PRODUCT STEWARDSHIP – INGREDIENTS AND TRANSPARENCY

We work tirelessly to make our products and their ingredients as safe and sustainable as possible. Our approach to ingredients is driven by innovation and goes beyond safety and compliance to future-proof the materials we use.

PRODUCT STEWARDSHIP — INGREDIENTS AND TRANSPARENCY CONTINUED

2022 PERFORMANCE

Our ambitions	2022 progress
65% reduction in our chemical footprint[1] by 2030 (vs 2020)	We aim to report progress from 2023 onwards

1. Chemical footprint is defined as net revenue from SKUs containing more than 0.1% (by weight) of CoHC, as legally allowed, across all business units

Product stewardship is about going beyond expected standards of safety and compliance in the ingredients we use and the approach we take to transparency. It's about anticipating risks and building resilience and sustainability into our portfolio. This is why we identify, measure and replace chemicals of concern in our products, and work with our suppliers and academic partners to identify and champion innovative materials where alternatives aren't yet available.

The safety of the ingredients we use is of the highest priority. They must be safe for people and the environment, from when we source them to when consumers dispose of them. We're transparent, providing information that's clear and honest so that consumers can make informed choices.

Our global policies on ingredients go beyond what the law demands to help us future-proof the materials we use. Our Safety, Quality and Regulatory Compliance function oversees how we apply our policies across the product lifecycle.

For more information, see our **Product Safety and Quality Insight**

We anticipate regulatory and scientific developments that could affect the ingredients we use, enabling us to adapt well ahead of the legislative cycle. We invest in scientific R&D, which speeds up innovation, helping us lead our industry and respond quickly to change. This delivers consistently high quality products, and helps bolster our reputation.

There are three types of controlled ingredients that we monitor:

1. **Chemicals of high concern (CoHC) which are banned in our products**, but may be present in small levels through impurities. These chemicals are captured in our Restricted Substance List (RSL), and we quantify our progress in reducing them further through our chemical footprint metric
2. **Chemicals of concern which are restricted in our global portfolio.** These restrictions apply to ingredients that are intentionally added, as well as the presence of impurities. These restrictions are also captured in our RSL
3. **Ingredients for which we have additional guiding principles,** for example, where there may be a risk of ingredients being derived from endangered species

As part of our forward-looking approach, we track emerging risks, flagging critical ingredients early and giving our R&D teams time to source, test and scale viable alternatives. It gives us insights into the safe and sustainable chemistries that matter to our customers and consumers, whether it's removing the fragrance lilial from our products or finding water-based lubricants for our Durex Play lubricant gel range. We also work with our peers and others in our supply chains to ensure we can adopt and scale up sustainable chemistries.

Our focus on sustainable chemistry

To help us develop safe products with the lowest possible environmental impact, we use key concepts from green chemistry. This involves designing for:

- Safer chemistry and degradation
- Less complexity, less waste and smarter chemistry
- Energy efficiency and renewable raw materials

Green chemistry informs our approach to safe and sustainable design, where we consider carbon, water and packaging impacts, including designing for reuse or recyclability.

For more about this, see our **Sustainable Product Innovation Insight**

Progress against our ambitions

We announced our ambition to reduce the chemical footprint of our products in 2021. This underpins our effective management of hazardous chemicals by quantifying the impact from substances which must not be intentionally added to formulations. We also work with our suppliers to further minimise impurities, so long as we can derive safe thresholds and generate positive safety assessments. Our chemical footprint is measured as the net revenue we earn from Stock Keeping Units (SKUs) containing a CoHC at >0.1% (by weight). Our commitment for 2030 is to reduce the chemical footprint by 65% against our 2020 baseline, as a proportion of our total net revenue.

PRODUCT STEWARDSHIP — INGREDIENTS AND TRANSPARENCY CONTINUED

In 2022, we focused on embedding the chemical footprint programme within our brand teams to ensure we drive reductions through long-term strategy and planning. To support our teams, we've developed an analytical dashboard for internal stakeholders to investigate chemical footprint contributions across our whole portfolio, down to the level of a single business unit or brand. Teams have used this dashboard since its launch in 2021, along with internal guidance on the selection of safer and more sustainable materials, to ensure projects that reduce our use of CoHC are prioritised and to prevent regrettable substitutions.

We intended to report progress against our 2030 ambition this year, however we have focused on consolidating the data underpinning our chemical footprint and refining our methodology. This will allow us to report year-on-year improvements in a consistent way from 2023 onwards.

We screen and test new ingredients to make sure they're effective and safe. In doing this, we collaborate with industry groups and suppliers to make safe and effective alternatives more available. We also work with our suppliers to improve their knowledge of safe and sustainable design. Our internal raw materials playbook, which was launched in 2022, is a guidance and support document which is used by R&D teams in our engagement with suppliers. It provides guidance on what green chemistry is, and what our expectations are across areas of green chemistry to help build awareness and understanding (see Figure above).

SAFE AND SUSTAINABLE BY DESIGN – RAW MATERIALS

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

SUSTAINABLE CHEMISTRY

CHEMICAL FOOTPRINT	SAFE & EFFECTIVE ALTERNATIVES	CIRCULAR FEEDSTOCKS	BIODEGRADABLE
Measure and scope their chemical footprint	Supply basic hazard data for individual substances	Provide information on the origin of raw material feedstocks	Provide measures of biodegradability against set standards
Remove or reduce chemicals of high concern from their raw materials	Provide public GreenScreen benchmark scores	(i.e. bio-based and circularity; virgin or derived from waste)	
Identify, share and collaborate on alternatives for emerging chemicals of high concern	Provide evidence of efficacy		

ENVIRONMENTAL IMPACTS

CARBON	WATER
Share processes used to source, make and deliver raw materials	Measure water use across the full lifecycle of the material supplied
Measure and provide emission factors for greenhouse gases across the full lifecycle of the material supplied	
Progressively identify areas of opportunity to support carbon capture within ingredient technology	

Our target: 50% of net revenue from more sustainable products by 2030

Find out more about our approach to sustainability at **reckitt.com/our-impact**

The Sustainable Innovation Calculator (SIC) uses the above information to help product developers implement safe and sustainable by design principles.

Under suitable confidentiality agreements, the full playbook can be shared with suppliers and other stakeholders to aid understanding of Reckitt's safe and sustainable by design ambitions.

Managing ingredients of concern and safe alternatives

We've been using our RSL since 2001, and with it we maintain a consistent global approach to minimising and eliminating substances of concern. As we add ingredients to it, we start rework programmes to remove them from the portfolio. This means we've steadily reduced substances of concern since 2012, as the RSL has become a key part of product development.

The RSL evolves over time, influenced by emerging scientific insights and data, how society interprets risk and what we observe. As circumstances change, there may be fresh questions over whether current ingredients remain safe and sustainable. In 2021, we developed a list of our ingredients which are under investigation as Emerging Chemicals of High Concern (eCoHC) by customers, NGOs, academics and policy makers. These have the potential to become CoHCs in the next three to five years. As they're still under investigation, we don't ban eCoHCs and they don't contribute to our chemical footprint. But we do put them on our RSL watch list and share this with our teams. This guides them towards using safer and more sustainable alternatives or alerts them 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.

Ingredient to remove	Completion date	Progress
Lilial	2023	Removal in progress, ahead of regulation
Triclocarban (TCC)	2019	Removed from bar soaps
Fluorosurfactants	2018	Removed
Polyethylene (PE) and polyurethane (PU) microbeads	2018	Removed
Parabens (butyl, propyl, isoparabens)	2013 (EU); 2015 (rest of the world)	Reduction programme (excluding medically licensed products)

PRODUCT STEWARDSHIP — INGREDIENTS AND TRANSPARENCY CONTINUED

Our Ingredient Steering Group oversees our ingredients policies, including our RSL and its watch list. Our **RSL policy** defines our commitment and approach, which often means we set global limits or bans on some ingredients that go further than regulations require. It also includes guidance for formulators on how to choose better alternatives, for example for colourants and polymers.

Alongside the RSL, the Ingredient Steering Group governs how we adopt safe and effective alternatives in new or reformulated products. It acts as a global, cross-functional task force to screen new and safer alternatives for use across our portfolio.

We continue to work on 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 few safe and effective alternatives. Helping to address this industry-wide challenge is a priority for us.

Looking beyond the RSL

While the RSL helps us stay transparent about ingredients, we want to go further. Rather than only reacting to concerns from our industry, regulators and consumers, we progressively set the agenda on ingredients ourselves. We take the initiative, understand and set our future priorities, rather than reacting to new regulation as it emerges. Having a strong and clear position also makes it easier for our partners and suppliers to support us, helping us to pre-empt concerns and efficiently manage our response.

We use insights from our participation in initiatives like the Chemical Footprint Project (CFP) to help us embed this approach. It enables us to score and benchmark our approach across four areas: chemicals management; inventory; footprint measurement; and disclosure and verification. Through this, we track our progress on managing chemicals, choosing safer alternatives and using and reducing ingredients of concern. Published scores report on prior year performance; so, for example, scores published in 2022 measure our 2021 footprint. Our score improved from 81% in 2020 to 87% in 2021. This score makes us a CFP Frontrunner for the second year in a row. The survey measuring our 2022 footprint won't be published until late 2023.

"OUR INGREDIENT STEERING GROUP GOVERNS HOW WE ADOPT SAFE AND EFFECTIVE ALTERNATIVES IN NEW OR REFORMULATED PRODUCTS."

Since 2021, our eco-design tool, the Sustainable Innovation Calculator, has incorporated key aspects of green chemistry to help us choose more sustainable ingredients. The four ingredient-related criteria in the calculator include the chemical footprint metric. We don't allow our formulators to select raw materials that intentionally contain a CoHC, and the calculator marks down the presence of a CoHC as an impurity (<0.1%) where it exceeds levels in the existing product that the new product is replacing.

For more about the Sustainable Innovation Calculator, see the **Sustainable Product Innovation Insight**

Safe and effective alternative substances

We're also strengthening our approach to ingredients to make sure we use ones most resilient to emerging concerns. This means finding purer, simpler ingredients wherever we can, while making sure products keep the efficacy that makes them reliable. To do this, we continue to update our tools to help teams choose safe and effective alternative substances. This involves evaluating the materials we use and working with stakeholders like the Green Chemistry & Commerce Council (GC3), who help us put emerging principles on sustainable chemistry into action.

AIR WICK ACTIVE FRESH: PIONEERING 'FREE-FROM' AUTOSPRAY

Air Wick wanted a natural and environmentally friendly way to neutralise household smells with great fragrances.

The R&D team worked to optimise fragrance, formula, refill and device hardware to give the performance consumers expect with more natural ingredients and a lower environmental impact. The new product was preferred by three out of four existing users and provided a refill with a lower carbon footprint than a traditional aerosol refill.[3]

The new Air Wick Active Fresh, launched in European markets in January 2023, delivers fresh scents, infused with natural essential oils, that effectively tackle unpleasant smells, from a 95% naturally derived, water-based and propellant-free formulation. This represents a first in this product segment.

3. As measured by Reckitt's internal Sustainable Innovation Calculator – see our **Sustainable Product Innovation Insight** for further detail

PRODUCT STEWARDSHIP — INGREDIENTS AND TRANSPARENCY CONTINUED

Launching products with smaller chemical footprints

In Australia, we launched our Aerogard Naturals fabric insect repellent, which is propellant-free and uses 100% plant-based active ingredients. This improved its chemical footprint score by 25%, while still offering similar protection and the same consumer benefit (flying insect protection with no skin application) when compared to the benchmark product.

We began introducing lilial-free versions of our products in early 2021, with no negative impact on fragrance, and we are continuing to remove the ingredient from all products worldwide. This goes above and beyond the EU's ban on selling products containing lilial, which came into force in March 2022. Our target remains to remove it from products in other markets by the end of 2023.

Other examples include:

- Our Durex Play Pleasure Gel range uses a water-based lubricant, which reduces the amount of chemicals in our product and improves the chemical footprint score
- In line with Koletzko Guidelines, which cover the nutritional care of preterm infants, Enfa reformulated its Premature Powder resulting in a lower water impact

Improving nutrition

Product stewardship also includes our role in nutrition. Improving nutrition is an important platform for improving public health, education and employment, and reducing socio-economic inequalities. To date, the private sector's involvement in this has been limited, along with its ability to engage on the broader nutrition agenda. But, as public resources are stretched we can play an important role, using the latest medical research and our expertise in nutritional science and R&D.

In October 2020, we published our first nutritional commitment on our infant and child nutrition portfolio. By March 2024, we'll stop using sucrose or fructose as a carbohydrate source in infant, follow-on and young child formulas. Lactose will be the only source of carbohydrates in infant formula from birth to six months, and the preferred source from six to 36 months.

In 2022, we experienced some significant industry-wide and global challenges. A major infant formula and child nutrition manufacturer had a temporary factory closure in the US. This resulted in a significant portion of US supply being unavailable, and a nationwide shortage soon spiraled into a full-blown crisis. This meant we needed to invest and unlock additional resources and capabilities to supply even more vital infant formula than normal to families that depended on it. In addition, the war in Ukraine has also resulted in some shortages of raw materials and pressures on the supply chain. Nevertheless, as of December 2022, 92% of our routine infant, follow-on and young child formulations — collectively our birth to 36 months of age portfolio — are fully in line with our nutritional commitment and we are confident of meeting our target of 100% by March 2024.

PRODUCT STEWARDSHIP — INGREDIENTS AND TRANSPARENCY CONTINUED

Consumer information

We're committed to helping consumers make informed decisions about our products. This goes beyond legislative requirements, including helping consumers to understand the benefits of our products, the ingredients we use and why we use them.

We do this with clear labelling on packs and online information. In 2022, 90% of our net revenue came from products where we disclose ingredient information on the pack or online. The other 10% is primarily net revenue from hygiene products we sell outside Europe and the US, where regulatory requirements are often still evolving, as is our labelling policy.

Improving online information for consumers

We use websites to give consumers detailed information about our products, expanding on what is provided on labels. We've continued to improve our US ingredients website by adding more technical details, including on fragrances, and by making it easier for consumers to search for information. While our European website already gives similar information, we plan to extend this to other markets and our brand websites.

Our Consumer Relations teams around the world track details of consumer experience in our Global database. To keep satisfaction high, we carry out brand perception analysis and log complaints and enquiries to our consumer helpline. Currently, we get 24.2 complaints for every million units we sell. This measure is one of the tools we use to assess our performance around complaints.

Our partnerships, initiatives and collaborations

Partnerships with our suppliers, customers, academia and civil society support our approach to product stewardship.

Green Chemistry & Commerce Council (GC3)

We're part of the GC3's Sustainable Chemistry Alliance, which promotes policies to accelerate the development of sustainable chemistry processes and products. Public policy can trigger innovation that leads to safe and effective alternative ingredients. The GC3 Sustainable Chemistry Alliance has backed the US Sustainable Chemistry Research & Development Act, passed in January 2021, which supports commercialisation, training and education on chemistry research. We're working with the GC3 Sustainable Chemistry Alliance to support its implementation. For more information, see **greenchemistryandcommerce.org**

European Chemical Industry Council (CEFIC)

We participate in CEFIC's Long-Range Research Initiative projects. These help direct the industry's research into the potential impacts of chemicals on human health and the environment. For more information, see **cefic-lri.org**

International Association for Soaps, Detergents and Maintenance Products (AISE)

Heather Barker, our Global Head Regulatory Hygiene, Group eRB & New Growth Platforms is Vice President of the AISE board. In 2021, Heather was chosen to represent AISE on behalf of the European detergent and biocide association at the European Commission high-level round table on the chemical strategy for sustainability. The group will support the EU executive in realising the objectives of the strategy, which include innovating for safe and sustainable chemicals and safe and sustainable by design concepts. Its primary role, led by the European Commission's Environment department, will be establishing communication and information exchange between the Commission and stakeholders to make sure the strategy is implemented effectively. Heather has made significant contributions to its first two sets of adopted recommendations, on Enforcement and Compliance and on Strategic Research and Innovation/Safe and Sustainable by Design.

Academic partnerships

We continue to support the EU-funded ECORISK 2050 project, which aims to better understand the future environmental risks of chemicals. For more information, see **ecorisk2050.eu**

We are also supporting the UK Natural Environment Research Council's new Centre for Doctoral Training — ECORISC — which specialises in managing chemical risks in the environment. From 2021–2027, this multidisciplinary initiative will train 39 PhD students as the next generation of environmental scientists and managers. For more information, see **ukri.org/news/funding-boost-for-the-next-generation-of-environmental-scientists**

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

Looking ahead

In 2023, we plan on continuing and refining our existing workstreams, focusing on reducing our chemical footprint. To support this, we will also make sure the evolving best practice on chemicals management is integrated into our Sustainable Innovation Calculator and will continue to develop partnerships to drive industry collaboration. In addition, we will work on refining and improving our chemical footprint data.