

Sustainability Performance Review

DELIVERING OUR SUSTAINABILITY AMBITIONS

Our 2030 Sustainability Ambitions are an integral part of our business strategy and support long-term resilience and growth. They act to bring our Purpose to life: to protect, heal and nurture in the pursuit of a cleaner, healthier world.

Our sustainability activity is focused on three pillars of activity: innovating Purpose-led brands, enabling a Healthier Planet and contributing to a Fairer Society. These focus our work on delivering a cleaner, healthier world whilst contributing to our business resilience and growth. Our approach aims to create impact for society and impact for our business.

Our business and brands help solve some of the world's biggest challenges. Our portfolio is uniquely placed to support hygiene as a foundation for health, to enable self-care, support sexual health and wellbeing, and nutrition at all stages of life. Each of our brands contribute to the UN Sustainable Development Goals (SDGs) and create impact through their innovation programmes and consumer engagement activities that support change in the home.

Collectively, the positive social and environmental impacts we create help advance the broader aims of the UN SDGs. Whilst 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:



Focusing on what's material

During the year, we reviewed our approach to double materiality against the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the latest guidance from the European Financial Reporting Advisory Group (EFRAG). This, along with external research, benchmarking and input from key stakeholders, has formed the basis of our updated double materiality assessment, the details of which we will disclose in our 2024 Annual Report and Accounts.

PURPOSE-LED BRANDS

➤ See page 14

for our Sustainability Ambitions progress overview.

We are increasingly aware of the connection between planetary and public health, socioeconomic resilience and shared prosperity. Enabling and strengthening hygiene, health and nutrition, together with safeguarding the planet, are critical to our business resilience and long-term success.

More sustainable products

Our portfolio of brands help solve everyday problems and do so at scale, with around 30 million products sold around the world every day.

We are committed to ensuring sustainability is front and centre of our brands' purpose and product innovation whilst maintaining superior efficacy. This is reflected in our ambition to achieve 50% net revenue from more sustainable products by 2030.

Alongside this, we are also aiming to achieve:

- 50% reduction in our product carbon footprint by 2030 versus 2015
- 50% reduction in product water footprint by 2040 versus 2015
- 50% reduction of virgin plastic in packaging by 2030 versus 2020

Our Sustainable Innovation Calculator, a streamlined product lifecycle assessment tool, evaluates the environmental impacts of our products by measuring five metrics: Carbon, Water, Plastics, Packaging, Ingredients and Chemistry. The outputs from the calculator are used to guide decision-making at a project level, enabling our product developers to make informed decisions on sustainability indicators, aligned with delivering our commitments.

In 2023, we have seen a marked improvement in sales from more sustainable products, with 29.6% of net revenue generated from these as measured by our Sustainable Innovation Calculator, an uplift from 24.4% in 2022. This improvement reflects more sustainable innovations reaching the marketplace, and better use of our Calculator on new and existing product development across all GBUs.

➤ See pages 15-18

for more about our brand innovations.

➤ See pages 22-24

for more about our Scientific Innovation programme and outcomes.