (excluding Finish and Air Wick activity)

#### What we've achieved

Reckitt has supported two transformative WWF projects in the Ramganga tributary in India and the Tapajós tributary in Brazil:

- In India, the Ganga river is a lifeline for more than 650 million people, which faces severe challenges from pollution and water diversion. The partnership has replenished over 1 billion litres of water engaging over 30 businesses and influencing basin level water-resource management (including training for 910 people from district committees). We've trained 100.000+ farmers in more sustainable farming practices (with 80% reporting increased yield) and engaged 1,600+ community volunteers
- In Brazil, the Tapajós is a key tributary of the Amazon and home to 1.4 million people, which is under significant threat from deforestation, illegal mining and infrastructure development. The partnership has reached 3,000 people affected by mercury contamination with improved access to



safe water, supported 160 local families through strengthening community enterprises and economic alternatives to illegal gold mining, and scaled the use of innovative technologies to increase fishermen's yields by 50% while reducing dolphin net injuries

By leveraging the reach and power of Reckitt's brands, Finish and Air Wick, the partnership has inspired millions of people to reconnect with nature:

- Finish and WWF worked in nine countries to protect and restore freshwater habitats and educate the public on the threats facing freshwater. It replenished 500 million litres of water in Norfolk, UK and 335 acre-feet of water in the Upper Rio Grande Basin in the US
- Air Wick and WWF restored and protected 1.3 billion square feet of wildflower habitats across 11 countries and reached over 600 million people







Freshwater is crucial for nature and local communities. As biodiversity loss, the effects of climate change and our own water use intensify, the need for immediate action to protect freshwater resources has never been greater.

This is why we've extended our partnership with WWF until 2027 to address the freshwater challenge through impact projects where our collaboration and scale bring maximum effect.

The partnership will focus on nature, business and communities where we aim to restore balance in some of the most important ecosystems of the world - and support the people and communities that rely on them."

#### Michelle Norfield

WWF Partnership Senior Manager







#### Water

# WATER

Water, sanitation and hygiene are critical for a cleaner, healthier world. Several of our biggest and fastest-growing markets in Africa, the Middle East and India are in waterstressed areas. This can make it difficult for people to access hygiene and health services and in many regions climate change is making the problem worse. We're taking a number of steps to reduce our water footprint and advance global health and hygiene. Since 2012, we've focused on reducing water use in our operations. We're committed to safeguarding water resources now and in the future and driving better access to clean water and sanitation in communities around the world.



#### **Our commitment**

Halving our water footprint by 2040<sup>1</sup> and helping people get better access to clean water and sanitation

#### Our targets

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



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





**Supporting SDG 6** – providing universal access to water and sanitation for all by 2030

#### Advancing global health and hygiene

According to the latest UN-Water progress report, 'billions of people still live without safe water, sanitation and hygiene services'<sup>2</sup>. More than two billion<sup>3</sup> people live in countries that are water-stressed, where demand for accessible fresh water exceeds supply.

Poor access to water, due to water scarcity and poorquality water, has an impact on people's health. This was a key finding from our research to understand how people are adapting their hygiene and health behaviours in response to the effects of climate change, particularly in water-stressed environments.



Reckitt joined the CEO Water Mandate and Water Resilience Coalition (WRC) in 2021, a global initiative by the UN Global Compact. Through this, we're committed to continuous improvement in water stewardship, supply chain and watershed management, public policy, community engagement and transparency.

We continue to tackle our own impact and work through our brands, our operations and in communities to improve access to water.

We have longstanding partnerships with WWF and Water.org, and with local NGOs like Agua Capital, to help us drive collective action across our value chain.

- 1. From a 2015 baseline
- 2. unwater.org/news/un-water-sdg-6-progress-reports
- 3. unstats.un.org/sdgs/report/2023/Goal-06/

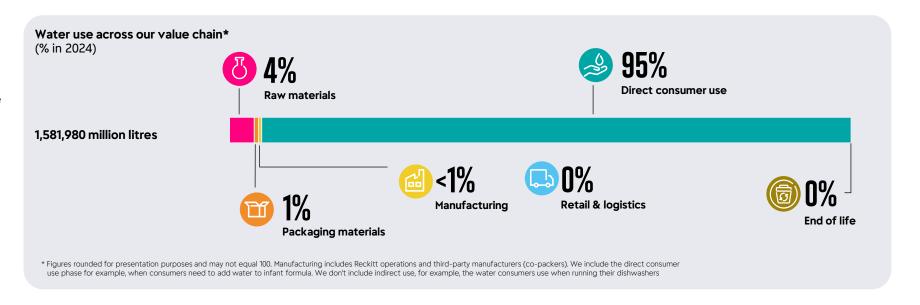
#### Water continued

#### Impacts, risks and dependencies

The water we use to make and manufacture our products makes up less than 1% of our overall water footprint. Most of our products' water use happens when consumers buy and use them. 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.

Water scarcity is a concern in many parts of the world and climate change means it's becoming more widespread. At the year end, we had 16 sites in regions where water scarcity is a risk, and 17% of our total water withdrawals occur in these locations.

See our **CDP response** for water accounting metrics for our sites in water-stressed regions



#### Our strategy

#### 1. Action in our operations

Good water governance is fundamental to our approach. Within our operations, our focus is on water efficiency, sustainable water balance and quality. Our sites are certified to ISO 14001, and our Global Standards for Water and Wastewater Management specify minimum requirements for reducing, reusing and recycling water.

We're continuing initiatives to reduce water use within our operations by reusing and recycling water where appropriate, optimising our processes and advancing on-site water stewardship programmes. 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.

#### 2. Innovating to improve our products

As a large consumer goods company, our portfolio includes more than 45,000 individual product lines and we're constantly innovating to improve the environmental impact of our products.

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. There can be trade-offs, for example, moving to biobased and renewable resources may cause our water footprint to increase, especially in raw materials and packaging. We consider these as part of our calculations.

See our Sustainable Innovation Calculator

#### 3. Driving behaviour change

Our market-leading brands have the power to influence behaviour change at scale.

We're continuing our efforts to help consumers cut their water use and save water when using our products. For example, Finish promotes water conservation through its ongoing 'Skip The Rinse' campaign.

We're also focused on improving hygiene behaviours. Our global school programmes, including our flagship Dettol Hygiene Quest, have brought high-quality hygiene education to 24.5 million children in more than 15 countries and have made measurable improvements to health and school attendance.

See more in our Social Impact Report

#### 4. Improving access to clean water, sanitation and hygiene (WASH)

Our social impact programmes focus on creating lasting impact to help people live cleaner, healthier lives. We focus on areas with the greatest need, investing in access to clean water, sanitation, and hygiene for local communities.

Our longstanding partnership with water.org has enabled lasting access to WASH for more than 2.4 million people in India, Indonesia and Kenya. We have also closed our second investment of \$5 million into WaterEquity, supporting climate resilient infrastructure projects around the world.

Finally, we scale innovative solutions for water and sanitation through our support of social entrepreneurs.

#### Water continued

#### Performance against our targets

2

## water positive sites in water-stressed locations where we operate

We've now achieved water positivity at two of our sites in India – Hosur and Mysore. For 2024, Mysore was independently verified as water positive by ERM CVS. Projects included digging sunken ponds, restoring tanks, and building small check dams to improve groundwater filtration, rainwater retention and prevent soil erosion. We are advancing similar projects at key sites in Mexico, Pakistan, India and South Africa, partnering with local NGOs and governments to support communities and our sites there.

We follow the principles of the Alliance for Water Stewardship (AWS) Standard; engaging with local stakeholders in key catchment areas to understand shared water challenges and working collaboratively for sustainable water management.

We try to optimise both social and environmental benefits through targeted interventions. For example, from rainwater harvesting in schools and increasing access to safe water, sanitation and hygiene, to forest restoration projects.

Through the WRC, we're also monitoring the evolution of Net Positive Water Impact guidance and considering examples of good practice within our approach.

**15%** 

## increase in water footprint (Target: 50% reduction by 2040)

Our near-term focus has been on reducing the impact of plastic and carbon in our product portfolio. This focus was essential but meant that actions to reduce our overall water footprint were not given the same priority. As a result, our water footprint increased by 15% versus our 2015 baseline.

Much of the total footprint arises when our brands are used in the home, for example washing hands using Dettol soap. We model this use within our footprint however it is difficult to both model and control. As such, we are also considering other ways to target reductions in our water footprint. We remain committed to driving down this footprint, in line with our goal for 2040, through the formulation of our products and the development of concentrates, and with consumers.

Our ongoing sustainable innovation programme has continued to deliver improvements across our portfolio. For example, product reformulations to remove or replace high impact ingredients have improved the water footprint of our Durex HA Basic Condoms in China, and our Replex mosquito repellant and Vanish Oxi Action Powders in Brazil. Concentrated formats and formulas have delivered higher dosing in smaller packs and improved the water footprint of products, for example our Vanish Oxi Action PLUS super concentrated powder. Packaging improvements have also delivered results, for example in our selfadhesive Harpic Hygienic & Fresh Sticker toilet block.

#### Water use

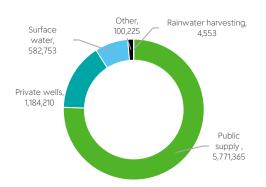
We've improved water efficiency in our operations since 2012 through site specific projects and initiatives. Within water-stressed locations, water-saving projects remain a key part of our strategy for long-term resilience, alongside our catchment area work.

During the year, we reduced water use in our operations by 6% per tonne of production versus our 2015 baseline. This was driven by production efficiencies, water treatment recovery, cleaning optimisation and water recycling. This is lower than we initially targeted, reflecting significant progress (37% reduction) up to 2020. While we continue to look for improvements, we are prioritising investments in carbon reduction.

We're increasingly recycling water and driving water circularity where possible within our factories. We recycled and reused 431,762m³ of water (equivalent to more than 170 Olympic-sized swimming pools). By increasing the water we reuse and recycle for certain operations, we reduce the amount of water sourced locally.

## Total water use (withdrawals) in our operations in 2024 (m<sup>3</sup>)

7,643,106m<sup>3</sup>



#### Water quality and wastewater

As part of our drive for a cleaner and healthier world, we strive to ensure our processes do not adversely affect people or the environment.

Our global standards include our approach to reducing, reusing and recycling water. We manage effluent in line with local legislation and our Global Wastewater Management Standard, which defines our processes for managing wastewater quality at manufacturing sites. This includes discharges directly to a water body. Performance is managed through our site audit programme.

Water used in manufacturing has to meet high quality levels. Reusing and increasing the recirculation of treated wastewater requires us to ensure those quality requirements are achieved.

We also aim to minimise the adverse impacts of potential water pollutants. Pharmaceuticals in the water environment is a growing global environmental concern. As such we're evaluating the potential 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. For example, we're investing in zero effluent discharge at key sites in China, Thailand, Malaysia and India.

We're driving our incident investigation and corrective action process further and have enhanced our internal systems to increase transparency through reporting and shared learnings.

#### Water continued

**SPOTLIGHT** 

## TOWARDS WATER POSITIVITY: DELIVERING ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACT IN MEXICO

Mexico is one of Reckitt's top 5 markets in terms of net revenue and is a target for our social impact programmes to advance access to health and hygiene. Water stress is a growing concern. Four of Reckitt's sites are in water-stressed areas in Mexico and our goal is to make them water positive. The situation is becoming increasingly critical around Mexico City, where our Atizapan and Tlalpan sites are located.

Through our Global Access Fund, we're investing £3.6 million in social impact initiatives in Mexico over the next 3 years, including rainwater harvesting in schools, the Dettol Hygiene Quest, a WWF reforestation project to support water access, and our partnership with UNFPA on sexual education and the prevention of teenage pregnancy.

More detail in our Social Impact Report

43,500+

people from the school community positively benefiting from rainwater collection systems

#### The impact of water stress on local communities

Limited groundwater, fluctuating and unpredictable rainfall, problems with water infrastructure and the demands of a growing population mean that water availability is a key focus in Mexico.

In particular, lack of water is a pressing problem for schools where an estimated 4 in 10 don't have water available every day. In areas with the highest water stress and a high concentration of people, access to water in schools can affect class hours, attendance, performance and overall learning achievement. The school next to our Atizapan site was severely impacted by water shortages, sometimes having to close for several days due to lack of sanitation.

#### What we're doing

Access to clean water and sanitation is a global challenge Reckitt seeks to address through our partnerships and programmes. In the areas surrounding our Atizapan and Tlalpan sites, we're working with local communities and Agua Capital to increase water availability by, for example, installing rainwater harvesting



systems which capture rainwater for use in washrooms and for cleaning.

So far, Reckitt and Agua Capital have installed 29 rainwater harvesting systems benefiting over 43,500 people from the school communities, and we have plans to implement more in schools near our sites in the Mexico City area.

We've also carried out water-saving pipe upgrades and leak repairs, as well as local engagement and education to increase access and awareness. To ensure ongoing impact, we continue to fund maintenance of the systems for five years post-installation.

#### Access to hygiene-health education

In 2024, we expanded the reach of this programme to more schools by partnering with Walmart on their 'Keep Kids in School' campaign. The campaign aims to install additional rainwater harvesting systems and provide education materials, particularly in the cocoa farming areas that support our Chocomilk brand.

In December, we took Dettol's educational Hygiene Quest campaign to children at schools in the Atizapan community.



#### Recharging water through reforestation

Through our partnership with WWF, we're funding a reforestation project in San Pablo Malacatepec (west of Mexico City) which will commence in 2025. The aim of this project is to reforest 210 hectares of land (about 290 football pitches). Forests support watershed management by absorbing rainwater, preventing erosion and promoting groundwater recharge.

Reforesting the land will help to retain more water in the soil and increase the recharging of water connected to the Cutzamala system, one of the main sources of water supporting Mexico City.

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

**Xochitl Morales** External Affairs Associate Director



#### Waste

# WASTE

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



#### Our targets

Zero waste to landfill at all of our factories<sup>1</sup>



Using more recycled, recyclable and reusable materials in our products and packaging

See plastics and packaging



See our Basis of Reporting on our Reporting Hub for more details

# Reducing waste from our operations and supply chain

We continue to make progress on reducing waste from manufacturing. In addition, all of our manufacturing sites have achieved and maintained zero waste to landfill. Diverting waste from landfill helps to reduce greenhouse gas emissions as less carbon dioxide and methane are released as waste degrades.

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

- Monitoring solid waste levels across our manufacturing sites and tracking performance against targets monthly
- Optimising our operations to drive efficiencies and reduce losses through the Reckitt Production System
- Identifying and developing additional initiatives to avoid, reduce, reuse and recycle solid waste through our sustainability glidepath programme

Beyond our operations, our focus is on reducing end-of-life packaging waste to support a circular economy. We're also working to cut waste in our supply chain through our ongoing partnership with Manufacture 2030.

#### Our approach to waste management

We try to avoid waste wherever possible in line with our Global Waste Management Standard and Zero Waste to Landfill policy.

Within our operations, we reuse and recycle as much as we can. We dispose of the rest responsibly in line with legal requirements and our own environmental standards and policies. This includes the correct disposal of hazardous and non-hazardous waste.

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.

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.



#### **SPOTLIGHT**

# RECYCLING AND REPURPOSING DETTOL SOAP WASTE

To support our zero waste to landfill and waste reduction commitments whilst also helping to address social challenges relating to health, hygiene and sanitation in South Africa, we initiated a social procurement initiative with Eco-Soap Bank. The partnership aims to deliver environmental and social benefits by:

- Recycling residual Dettol soap waste from our Elandsfontein factory
- Repurposing the residual soap into usable soap and creating jobs for disadvantaged women in the local community
- Providing recycled soap to children via our Dettol Hygiene Quest programme

We also have initiatives with Eco-Soap Bank in Indonesia and aim to expand the programme to more Reckitt sites, driving circularity further within our operations.

Read more in our Social Impact Report

114

total soap waste recycled (tonnes)

tCO₂e avoided







Fuelled by our people, our culture is characterised by innovation, entrepreneurship, and an orientation to action.

With more than 35,000 colleagues from 125 countries, Reckitt's global footprint facilitates proximity to, and in-depth knowledge of our customers and consumers, shaped by the lived experience of our own people.

This diversity is a strength that enriches our thinking and contributes to our success and growth, in turn

enabling us to play an active role in supporting and contributing to the societies in which we operate.

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

#### Highlights:

51%

women in management roles

## **Living Wage**

Global Accreditation

## **Top Employer**

in 15 countries









#### Our people



# A DYNAMIC AND **EVOLVING CULTURE**

In 2024 we continued to strengthen our performance culture, building on the strong foundations of our compass and Leadership Behaviours. We further aligned all our people processes to support the strategic reshaping of our business."

In July 2024 Reckitt announced the strategic reshaping of our business to sharpen our portfolio and further simplify our organisation for accelerated growth.

As we continue to build a world-class consumer health and hygiene company, high performing teams with a clear strategy and operating within our simpler organisation will be key to our success.

Doing the right thing, always, is at the centre of our Compass, and this, along with our Leadership Behaviours, supports our decision-making and drives our success.

#### 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

#### Our people imperatives focus on:

#### Attracting, developing and retaining Reckitt leaders

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.

#### **Embedding our unique culture**

We have a special culture, delivered through our people and brands. We always strive to have purpose-led leaders who thrive in our inclusive and high performing culture. 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.

#### **Enhancing employee experience**

Our commitment to protect, heal and nurture means promoting and safeguarding physical and mental wellbeing, as well as ensuring safety in our workplace. It also means giving employees the right experience every day they work



#### **External recognition and accreditations**

Reckitt achieved Global Living Wage Certification from the Fair Wage Network, having already achieved UK accreditation in 2020. This certifies that we pay all our employees in all our markets at least the living wage for that location. Paying a living wage enables workers to meet the basic needs of themselves and their families - including food, housing, education and healthcare. It goes beyond minimum wage and helps people to earn a sustainable livelihood. Our global commitment extends not only to employees but also interns, trainees and apprentices.

We received accreditation from the Global Equity Standard (GES), reflecting our commitment to widening participation and increasing diversity. Having achieved local GES accreditation in Brazil, India and the US in 2023, we additionally achieved local GES accreditation in Mexico and the UK in 2024.

Reckitt was named a Top Employer in 15 countries and certified as a Great Place to work in 4 countries. The Top Employers Institute is the global authority on recognising excellence in people practices.



























Out of nearly 300 companies surveyed, Reckitt 2024 summer internship programme in the US won 3 awards from Vault, a career intelligence platform, in the categories that help us to drive inclusion. Additionally, Reckitt US was selected as a 2024 'Campus Forward' award winner by RippleMatch for our commitment to seeking out and hiring early career talent and investments in nurturing and retaining the next generation of diverse talent.

We have seen significant progress on LGBTQ+ Inclusion across the globe. Reckitt India was awarded a bronze rating by the India Workplace Equality Index. Reckitt UK and Ireland was named one of the Top 11 Employers in 2024 for LGBTQ+ inclusion for the second year in a row by Stonewall's UK Workplace Equality Index. Additionally, Reckitt USA, Brazil, and Mexico were also named a Best Place to Work for LGBTQ+ inclusion by the Human Rights Campaign Foundation (HRCF), providing us with the distinction of "triple certification."

Reckitt was shortlisted for 'Best overall performance in fostering employee **share ownership'** at the 2024 ProShare Annual Awards. As the voice of share plan practitioners and professionals, ProShare is focused solely on helping to promote employee share ownership. These are the top awards for companies committed to employee share ownership and recognise outstanding achievement, and whose actions are conducive to fostering employee share ownership in the longer term.





# **AWARD-WINNING** TALENT ATTRACTION

During 2024, our approach to attracting talent continued to evolve. With the purpose of strengthening our internal capability through the recruitment of strong external candidates, we have continued to focus on three strategic imperatives that showcase our business, brands, people and purpose to external talent:

- Amplifying our employer brand
- Attracting and hiring the best talent for our culture
- Delivering a fairer and more inclusive candidate experience

#### Amplifying our employer brand

With a clear employer brand that focuses on the strengths and diversity of our brands and colleagues, our focus has been to build Reckitt's profile within the audiences who have the skills and capabilities we need for future growth.

Our 150+ employee advocacy network delivered engaging, employer brand content throughout their global network, making Reckitt more accessible to potential candidates than ever before. We've seen increases across our LinkedIn followers (+16%) and Jobs and Life page views (+27%), and candidates registering their interest in working for us. This has reduced our time to hire, and attrition at 12-months, while increasing applications through our partnership. Our career site now makes it easier to find a role or sign-up to our talent community - with 83% of jobseekers leaving the site with an improved perception of Reckitt.

#### Attracting and hiring the best talent for our culture

At the heart of our talent strategy is to hire the best talent, ensuring fairness and focused on the skills we need for future growth. While doing this we also aim to deliver diverse and gender balanced candidate groups, building the diversity of our business as we leverage different viewpoints to problem solve and innovate.

In 2024, we adopted a skills-first strategy to build better, wider and more diverse talent pools. Part of this was embedding our new candidate experience inclusion policy which included a refresh of thousands of job adverts, neutral language in job postings, conscious inclusion learning for all colleagues, diverse and balanced shortlists and interviews conducted in pairs to mitigate bias.

The majority of our hiring is now done in-house by our Talent Acquisition team. Our talent acquisition scorecard is fully established, providing us with actionable insight across the recruitment journey.

The executive search team has continued to underscore our success by redefining our leadership recruitment approach to bolster our leadership capability around the globe.

#### Delivering a fairer and more inclusive candidate experience

To ensure we live up to our employer brand and recruitment promise, we've continued to improve the candidate experience. This has been delivered through an expanded global interview toolkit, TA and hiring manager disability confidence training, and the launch of our global digital preboarding platform.

Our 'Moments That Matter' approach for early talent, has delivered an engaging, immersive and empathic recruitment experience, designed to recognise candidate strengths and potential. This includes the introduction of a strength-based online assessment and video interview, which has streamlined the process for candidates and recruiters, and is followed by a feedback report which presents their top strengths demonstrated in the assessment.

The launch of our new candidate experience survey means we understand how our candidates feel during the recruitment process, with 97% of all successful and non-successful candidates positively answering: 'I felt I can be myself during this stage of the process'.

Taken together, these three focus areas are enhancing our existing talent pool. Building on our internal skills, knowledge and experience, the attraction, recruitment and onboarding of external talent is building our capability in the areas that will support our future success and growth strategy.







High performing teams utilise the unique perspectives and experiences of the people within them to fuel their performance. At Reckitt, we all bring our own expertise, and I'm committed to making sure that every one of our colleagues feels valued, heard and able to contribute."

#### **Kris Licht**

Chief Executive Officer

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#### Our people continued

# TRAINING AND DEVELOPMENT

Developing our internal knowledge, skills and experience is a priority at Reckitt and during 2024 we have continued to invest in our people. We believe in developing people through on-the-job learning, supported stretch opportunities and a suite of online learning through our myDevelopment -Learning platform.



As the speed with which technology impacts our lives increases it is imperative that we focus on re-skilling our people to take advantage of new market opportunities which in turn serve our customers better and ensure our long-term relevance."

#### Munazza Kasmani

VP Talent, TA, Learning, Leadership **Development & Inclusion** 

We've seen a significant increase in uptake since the myDevelopment - Learning platform was introduced. During 2024, over 17,000 colleagues visited the platform, completing over 187,000 courses and development activities from LinkedIn learning.

All colleagues 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 Global Future Leader Development Programme (see right).

We continue to evolve our Functional Development Academies, which now number ten, and provide employees with access to material intended to boost their specialist knowledge, expertise, capability and

#### **Regional programmes**

In addition to delivering leadership and learning programmes at a global level to boost alignment and consistency of experience for both Reckitt employees and customers alike, we recognise the value in offering local solutions where specific needs arise. An example of this is LEARN2GROW in Reckitt Pakistan.

The learning programme focused on building organisation capability on:

- Leadership using our global programme content
- Specialist competency development, focusing on local gaps identified through the self-assessment tools as part of our Functional Academies
- 3. Soft skills such as advanced presentation skills

This was a great example where global diagnostic tools were used to identify local development hot spots, leading to some tailored solutions. At the end of the two-year programme over 2,000 learning hours had been clocked up and the number of employees with a personal development plan rose to over 96%.

The programme was also instrumental in reducing attrition amongst the target population from 26% before the programme to 19% post the programme. This was largely delivered by Reckitt employees, supporting our commitment to the principle of leaders growing leaders.

#### SPOTLIGHT

#### INVESTING IN OUR FUTURE LEADERS

Our Global Future Leader Programme is focused on middle managers who aspire to move into senior commercial leadership roles in the short to medium term and have been assessed over time as high potential talent.

With global participants, the programme is run inhouse by our leadership development team and supported by senior HR and commercial leaders. It enables participants to gain valuable insights from seasoned Reckitt employees as they build connections and network with their peers.

Participants take part in activities to evaluate their strengths and areas for development. This results in an overall summary which supports the participant and their line manager to create a development plan that supports their further personal growth and boosts their readiness to take on a more senior role.

It is also an opportunity for the participants to further clarify and articulate what their aspirations are, both in terms of their next role, but also mobility and the extent to which they would like to develop their career via an assignment beyond their current location.

A full summary of all results are shared with our senior talent and HR leaders to raise the visibility of

talent across the organisation. This supports an integrated approach to talent management, increasing the likelihood of us being able to retain our best people by putting them in roles aligned to their aspirations and where they have the opportunity to grow.

Since 2021, we have had 164 participants take part in the programme. Of this group, nearly a quarter have changed location to gain different experiences, a guarter have changed function and almost a third have changed role and been promoted, highlighting the success of the programme in both developing and creating new opportunities for our talent.





#### **Enhancing our policies and processes**

Our ongoing commitment to providing a work environment free from harassment, discrimination. violence and bullying empowers our people to report any concerns. We continue to refresh and strengthen our policies and ways of working which underpin our commitment to inclusion and fairness.

Our policies on Diversity and Inclusion, Anti-bullying and Harassment and Wellbeing provide a framework to create a positive and respectful working environment

Reckitt's Global Inclusion Internal resource hub provides a place for colleagues to build capability on the role they and their teams can play in creating a more inclusive culture. We created event guidance to encourage greater accessibility and inclusion during meetings and events.

Our Global Disability and Adjustments policy was updated in 2024. Designed for colleagues with disabilities, long-term health conditions, and/or unique needs, the policy exists to ensure everyone has full access to our facilities, resources, and opportunities.

Our Neurodiversity Toolkit was updated to incorporate guidance and resources for neurodiversity inclusion, with a focus on the three most common neurological differences: dyslexia, Attention-Deficit/Hyperactivity Disorder (ADHD), and autism spectrum disorder. In addition to resources for learning, employees provided first-hand experiential narrative.

We expanded our private healthcare insurance to all UK employees effective from 1 January 2025. We also enhanced the benefit to provide access to support for menopause and neurodiversity.

#### Supporting our people's wellbeing

As we have delivered organisational and structural changes during 2024, the health and wellbeing of our people has remained a priority.

- Our Employee Assistance Programme (EAP) has continued to offer our employees support from professional third-party advisors both online and via telephone. Accessible to globally employees. across a number of languages, the EAP delivers confidential, anonymous, and impartial guidance on a variety of topics, including mental health and financial difficulties
- Our **Global Wellbeing Hub** is available through our intranet. Acting as a single information point for all Wellbeing information, support and tools, the hub provides employees with opportunity to access practical advice as needed. In January 2024, we launched our 'Better Life Journey-For-All' tool through the Hub. This provides all Reckitt employees with a free holistic wellbeing assessment resulting in a personalised report and the offer of one-to-one support from a coach-ondemand. To increase accessibility, the Better Life Journey-For-All tool has been made available in 14 languages
- Following our strategic announcement to reshape our business in July 2024, our calendar of Global Wellbeing Webinars were reframed to focus on managing wellbeing, leadership, and mental health during times of change

 We worked with our partners at Hintsa; a global leader in wellbeing and high-performance coaching, to create and launch a new 3-part Mental Health Curriculum – 'Better Mind, Better Life'. This was curated specifically for Reckitt, in collaboration with doctors, executive performance coaches and clinical psychologists. The curriculum is made up of three mixed-method modules focused on preventing challenges by managing day-to-day mental health and workplace stressors. The content is available in four languages, which reaches circa 60% of our global workforce







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#### Our people continued

## **INCLUSION AT RECKITT**

We aim for our workforce to represent the geographies that we operate in and the consumers we serve. Our global inclusion strategy is centred around three pillars - People, Brands and Procurement.







Our goal is to continue to build a fair and inclusive culture where everyone is welcomed, respected, heard, and valued. We believe that building an inclusive culture is everyone's responsibility, defined by our Compass and Leadership Behaviours.

Our workforce is a source of competitive advantage. Every one of us is unique, with our own background. experience and cognition. This gives us diversity of thought, enabling creative solutions. Unlocking this also provides access to and retention of the best talent; they can see how they can develop and succeed.

Likewise, providing meaningful products and services to our consumers increases our reach, whilst supporting small and diverse businesses is an active way for us to leverage our scale as a force for good.

Together, our colleagues, partners, brands and supplychain will drive this change as we continue to reflect the diverse and inclusive world in which we operate.

#### Inclusion at Board level

Leadership is vital to embedding our culture and achieving strong and sustainable performance.

Our Global Inclusion Board, chaired by our CEO, drives our inclusion agenda and focuses on increasing leadership accountability for creating and sustaining an inclusive culture. The Board drives strategic oversight, delivery, monitoring, and reporting of our inclusion agenda, aligned to our purpose.

The Global Inclusion Board's membership is made up of leaders as well as senior sponsors of our four global ERGs, enabling the Board to make informed decisions based on our people's voices and needs.

The Global Inclusion Board works in partnership with Local Inclusion Boards as well as local ERG chapters (more on page 50). We encourage leaders in each region to establish and run a Local Inclusion Board, providing a local forum for colleagues to share views and feedback.

As well as our focus on inclusion within the workplace. we support our wider communities via our brands and throughout our supply chain.

#### Our inclusion strategy

Our global inclusion strategy is centred around three pillars:

#### People

Building and maintaining a culture of inclusion that's owned by everyone, and ensuring our people represent the diverse geographies that we operate in and the consumers we serve.

#### **Brands**

Our brands reflect the consumers we serve in an inclusive manner.

#### **Procurement**

We use our scale and reach to influence broader change across the supply chain, partnering with suppliers that share our commitment to a fairer, more inclusive society. This includes small businesses, and those with owners and workforces from diverse and minority communities.



See more about diversity within our supply chain

#### SPOTLIGHT

## THE POWER OF MENTORSHIP

We believe in the significant role mentoring plays in developing and growing leaders. There are various mentoring and coaching programmes across Reckitt that support both individual and business

Reckitt Nigeria hosted a speed mentoring event as part of International Women's Day 2024. This provided colleagues the opportunity for quick-fire exchange of ideas in groups with senior women leaders. The format enabled effective development advice and targeted networking for attendees. Speed mentoring was replicated in many markets as part of our global ambitions in 2024. Mentees are matched with mentors based on key topics of interest that they could benefit from.

In the true spirit of leaders growing leaders, Reckitt Brazil delivered a longer-term mentorship programme for women at mid-manager levels. The programme supports participants through targeted coaching for 9 months. A key element of this programme is that participants become mentors after the programme for others in the business. One output from the programme has been career progression for many participants.





For more detail on our governance framework and how the Board oversees culture, diversity and inclusion, see our 2024 Annual Report

#### **Growing our inclusive culture**

We are committed to diversity across all levels of our organisation and continue to build our understanding of Reckitt's 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 more than 20 countries and provides valuable insights which inform our inclusion policies and approach.

'Inclusion at Reckitt' is part of our employee onboarding, outlining clear expectations of respectful and inclusive behaviour. The training module equips people with examples of inclusion in practice and encourages self-reflection throughout. Almost 90% of colleagues had completed this training at the year end

#### **Conscious Inclusion Programme**

Our efforts towards everyone taking responsibility for building a fair and inclusive culture are supported by our global conscious inclusion programme. The programme includes a focus on valuing diversity, mitigating bias, micro-messaging and allyship. It gives teams the opportunity to workshop and explore the role we all play in creating a more inclusive workplace. Almost 12,500 colleagues have participated since the programme began.

#### Stronger Together

We want everyone to be able to fully contribute to our business and be supported to thrive. We believe that we are stronger together.

Established in 2021, Reckitt's conversation series 'Stronger Together' continued throughout 2024. These sessions shine a spotlight on diversity and inclusion topics, airing issues that matter to our people and including personal stories from colleagues. Run on a

global basis, with many others held locally and regionally, the conversations share inspiring and challenging stories around the intersectionality of sexuality, disability, ethnicity, caregiving responsibilities, mental health and other experiences such as living with cancer.

#### Inclusive Actions

We expect our leaders to role model inclusion daily and our management and leadership programmes include a focus on leading inclusively. The Reckitt 'Inclusive Actions' were launched with senior leaders in 2024 and this work will continue into 2025 and beyond. Reckitt's Inclusive Actions focus on building diverse teams, active listening, inviting multiple perspectives into decision-making and recognising individual contributions.





Sharing and listening to individual experiences through the conscious inclusion programme opens your eyes to the different backgrounds of colleagues and is a reminder not to make assumptions. We are stronger together when we embrace our diversity and leverage everyone's strengths. Our team discussion as part of the conscious inclusion programme gave us all a greater insight into each other and how we can build inclusion into our ways of working."

#### Simon Barron **SVP Reward**

## SPOTLIGHT

## STRENGTHENING THE IMPACT OF THE LOCAL INCLUSION BOARD IN INDIA

In 2024 we launched our South Asia Local Inclusion Board. The Board is made up of senior representation from all areas of the business and sites across the region. Visible senior leadership support as allies and role models has been vital to the Board's reach and impact, which also represents local Employee Resource Groups (ERGs) - Women, LGBTQ+ and Disability.

A combination of succession planning and talent attraction has led to increased representation of women across the region. Reducing pay differentials has been a key focus for us and we have eliminated pay inequities between men and women. 2025 will see us sharpen our focus on recruiting more women in production roles with the aim of achieving greater balance across our operations.

In addition, we reviewed critical support policies and redesigned our site infrastructure to be more inclusive including gender neutral bathrooms and braille signage.



We want to be ahead of the curve of local legislation, clearly signalling our intent to be an inclusive employer who values the uniqueness of all our people and future employees.

Our efforts are being noted externally. Reckitt India was recognised as a Bronze Employer in the 2024 India Workplace Equality Index (IWEI).





Our commitment to building an inclusive organisation is woven into the fabric of our culture. We have expanded the reach of some key benefits and policies to better support all our employees. We have enabled a more inclusive lens on supporting colleagues starting to or adding to their families as well as families with differently abled children. Simultaneously, we have dialled up support for neurodiverse colleagues and those transitioning gender. While gender balance and LGBTQ+ inclusion have found a strong footing in 2024, 2025 is about strengthening our disability agenda."

Gauray Jain. EVP. Reckitt South Asia

#### **Employee Resource Groups**

Our Employee Resource Groups (ERGs) raise the visibility of underrepresented communities. They include colleagues from the communities the ERGs represent as well as those who support them as allies.

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 the ERG on our Global Inclusion Board. They provide input on consumer perspectives and inform our innovation process.

Our Global ERGs are built around four diversity strands; Women and Gender Balance, Disability and long-term health conditions, the LGBTQ+ community, and Race & Ethnicity. With many markets hosting local chapters of our Global ERGs, these communities play a critical role in growing our Inclusive Culture.

#### **Driving intersectionality**

ERGs are important drivers of intersectionality and allyship. Identities such as ethnicity, 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 foster a more holistic approach to diversity and inclusion that recognises this intersectionality. Through their ongoing collaboration, they contribute to a more supportive and inclusive environment where colleagues from a variety of backgrounds can connect, learn from each other and advocate for progress.

#### **DISABILITY@RECKITT**

Focuses on enabling and empowering

caregivers to fulfil their potential. Builds

people with disabilities and their

awareness and knowledge of

disabilities across the business.

#### LGBTQ+@RECKITT

Celebrates diversity at Reckitt in all its forms by empowering LGBTQ+ people to thrive at work. Mobilises a strong community of allies who help drive awareness and momentum of support across and beyond the organisation.

#### RACE&ETHNICITY@RECKITT

Promotes actions to enable a workplace where colleagues of all races and ethnicities can thrive and maximise their contributions to, and value within, Reckitt.

#### **WOMEN@RECKITT**

Champions the case for change and shines a light on the everyday experiences of women. Working to accelerate our business towards our vision of gender balance at all levels of management by 2030.

#### **SPOTLIGHT**

#### CARERS@RECKITT IN CHINA

As well as our four global ERGs, countries also have the opportunity to establish locally focused groups. In China, our colleagues include an ERG focus on Families and Carers. The local ERG's aim to focus efforts on creating a culture that is family-friendly, actively supports those with caring responsibilities and is inclusive of all families

Recognising the family-oriented nature of Chinese culture, local colleagues place a high emphasis on the importance of providing holistic support to employees with caregiving responsibilities. The recently launched ERG has been successful in garnering support and engagement with members including those caring for children under 18, elders and in many cases, both.



I feel very supported as part of the newly launched Carers ERG. Juggling work and caregiving responsibilities simultaneously can be a challenge. The ERG provides me with a sense of community, offers understanding and super useful resources. It is reassuring to know Reckitt values and supports carers like me."

#### Zero Fan

Quality Manager, China

#### SPOTLIGHT

#### **CROSS-ERG UNITY DAY**

Intersectionality is a key driver for our ERG community. In 2024, we hosted a cross-ERG event 'Unity Day' in our North America region celebrating the theme of 'United in Freedom'. The event served as a platform to engage and recognise different communities, raising awareness of the diversity of lived experiences. Through this event, more colleagues learned about our ERGs and we saw an increase in those joining the membership base.





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#### Our people continued

# **INCLUSION IN ACTION**

In 2024, we launched the Reckitt Positive Portrayal Panel in Europe, expanding on our North American initiative from 2023. Partnering with our Marketing Excellence Team and the ERG community, these volunteer panel members receive bespoke training to collaborate with Reckitt brand teams on select campaign executions. This initiative ensures that diverse representation and positive portraval of all communities remain central to our consumer focus.





Being part of the Positive Portrayal Panel has enabled me to not only understand our inclusive brand strategies, but also contribute to it reflecting my identity and community experience. I am proud to have worked on various campaigns through Europe and ANZ and to work for Reckitt, knowing that we put people first by ensuring every experience is positively represented."

#### Frederic Esclassan

Global Medical Science (GMS) Lead, Insight & Engagement LGBTQ+ ERG representative in the Positive Portrayal Panel

Our Race & Ethnicity ERG hosted a Global Day Against Racism event to highlight the power of allyship with our CEO joining the discussion. With this event as a launching point, local Race & Ethnicity ERGs around the globe hosted local conversations and events throughout the year to celebrate, learn, and create greater connections among our workforce.

Our LGBTQ+ ERG, alongside Durex, spearheaded efforts to promote equality and share experiences that highlighted the importance of allyship as part of Pride 2024. Senior leaders played a crucial role, sharing their own experiences and underscoring the belief that achieving true inclusion requires everyone's participation.

In partnership with our Disability ERG, a key focus was to enhance our digital environment. In 2024, we prioritised supporting colleagues in utilising tools that make our digital workspace more accessible for everyone.

We also refreshed and deployed our Caregivers programme, designed for colleagues who have responsibility for caregiving. Our focus for the programme was to pivot the emphasis from 'surviving' to 'thriving'.

### SPOTLIGHT

#### BETTER SUPPORT FOR CANCER

About 1 in 5 people develop cancer in their lifetime and approximately 1 in 9 men and 1 in 12 women die from the disease\*. Yet for many people, openly talking about it is taboo, especially at work.

The Reckitt Cancer Experience Network, part of the Disability@Reckitt ERG in the UK, was inspired by our experience as a founding partner of the Working With Cancer Pledge, established to rally companies around the world to erase the stigma of cancer in the workplace.

Reckitt Chief Medical Officer Bruce Charlesworth, who was diagnosed with cancer in 2022, actively engaged with the opportunity to address the stigma and provide support for Reckitt employees who are living with cancer, or are supporting family or friends of cancer sufferers.

"Our approach centres around three pillars: care, community and communication. The focus is on continually reviewing how we support colleagues with cancer, establishing a community and openly communicating with colleagues. We created resources to support those affected by cancer by giving practical advice about framing conversations and offering guidance to employees and line managers."

2025 will see us dialling up our efforts. On World Cancer Day in 2025 we majored on the global theme of 'United by Unique', placing people at the centre of care and their stories at the heart of the conversation.

Whilst the network has evolved in the UK initially, we're hopeful that networks will form in other regions too, being mindful that the experience of cancer diagnosis, treatment and care varies from one culture to another. We also realise that every individual experience is unique.

"It's important we listen to those touched by cancer, adapting our response accordingly," says Carrie Adams, Reckitt Global Head of Inclusion, "For example, some people won't want to talk about it at all - and were respectful of that. Cancer is much more than a diagnosis, it's a deeply personal and individual experience."





When you're put in survival mode, you can't think of anything else in that time. What's helpful is to have support from the workplace, the wider community and friends and family."

#### Jennifer Balestra

R&D Manager, Reckitt US

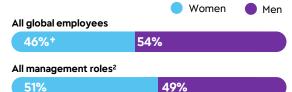
#### Gender balance within our workforce

Gender balance, especially in leadership roles, is critical for our long-term business success. Whilst we take both a global and local approach, we are mindful that gender balance in the workplace may vary in some markets.

We also monitor gender balance at lower levels of management, revenue generating and STEM-related positions. This supports our aim to ensure future senior leadership teams are more representative of our colleagues and our customers.

#### **Gender balance across Reckitt**

as of 31 December 20241



#### **Group Board**

34%+

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64%+ 36%

#### **Group Executive Committee (GEC)**

40%+ 60%

#### GEC and direct reports

36%+ 64%

66%

#### Senior management team

Junior management<sup>3</sup> 52% 48%

#### Revenue generating positions<sup>4</sup>

55% 45%

#### STEM-related positions<sup>5</sup>

57% 43%

Further information on our methodology for calculating diversity performance is available in our Basis of Reporting on our Reporting Hub Nearly half of our employees are women. Our ambition is for 50% gender balance at all management levels by 2030. We have achieved this ambition for all management roles<sup>2</sup>, junior management roles and at Board level. Our focus remains on building balance at the mid-senior levels of the business.

For International Women's Day 2024, Women at Reckitt ERG chapters led local activations including Stronger Together conversations and Speed Mentoring events.

We select candidates solely on merit and qualifications. aiming to deliver a fair and equitable process for all applicants. For more on Inclusive Hiring Practices, see page 45.

- <sup>†</sup> 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 2024 for active Reckitt employees (excluding contractors). Excludes employees who have not disclosed their gender: 18 people
- 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
- 5. STEM-related positions include the job functions of IT, medical and R&D





The 'Women in Finance' workstream is led by various finance leaders across the globe, including me. Our priorities include succession planning, mentoring, flexible working and supporting the return to work for new parents. We want to ensure that all our colleagues have the right tools and support to succeed in their careers at Reckitt."

#### **Renata Moraes**

SVP Financial Planning, Category and Markets

#### SPOTLIGHT

### WOMEN IN STEM AND THE SCIENCE INSIDE

Despite women representing half of the global population, less than a third of researchers globally are women\*. While there is great progress being made in the medical and microbiology fields, there is still work to be done in other areas – such as data science, physics, chemistry, engineering and advanced mathematics.

\*Source: uis.unesco.org/en/topic/women-science



Our Research and Development (R&D) team showcased the diversity of science careers available - countering the idea that R&D is limited to working in a laboratory.

They highlighted the key role women play in creating innovative solutions to improve women's health. In February 2024, colleagues created 'The Science Inside', a month-long education campaign following the International Day of Women and Girls in Science.

The project included conversations with Reckitt scientists on topics including the gender pain gap and women's intimate health. A key objective of 'The Science Inside' was to show that women play a critical role in this discovery work. In many cases leading the science - bringing their own understanding and experience to develop products and solutions for women's health.

Today, according to UNESCO, women are underrepresented in STEM careers, representing less than 30% of the Global STEM workforce. Additionally. only one in ten STEM leaders is a woman. Showcasing women in leadership positions in R&D is a way of challenging possible bias.

Reckitt works with partners around the world to encourage and support more girls - including those from underrepresented communities - to consider a career in STEM. In South Africa, Reckitt partners with the Techno Girl Trust to widen girls' STEM horizons through job shadowing, bursary and mentoring schemes. Those taking part receive help and guidance in choosing relevant science subjects to study and degree programmes to apply for.



I grew up in a Soweto township and was often overlooked for additional learning opportunities as my teachers, though well-meaning, assumed my family could not afford the bus fare to Saturday classes.

I want our Techno Girls to find the mentors and role models I would have loved to have had growing up.

The Techno Girl programme gives me absolute assurance that the future talent pipeline for Reckitt is strong, and I can't wait to have a full circle moment when, I hope, some of these bright young women finish their studies and join us at Reckitt."

#### **Prisca Langa**

Talent Acquisition Manager, Africa and TechnoGirl Programme Lead









#### **SPOTLIGHT**

# LEVERAGING THE POWER OF OUR BRANDS

Our mission extends beyond delivering hygiene, health, and nutrition products. Our commitment to positive impact is embedded in the DNA of our brands.



#### Vanish: More than just clothes

In conducting focus groups in relation to how people in the UK feel about their clothing, Vanish uncovered the emotional attachment people feel towards their favourite garments. This is particularly significant amongst those within the autism community, many of whom rely on the comfort and familiarity of clothing.

Vanish continued to partner with **Ambitious about Autism** to build on the campaign 'Me, My Autism and I' in 2024. Phase 2 of the campaign focused on 'More Than Just Clothes' highlighting the importance of familiar clothing for people with autism. The campaign aims to foster a wider, societal conversation and promote behaviour change to better accommodate the clothing needs of autistic individuals.

By telling the story of two girls, Lani and Cozzie, the campaign shines a light on the life-changing role clothes can play in autistic lives. Vanish created the More Than Just Clothes pledge so people can better understand the clothing needs of autistic people and help them thrive.

To increase reach and impact, we hosted an event at the House of Commons. The reception raised awareness to Members of Parliament in the UK about the challenges some autistic people face within mainstream education, urging policymakers to prioritise creating an education system where every child can be themselves and realise their ambitions.



## **NUROFEN**

#### Nurofen: Measuring and closing the Gender Pain Gap

When Reckitt published research into the gender pain gap in 2022, we outlined a number of actions to address, including the 'Gender Pain Gap' in the UK. This is the phenomenon in which pain in women is not as well understood and sometimes overlooked compared to pain in men. We committed to measuring and closing the gap over time. Our first two Gender Pain Gap Index Reports revealed women feel like their pain is disproportionately ignored or dismissed compared with men, and showed there are consequences – the gap means women experiencing longer diagnosis times than men for the same pain.

Ongoing tracking and reporting enables us to delve into the longevity of women's pain dismissal and actively contribute to closing the gap.

Nurofen released its third Gender Pain Gap report in 2024. The report reveals that the gap still exists – and that women's pain is being ignored or dismissed from as young as ten years old to until older-age.

See more at
See My Pain | Nurofen



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### Our people continued

## **GLOBAL GENDER PAY 2024**

Reckitt's 2024 Gender Pay performance shows similar trends to last year, but also demonstrates the diversity of cultures in which we operate.

In Brazil, India, Mexico, Poland, UK and USA, median pay gaps remain in favour of women. In half of the markets, the median pay gap is closing, but in two markets -China and Thailand - there is a widening median gap in favour of men. We anticipate that the proactive steps we are taking towards gender balance will be reflected in gender pay in future years.



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.

We've been disclosing gender pay data since 2017 in the UK, where businesses are required to disclose mean and median gender pay gaps. We also voluntarily report data for nine of our largest markets, including Brazil, China, Hungary, India, Indonesia, Mexico, Poland, Thailand and the USA. Collectively this covers around 65% of our workforce. As a responsible corporate citizen we believe we must role model the change we want to see.

We report on both the median and the mean pay gaps, which provide a comprehensive view of gender inclusivity in our businesses globally, at all levels.

#### Understanding pay gap data

A gender pay gap does not mean there is unequal pay between 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 here for the 10 markets includes:

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

#### **MEDIAN GAP**

**Median** is largely driven by the proportion of men and women working in manufacturing



#### **MEAN GAP**

Mean is largely driven by gender demographics in senior roles





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.

We have identified four key gender pay groups with shared characteristics. Over the following pages we highlight the structural reasons behind the data.







#### Poland, India, UK

Median pay and bonus gaps are in favour of women.



See pages 56-57







#### China, Hungary, Indonesia, Thailand

Median pay and bonus gaps are in favour of men.



See page 58





#### Brazil, USA

Median pay gap in favour of women and median bonus gap in favour of men.



See page 59



#### Mexico

Median pay gap in favour of women and no bonus pay gap.

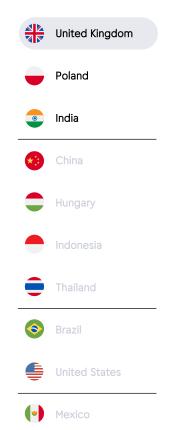


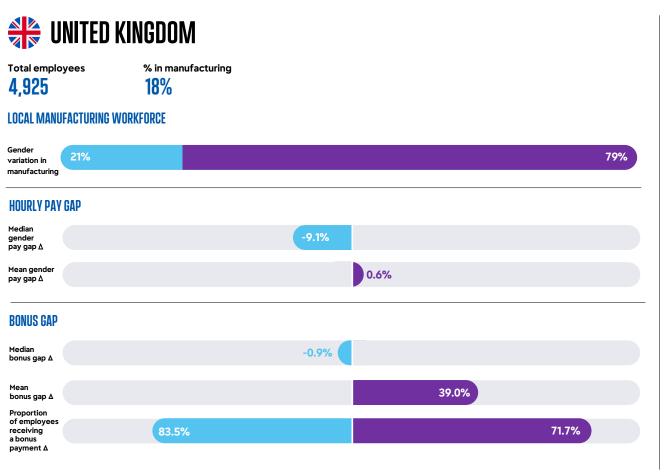
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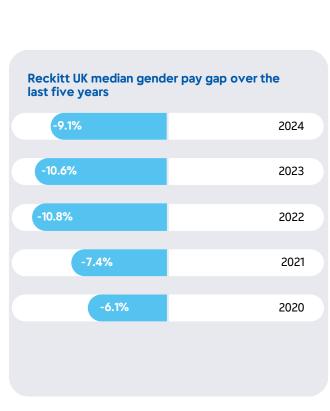
Fairer society

#### Our people continued

#### **Gender pay performance 2024**





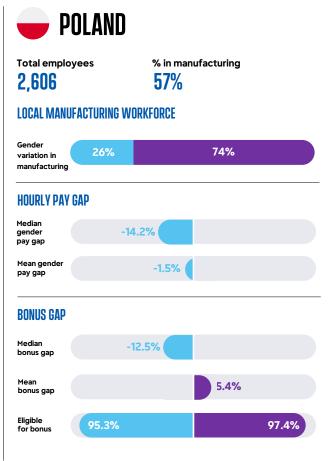


Our UK gender pay data is combined from our nine UK businesses. A The triangle icon indicates where the metrics have been assured (limited assurance) by our independent assurance provider, KPMG, and reflects the position as at April 2024. Please refer to the Annual report and Appendix for details. In 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.

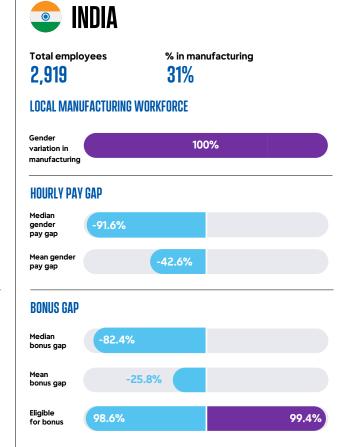
#### **Gender pay performance 2024**

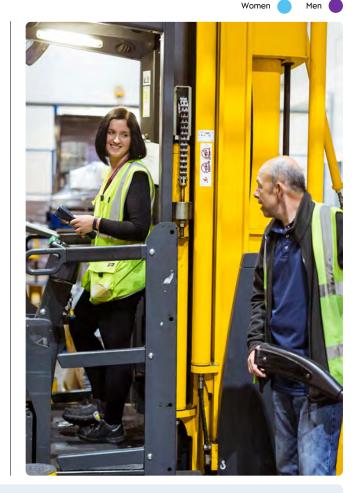
#### Voluntary disclosures





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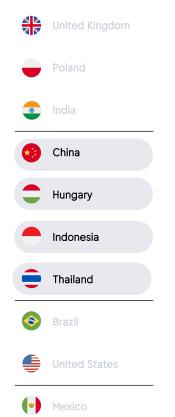


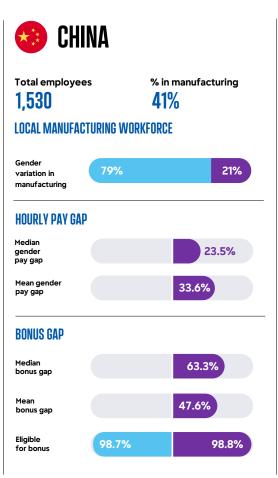


Men significantly outweigh women in lower levels in these markets (driven by manufacturing sites). Men have more representation than women in manufacturing and therefore both median pay gap and bonus gap are in favour of women, since the mid-point woman holds a more senior role than the mid-point man. In the case of India, manufacturing roles are 100% occupied by men, hence a bigger median pay gap in favour of women.

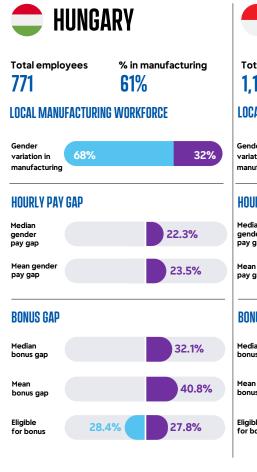
#### **Gender pay performance 2024**

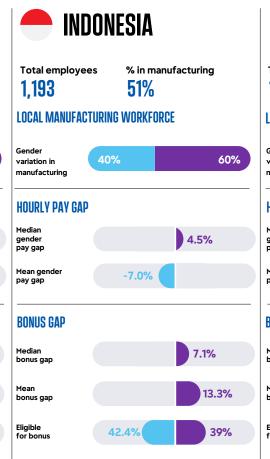
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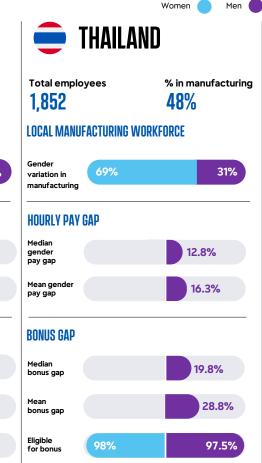




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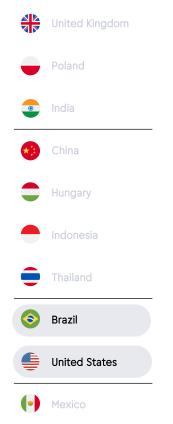


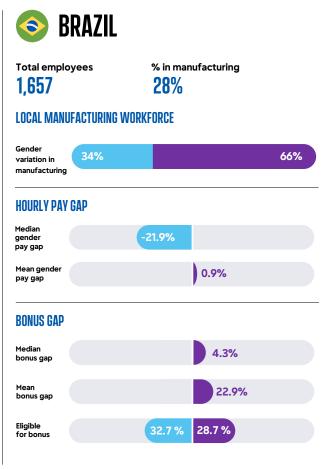


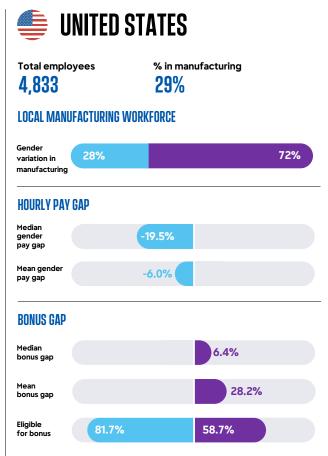
In China, Hungary and Thailand, there is a higher proportion of women than men in manufacturing roles which results in the median pay being in favour of men. In Indonesia, men have a higher representation in manufacturing, but women are less represented at senior and middle levels (although this is increasing), which also results in the median pay gap favouring men.

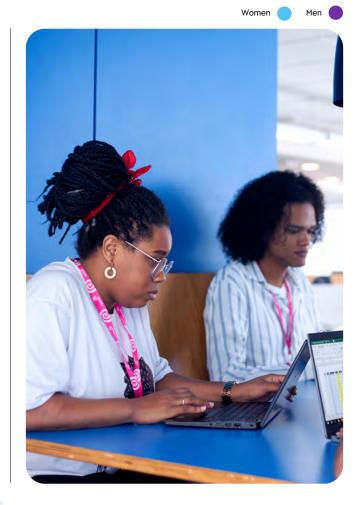
#### **Gender pay performance 2024**

#### Voluntary disclosures







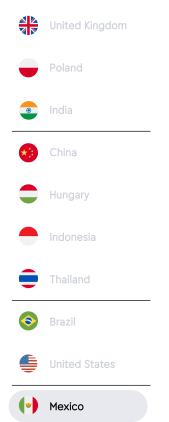


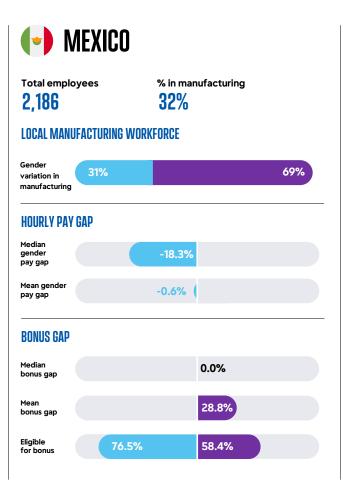


In Brazil and the United States, manufacturing sites are largely populated by men, which causes the median pay gap to be in favour of women. Manufacturing employees are not eligible for a bonus. However, the bonus gap is still in favour of men, because women who are eligible for a bonus are slightly over-represented at lower levels.

#### **Gender pay performance 2024**

#### Voluntary disclosures









In Mexico, there is a substantially higher representation of men in manufacturing, resulting in a median pay gap in favour of women. As the bonus-eligible population is evenly gender-balanced, there is no median bonus gap.

## **HEALTH AND SAFETY**

Across Reckitt, health and safety hazards vary depending on people's roles and where they work. Within our diverse global team, around 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.

#### Managing health and safety

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 regularly review our global standards and revise them where necessary. 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.

Our global manufacturing sites 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.

#### 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 vear by senior health and safety team members. Findings, including corrective action for any issues identified, are reported to the GEC.

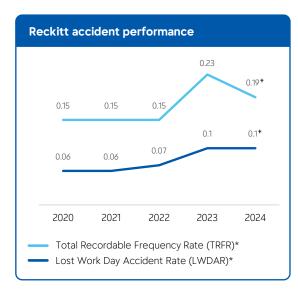
Corrective actions are logged and progress tracked through our Health & Safety management system. Audit actions are reviewed monthly by the Health & Safety leadership team.

#### Progress and performance during the year

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.

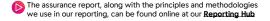
We're also part of a global industry health and safety roundtable network where we discuss key issues and trends, share best practices, global incidents and health and safety performance metrics.

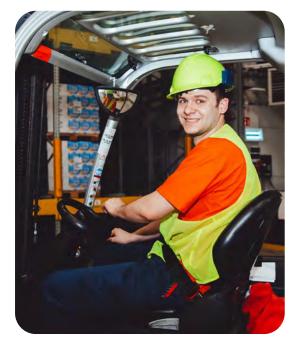
Our Total Recordable Frequency Rate (TRFR) improved vs the prior year as a result of our focus on high hazard management areas, alongside the implementation of our safety improvement plan.





<sup>\*</sup> Assured by ERM CVS as part of its limited assurance scope.





#### People in our value chain

# PEOPLE IN OUR **VALUE CHAIN**

Our global value chain 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. 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.



#### Human rights and modern slavery

We focus our activity on understanding the broad range of human rights impacts across our value chain. We have made steady progress in 2024 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.

Given the complexity of our supply chain, we prioritise our focus and activity based on risk and resilience. We are currently focusing on supply networks in Malaysia and the Middle East where vulnerable employees, often migrant workers, are employed in low-skilled jobs within the manufacturing, agricultural, logistics and security sectors.

Audits, together with our capability-building activity. show promising results over time, with supplier performance improving as their understanding of labour and human rights develops.

Our Responsible Workplace programme has been in place for a number of years and continues to evolve. Through a combination of audits and training, the programme aims to ensure and progressively improve performance on labour standards, health and safety and environmental standards

#### **Modern Slavery Statement**

Detail on our approach to Labour and Human Rights within our supply chain can be found in our Modern Slavery Statement.



Visit reckitt.com/ policies-reports

#### Social impact in communities

As a global health and hygiene business, we are active members in communities where we live, work and operate. We recognise our responsibility to create a thriving economy but also to tackle longstanding inequities that adversely affect health and livelihoods. One in two people still lack access to basic healthcare and one in four lack access to clean water. Climate change and conflict are making things worse.

We continue to invest the equivalent of 1% of our adjusted operating profit into social impact. We focus our efforts on two key strategic areas that are material to our core business: improving access to health and hygiene. Our approach targets the social determinants of health, providing access to clean water and sanitation, changing behaviours and supporting economic empowerment, specifically of women and girls.

Over the last three years, we have invested almost £100m advancing health and hygiene. This investment is vital to advance progress towards UN Sustainable Development Goals 3 and 6, Good Health and Wellbeing, and Clean Water and Sanitation. In 2024, we have positively impacted the lives of 9.5 million people across 56 countries. This has been achieved by catalysing social entrepreneurship, leveraging innovative finance and activating the mass reach of our Powerbrands.

#### **Social Impact Report**

More information on our approach to social impact investment and our efforts to improve access to health and hygiene can be found in our Social Impact Report.



Visit reckitt.com/ social-impact

#### People in our value chain continued

# SUPPLIER DIVERSITY **PROGRAMME**



## What is a diverse supplier?

A company that is at least 51% owned and operated by a person or people recognised as disadvantaged.

Groups differ from country to country but could include women, minority, veteran, disabled and LGBTQ+ owned businesses.

Reckitt provides diverse businesses the opportunity to compete across our supply chain. We believe that supplier diversity supports resilience, brings opportunities to generate innovative products and services and supports economic growth in our communities.

Our supplier diversity programme, launched in 2022, aims to identify and ensure that diverse businesses (or those demonstrating a commitment to a diverse supply base) as well as small and medium enterprises, are given the opportunity to compete within our supply chain. The programme currently focuses on the US and South Africa.

#### **Progress during 2024**

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 disadvantaged groups.\*

During the first three years of the programme, Reckitt's spend with diverse-owned and small businesses increased by 72%.

We continued to support classified diverse businesses in gaining certification, implemented tools to expand diverse supplier participation - including a dedicated supplier portal and online resources, and provided training to align with buyers on inclusion goals.

We aim to expand the programme in India, focusing on women-owned businesses, as well as small and medium enterprises.

## SPOTLIGHT

## SHARED BENEFITS OF SUPPLIER DIVERSITY

Our efforts to provide opportunities for diverse suppliers to compete have allowed us to release new products into the marketplace.

For example, Aspire Pharmaceuticals, a minorityowned business specialising in soft gels and liquid capsules, supplies inputs used for the manufacture of Reckitt's Mucinex and MegaRed brands. This partnership has allowed Reckitt to launch new products such as Mucinex "Liquid Gels".

Aspire Pharmaceuticals also supports diverse businesses in their own supply chain. For example, the company works with Nutra-Med Packaging, a diverse supplier, to supply the specialist packaging required for Reckitt's products.

By procuring from Aspire Pharmaceuticals, Reckitt supports diverse suppliers on multiple levels of the supply chain, amplifying the economic benefits that the supplier diversity programme generates.





Sustainability at Reckitt More sustainable brands Healthier planet Fairer society

Reckitt Sustainability Report 2024 

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# APPENDIX

#### Appendix

# **GENDER PAY PERFORMANCE**

#### UK gender pay gap breakdown

The requirement to report on gender pay does not apply to some of our UK businesses - specifically, those that employ fewer than 250 colleagues. Even so, Reckitt chooses to include all employees in our UK reporting below regardless of where they work. That way, we can give the most representative picture of our gender pay and bonus gaps across the UK.

	Hourly I	Pay Gap	Bonus Gap				Hourly Pay Quarters							
	Mean	Median	Mean	Men Women Mean Median Receiving Receiving		Upper Upper		Middle	Lower	Middle	Lower			
UK – Legal Entity Split	riçan	riculari	ricaii	riculari	Bonus	Bonus	Men	Women	Men	Women	Men	Women	Men	Women
RB Healthcare (UK) Ltd HQ Δ	-2.8%	6.5%	-123.2%	-50.9%	79.9%	69.1%	74.9%	25.1%	79.3%	20.7%	65.8%	34.2%	67.9%	32.1%
RB Healthcare Manufacturing <b>\Delta</b>	4.0%	1.1%	7.4%	-7.0%	29.5%	43.1%	75.9%	24.1%	80.7%	19.3%	72.7%	27.3%	59.0%	41.0%
Reckitt Benckiser Corporate Services Limited <b>A</b>	20.3%	17.3%	56.3%	39.8%	93.8%	93.5%	57.6%	42.4%	55.2%	44.8%	44.5%	55.5%	35.9%	64.1%
RB UK Commercial Limited Δ	14.6%	17.2%	48.6%	31.9%	76.1%	79.3%	51.6%	48.4%	48.9%	51.1%	33.7%	66.3%	35.9%	64.1%
Reckitt Benckiser Health Limited <b>∆</b>	15.3%	14.5%	37.2%	30.2%	95.6%	93.0%	50.5%	49.5%	44.5%	55.5%	36.8%	63.2%	40.7%	59.3%

	Hourly I	Pay Gap	Bonus Gap				Hourly Pay Quarters								
	Mean	Median	Mean	Median	Men Receiving	Women Receiving	U	Ipper	Uppe	Upper Middle		ddle Lower Middle		Lower	
UK – Legal Entity Split	110011	riculari	ricuii	riculaii	Bonus	Bonus	Men	Women	Men	Women	Men	Women	Men	Women	
Reckitt Benckiser Brands Ltd	8.5%	21.0%	-81.2%	36.6%	89.1%	78.2%	Have not been calculated as they do not fall under assurance/UK regulatory scope.								
RB (UK) Ltd	1.5%	-0.6%	22.5%	14.4%	22.5%	56.3%									
RB UK Hygiene Home Commercial Ltd	-0.8%	-3.1%	1.1%	-6.5%	92.8%	94.4%							pe.		
Reckitt Benckiser Group PLC	8.7%	8.7%	66.6%	66.6%	100.0%	100.0%									

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.

△ Triangle icon indicates where the metrics have been assured (limited assurance) under ISAE (UK) 3000 by our independent assurance provider, KPMG, and reflects the position as of April 2024. View here.

Statutory disclosure: the UK data presented here in this report is accurate and meets the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.







# **GLOSSARY**

We make reference to a number of technical standards and abbreviations within this report. Where possible, we have included definitions within the narrative.

These are some common abbreviations that we use throughout:

Abbreviation	
BIM	Biodiversity Impact Metric
CFP	Chemical Footprint Project
CGF	Consumer Goods Forum
CHP	Combined Heat and Power
CoC	Chemicals of Concern
CoHC	Chemicals of High Concern
CSRD	Corporate Sustainability Reporting Directive
DCF	Deforestation and Conversion Free
EFRAG	European Financial Reporting Advisory Group
EMF	Ellen MacArthur Foundation
EPR	Extended Producer Responsibility
ERG	Employee Resource Group
ESRS	European Sustainability Reporting Standards
FRA	Fair Rubber Association
GEC	Group Executive Committee
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HVAC	Heating, Ventilation and Air Conditioning

Abbreviation	
ISSB	International Sustainability Standard Board
NbI	Nature-based Insights
NDPE	No Deforestation, No Peat, No Exploitation
PCR	Post-consumer recycled
PPAs	Power Purchase Agreements
PPWD	Packaging and Packaging Waste Directive
PPWR	Packaging and Packaging Waste Regulation
QMS	Quality Management System
RSL	Restricted Substances List
RSPO	Roundtable on Sustainable Palm Oil
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goals
TCFD	Taskforce on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
WASH	Water, Sanitation and Hygiene
WHO	World Health Organisation
WWF	World Wide Fund for Nature



