DELIVERING FOR A CLEANER, HEALTHIER WORLD

Annual Report
and Accounts 2023

reckitt

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At a Glance

DELIVERING FOR A CLEANER, HEALTHIER WORLD

At Reckitt, we protect, heal and nurture. We do this through our attractive brand portfolio, which includes some of the best-known and most trusted brands in hygiene, health and nutrition.

Delivering for a cleaner, healthier world requires strong brands with a global footprint. Many of our brands have number one or two market share positions globally or in their markets. From Dettol, Lysol, Durex, Finish, Harpic and Vanish to Enfamil, Mucinex, Nurofen, Strepsils, Nutramigen and Air Wick, consumers love and rely on our brands to care for their families, as they have done for over 200 years.

Around 30 million Reckitt products are sold each day throughout the world, giving us valuable insight into evolving consumer behaviours and category trends. We use this deep understanding to identify unmet needs and develop solutions to help people improve their health and hygiene.

Our long-term growth opportunities are rooted in global megatrends that challenge everyday health and wellbeing worldwide. We combine our leading consumer insight and scientific capabilities to create innovative products that can address these everyday issues. This helps us reach into new spaces and geographies, expanding our presence in high-growth categories.

Our culture is innovative, caring and entrepreneurial. Our values ensure we work collectively for our consumers, employees and all our stakeholders.

By continuously striving to minimise the environmental impact of our business and work towards a fairer society, we are addressing evolving consumer needs whilst supporting the planet and the communities in which we operate.

This is how we create shared success.

Like-for-like net revenue growth[1]
+3.5%
2022: 7.6%

IFRS net revenue growth
+1.1%
2022: 9.2%

Adjusted operating margin[1]
23.1%
2022: 23.8%

IFRS operating margin
17.3%
2022: 22.5%

Adjusted total EPS[1] diluted
323.4p
2022: 341.7p

IFRS total EPS diluted
228.7p
2022: 324.7p

Full-year dividend
192.5p
2022: 183.3p

Free cash flow generation[1]
£2.3bn
2022: £2.0bn

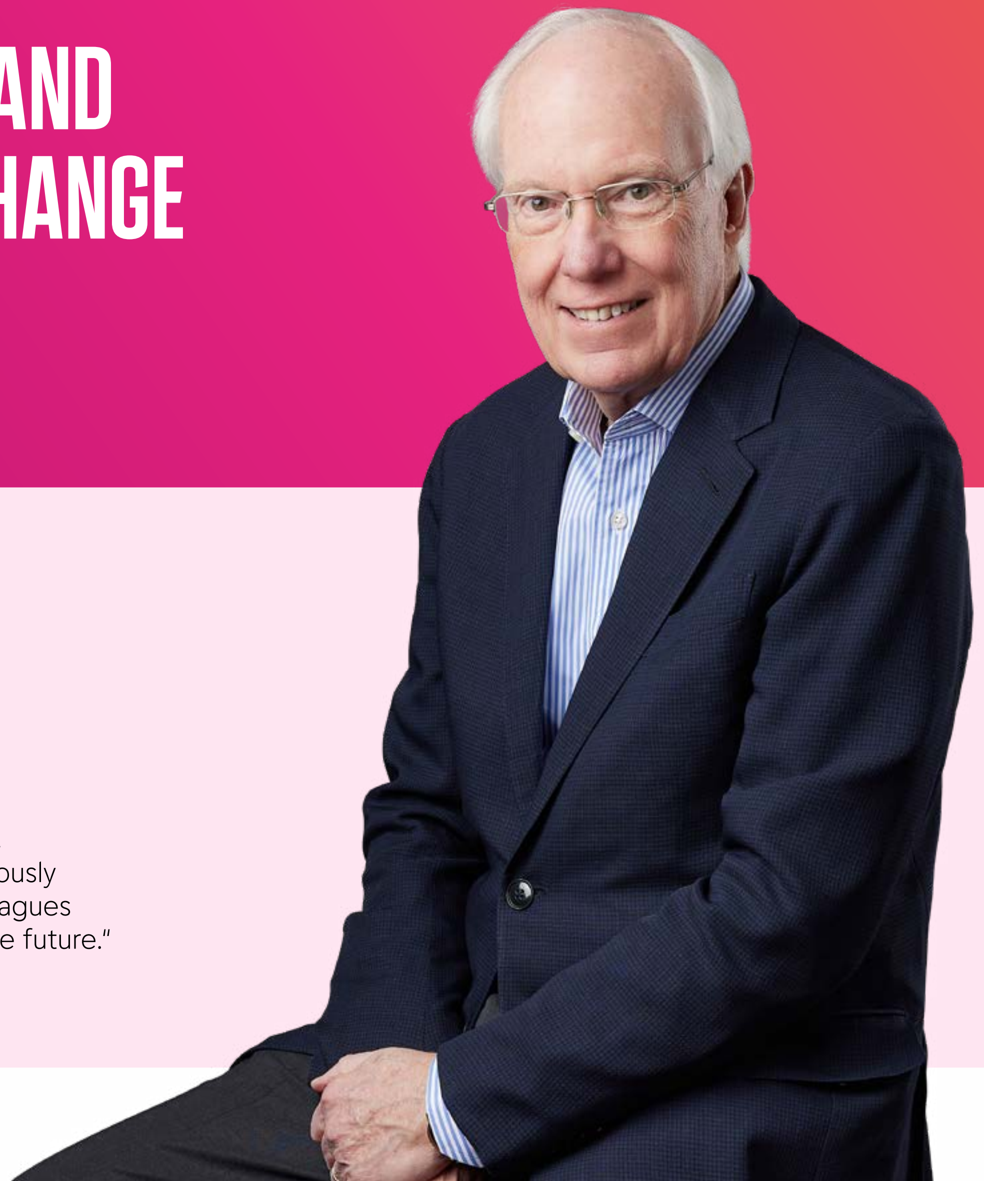
Net revenue from more sustainable products[1]
29.6%
2022: 24.4%

Absolute reduction in greenhouse gas emissions from operations since 2015
67%
2022: 66%

1. Adjusted and other non-GAAP measures, definitions and terms are defined on page 223

Chair's Statement

A YEAR OF PROGRESS AND POSITIVE CHANGE



"Reckitt is a special enterprise, with powerful brands, enormously talented and passionate colleagues and a compelling vision for the future."

Chris Sinclair
Chair

2023 was another eventful year. There were challenges, but also encouraging progress and positive change for our Company.

Like many companies, we experienced continued macroeconomic headwinds, further disruptions to our supply chain and the effects of the continuing war in Ukraine and conflict in the Middle East. We also saw changes in Reckitt's leadership team, with appointees to the roles of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Designate, as well as a new Chair to succeed me following our 2024 Annual General Meeting (AGM) and the completion of my full Board term.

I'm proud to say that throughout 2023, our Company has proven its resilience and many capabilities. We grew our revenue and our gross margin, which ranks amongst the industry's highest. In line with our capital allocation policy to deliver sustainable dividend growth, we have proposed a 5% increase in our annual dividend for the second year in a row. In total, we returned £1.5 billion to shareholders through dividend growth and our share buyback programme.

Amongst our innovations, we launched Lysol Air Sanitiser, creating an entirely new sub-category in Air Care. Whilst internally, our annual GLINT employee survey revealed high levels of endorsement from our people for the clarity and direction we have brought to our Purpose and the values that unite us.

Continuity and change

Whilst our commitment to our market-leading brands has remained constant, today's Reckitt is very different to the company I assumed the Chair of six years ago.

Chair's Statement continued

This period has seen us rethink our culture and our Purpose. We have invested in our people and the values we want to define them, creating a culture that is purposeful, entrepreneurial and caring. We have transformed our capabilities to innovate great products and extend categories. We have deepened our consumer value proposition and set new standards in customer service excellence.

Still, our strategy has remained unchanged. The achievements of the past year affirm that we operate in the right categories with the right products. The focus now and in the future is to deliver on the investments we have made and the greater productivity, better in-market execution capabilities and higher shareholder returns we have enabled.

Leadership Conference 2023

Leadership and talent

Our evolution as a Company has been accompanied by a transition in our leadership. Nicandro Durante, who had been our Senior Independent Director, led our senior management team as CEO for most of 2023. I would like to sincerely thank Nicandro for his leadership over this period.

Nicandro helped us oversee the selection of a permanent CEO and a new CFO. The appointments of Kris Licht and Shannon Eisenhardt to these respective roles bring two highly talented and accomplished global leaders to the forefront of our Company, and I am confident they will shape an exciting next chapter for Reckitt.

Kris brings considerable experience from within Reckitt to the role of CEO, which he assumed on 1 October. Shannon joined the business from Nike in October and formally assumed the role of CFO in March 2024. Jeff's contributions and commitment to our company have been considerable. He departs with my sincere thanks and very best wishes for his well-deserved retirement.

There are other changes to our Board as well. We extend a warm welcome to Marybeth Hays, who joined the Board as a Non-Executive Director on 1 February. A former Walmart senior executive, Marybeth brings more than 25 years of experience in retail, healthcare and consumer goods.

We will also welcome Fiona Dawson to the Board as a Non-Executive Director and Chair Designate to the Remuneration Committee effective 1 June 2024. We thank Alan Stewart, who plans to retire from the Board following the AGM.

In addition, I am also preparing to step down from my position, having spent nine years on the Reckitt Board. During this time we have built a highly talented and diverse Board, which will enjoy strong leadership under Sir Jeremy Darroch when he takes over as Chair in May 2024. Jeremy is an outstanding leader with considerable expertise and a proven track record of performance. I know Reckitt will succeed under his stewardship.

Legacy and reflections

Looking back on my tenure over these past nine years, we have learned, and continue to learn, a great deal, not least from the experiences that influence us, and which make Reckitt a more effective and successful company today.

These include solidifying the importance of always doing the right thing and standing by our values, which are now codified through Leadership Behaviours that require each of us to Own, Create, Deliver and Care in everything we do.

We have demonstrated the value of brand reinvestment alongside the delivery of product superiority. This has allowed us to unleash the potential of our brands to extend, to premiumise and ultimately, to lead global categories with long runways for growth.

We have also extended the breadth and reach of our portfolio, harnessing the 'Science Inside' Reckitt to innovate brands that define their categories. We have embraced technology to transform our operations and deepen our relationships with customers and consumers. We have made many improvements in the stewardship of the business that strengthen our governance foundations and reinforce our commitment to product quality and safety.

Furthermore, we have realised the benefits of bringing excellence to the point of sale and are now rewarded with deeper, more enduring customer relationships, which we are better able to serve through a transformed supply chain that has demonstrated its resilience and strength when it has mattered most.

Above all, we have recognised that our greatest assets are our people and the culture that defines us. Reckitt is a special enterprise, with powerful brands, enormously talented and passionate colleagues, and a compelling vision for the future. I leave full of pride in our Company's many achievements and with enormous optimism about the years ahead.

Chief Executive Officer's Statement

AN ENDURING FRAMEWORK FOR SUSTAINED VALUE CREATION

"We are a strong business with a purpose and culture fit for the future, an excellent brand portfolio and a scaled global footprint. These position us well to deliver the next chapter of our growth."

Kris Licht
Chief Executive Officer

It is an honour to become CEO of Reckitt and to lead our Company at such an important time.

Much has happened since I joined Reckitt four years ago. We have encountered volatility, opportunities and challenges, both in our markets and within our business. We have also undertaken a transformation programme that has seen us invest in the strength of our brands, transform our execution capabilities and establish customer partnerships of unprecedented depth.

Our goal throughout has been to build the best Reckitt possible. The result is a business that is not only stronger, but also around a third larger on a like-for-like (LFL) net revenue basis than it was in 2019. And we have delivered this growth with superior, industry-leading gross margins, demonstrating the strength of our earnings model and the enduring attraction of our brands.

Focused on shareholder value creation

Whilst there is more work to be done to realise our full potential, we are continuing to deliver, as our recent performance shows.

Amidst continued market volatility and inflationary pressures, we delivered LFL net revenue growth of 3.5% ahead of ingoing expectations and adjusted operating margin of 23.1%. On an IFRS basis, our operating margin was 17.3% which included an £810 million goodwill impairment relating to our Nutrition business (see page 45). We reduced our leverage and grew free cash flow by 11% to £2.3 billion, enabling us to return £1.5 billion to shareholders through an increased dividend and our newly announced share buyback programme.

The strength of our business positions us well to deliver adjusted operating profit growth ahead of net revenue growth in the medium term, and to raise returns to shareholders further through growing our dividend and buying back our shares.

Chief Executive Officer's Statement continued

A strong long-term growth business

The Reckitt I am privileged to lead is a strong, competitive and resilient business. We have a clear Purpose and a unique, entrepreneurial ownership culture that is fit for the future. Our brand portfolio is excellent and serves as the foundation for enduring value creation.

Our scaled global footprint spans developed and emerging markets in categories that enjoy long-term runways for growth. More than 70% of our brands occupy market leading positions in their categories on a net revenue basis and earn high levels of consumer trust. Their strong brand equity enables us to drive growth through premiumisation and brand extensions alongside the entirely new product categories we create through world-class science-backed innovation.

Investments in our supply chain and go-to-market networks have strengthened our abilities to forge strong customer partnerships and grow the distribution of our brands. Guiding these are advanced digital and machine-learning capabilities, which now enable us to connect data of unprecedented scale when deciding where to play and how to win.

Sharpening our execution

With the investment phase in these capabilities now substantially behind us, our focus is on maximising their benefits through sharpening and improving our execution.

Our cost base is a key focus. Our industry-leading margins demonstrate the advantages our categories enjoy. Yet there remains room for us to be more efficient. We are extending our productivity programmes to simplify our processes and lock in scale opportunities where they exist. We are also right-sizing ongoing investment in our capabilities whilst ensuring we preserve the important operational muscle we have built.

Beyond these, we see significant scope to improve efficiency through automation and shared services, as well as in harnessing the productivity benefits of generative Artificial Intelligence (AI), where we now have a group policy in place to encourage our people to embrace the technology responsibly.

In-market execution is another priority. By providing our sales teams with the latest digital technologies to optimise revenue growth, we are now well equipped to win in our markets. The focus now is to ensure we execute with excellence wherever we play.

Lastly, our brand portfolio is strong but we must always strive to improve. Product superiority, sustainability and value are benchmarks we use to measure our success. Although we possess these across many of our categories, we must innovate assiduously to ensure we earn their market leadership and consumer trust each day.

Enhancing returns to shareholders

Execution also means maximising the returns we offer to our shareholders. Our ambition has always been to ensure these are industry leading whenever our financial circumstances allow, in line with our total shareholder return algorithm.

Thanks to our financial strength, I was very pleased to announce our new share buyback programme in October and our goal of buying back £1 billion of our shares over the following 12 months. We expect this programme to continue in the coming years, consistent with our capital allocation principles.

Delivering on our ambitions

We move into 2024 a stronger, better equipped and more agile business. Our Purpose is clear, compelling and unchanged, as is our strategy and the strength it draws from our earnings model.

Our focus is now on delivery and execution as we reap the benefits of the investments we have made. We must continue to evolve what we do, whilst ensuring we don't disrupt the achievements we have secured. Success will support our financial ambitions and ensure Reckitt is able to deliver an attractive, compounding total shareholder return and drive enduring value creation.

I would like to thank our Chair and the Board for the trust they have placed in me to deliver on our ambitions. I would also like to thank Nicandro Durante for his leadership. It has been an honour to work alongside him this past year.

We are stewards of some of the world's leading household brands. Our role is to enhance their value as they journey to serve the needs of a new generation of consumers. This truly is an exciting time for Reckitt and our people, whose sense of ownership, entrepreneurial spirit and drive for performance whilst always doing the right thing at our core, are an enduring source of competitive advantage as we write this next chapter of growth for our business.

Group LFL net revenue growth

+3.5%

2022: +7.6%

Group 4-year LFL net revenue CAGR

+7.0%

Market Context

TACKLING FOUR GLOBAL CHALLENGES

Our growth opportunity is rooted in four global megatrends that challenge everyday health and wellbeing worldwide. We innovate to deliver sustainable solutions which address these challenges through brands dedicated to the pursuit of a cleaner, healthier world.

#1 Health impact of poor access to water, sanitation and hygiene

As cities become more crowded and populations more mobile, good hygiene is essential in curbing the spread of infection. In developing economies, water stress can compromise hygiene. This has a direct impact on health, both in cities and in rural communities.

Our response: We promote hygiene as the foundation for health. Our products enable the highest standards of hygiene in the home and protect against the spread of germs, viruses and bacteria. Lysol and Dettol, our disinfectant brands, help break the chain of infection on surfaces, from hands and other at-risk spaces. Finish, Harpic and Vanish support cleanliness and hygiene in the home. Our pest brands like Mortein and SBP protect against unwanted pests and insects. The Reckitt Global Hygiene Institute and our Fight for Access Fund extend scientific understanding and grow awareness of hygiene issues.

See pages 28-30
for how our brands contribute to improving global hygiene.

#2 Growing pressures on formal healthcare systems

Across the world, ageing populations and stretched public finances are putting pressure on healthcare systems. Meanwhile, individuals are becoming better informed and active in managing their health. Self-care solutions, such as over-the-counter (OTC) health and wellness products, give people more control and lessen the need to access formal healthcare services.

Our response: We are reducing demand for formal healthcare by empowering consumers with effective and practical self-care solutions. OTC treatments like Mucinex, Nurofen and Strepsils combined with health literacy campaigns enable individuals to better care for themselves and treat a range of everyday ailments at home. We partner with clinicians and share science-backed information with consumers to prevent and treat infection alongside solutions to support personalised nutrition, wellness and access to digital health resources.

See pages 31-33
for how our brands offer self-care solutions.

#3 Importance of intimate wellness and sexual health to public health

In many parts of the world, limited awareness and understanding of intimate wellness and sexual health can contribute to the spread of sexually transmitted infections (STIs). In some traditionally conservative societies, cultural taboos rather than health considerations guide policy priorities. Elsewhere, reproductive health and sexual wellbeing have not been public policy priorities in recent years, whilst lockdown and other pandemic-related measures restricted youth access to sexual education and development.

Our response: We safeguard consumers by promoting sexual wellbeing and helping to limit the spread of STIs. Durex, our world-leading condom brand, alongside KY, our leading lubricant brand, play a crucial role in reducing the risk of STI transmission whilst encouraging safe sex practices.

See page 32
for how Durex contributes to global sexual health.

#4 Growth in specialised nutritional needs

Infants deserve the best possible start in life. The nutrition they receive is a key foundation for future health, especially those with allergies or other specialised nutritional needs. Longer life expectancy means a growing demand for nutritional products that support mental and physical wellness as we age. All adults, especially seniors, can benefit from high-quality speciality food supplements that support immunity, digestion, cognitive and mental health.

Our response: Our specialised nutrition products help infants to flourish and adults to live fuller lives. Our market-leading brands, such as the Enfa range and Nutramigen, draw on deep science platforms to serve important early life nutritional needs. Brands like Provital, Move Free, Airborne and Neuriva provide adults with essential vitamins, minerals and supplements (VMS). We innovate constantly to deliver novel solutions that serve the growing range of nutritional needs of infants and adults.

See pages 34-36
for how our brands provide clinically-proven nutritional options for infants and adults.

Our Strategy

A STRONG BUSINESS

Our Purpose and culture, excellent portfolio of brands and scaled footprint underpin our strategy to deliver attractive, compounding total shareholder return and drive enduring value creation.

- PURPOSE AND CULTURE FIT FOR THE FUTURE
- EXCELLENT BRAND PORTFOLIO FOR VALUE CREATION
- SCALED GLOBAL FOOTPRINT
- ENHANCED RETURNS TO SHAREHOLDERS

PURPOSE AND CULTURE FIT FOR THE FUTURE

Our Purpose is clear and compelling.

Our brands and products do good in the world and enable us to Protect, Heal and Nurture in the pursuit of a cleaner and healthier world.

Our 2030 Sustainability Ambitions are an integral part of our strategy with a focus on three pillars of activity: innovating Purpose-led Brands, enabling a Healthier Planet and contributing to a Fairer Society.

Our unique culture is purpose-driven, entrepreneurial, fast-paced and action-oriented. Our people have an ownership mindset, and are inspired to outperform with passion and energy throughout our business.

See pages 19-21
for our spotlight on people and culture.

Our Strategy continued

EXCELLENT BRAND PORTFOLIO FOR VALUE CREATION

We operate in long-term growth categories

We operate in categories with significant and long-term runways for growth. Category creation, household penetration and premiumisation can fuel our growth for decades to come. On average, we expect the medium-term revenue growth of our categories to be in the region of 3% to 4%.

OTC

11%

LFL NR CAGR vs 2019

Auto Dishwash

13%

global dishwash machine penetration

Intimate Wellness

1 in 2

consumers did not use a condom the first time they had sex

Fabric Additives

1 in 5

people use a stain removal product

We have an excellent portfolio of market-leading brands

More than 70% of our brands, on a net revenue basis, occupy market-leading positions in their respective categories, with a high level of consumer trust and affinity.[1]

OTC[2]
- Mucinex – #2 US
- Nurofen – #2 Europe
- Strepsils – #1 Globally
- Gaviscon – #1 Globally

Intimate Wellness
- Durex – #1 Globally

Surface & Disinfection
- Lysol – #1 Globally

Auto Dishwash
- Finish – #1 Globally

Germ Protection
- Dettol – #1 Globally

VMS[2]
- Move Free – #3 US

Air Care
- Air Wick – #3 Globally

Fabric Additives
- Vanish – #1 Globally

Lavatory Care
- Harpic – #1 Globally

Infant & Child | Specialty
- Enfamil – #1 Globally
- Nutramigen – #1 Globally

Personal Care[2]
- Veet – #1 Globally

See pages 28-36 for more details.

1. Branded player claims based on aggregated data from Nielsen, in each case, for the relevant category and geographic focus, for period MAT Dec 2023
2. See pages 28-36 for specific category details

Value creation principles

Our portfolio choices are underpinned by three clear principles of portfolio value creation that govern our organic and inorganic capital allocation priorities.

1. LONG-TERM RUNWAY FOR GROWTH

2. ATTRACTIVE EARNINGS MODEL

3. ENDURING COMPETITIVE ADVANTAGE

Our Strategy continued

SCALED GLOBAL FOOTPRINT

We have a scaled global footprint across developed and emerging markets.

We have seen strong, broad-based net revenue growth across both developed and emerging markets and enjoy significant scale benefits in major strategic growth markets, such as the US, China and India. These markets alone contribute around 40% of our Group net revenue and around 50% of our Group net revenue growth over the last four years.

This scale in our manufacturing and go-to-market networks enables us to partner effectively with our customers and continuously grow the distribution of our brands. When coupled with our excellent brand portfolio and strengthened innovation pipeline, this creates the opportunity to rapidly scale and execute consumer-preferred propositions throughout the world.

+260bps[2]
Share of markets where we are recognised as top tier by retail partners
2022: +100bps

-40bps[3]
Reckitt Share of Total Distribution Points
2022: +70bps

1. Based on FY23 net revenue
2. Based on Advantage Group 2023 survey of retailers. 260bps increase in markets rated top tier, from 39.5% in 2022 to 42.1% in 2023. Share of markets excludes US
3. Decline from 29.1% (Nov YTD 2022) to 28.7% (Nov YTD 2023), reflecting effects of US Nutrition rebasing. Hygiene and Health increased by 10bps over the same period. On a 2-year basis versus Nov YTD 2021, we increased total distribution points by 120bps
4. LFL net revenue CAGR FY23 vs FY19
5. On a LFL net revenue basis FY23 vs FY19
6. Excludes the benefit from US Nutrition
7. FY23 LFL equivalent: Developed Markets +4.4% and Emerging Markets +1.9%

DEVELOPED MARKETS
(c.65% of business[1])

4-year LFL NR CAGR vs 2019[4,7]
+7.5%

Larger business than 2019[5]
£2.5bn

4-year LFL NR CAGR for top 3 markets[1,4]

US[6]	United Kingdom	Australia
+8.3%	+5.9%	+7.2%

EMERGING MARKETS
(c.35% of business[1])

4-year LFL NR CAGR vs 2019[4,7]
+6.6%

Larger business than 2019[5]
£1.1bn

4-year LFL NR CAGR for top 3 markets[1,4]

China	India	Mexico
+13.6%	+8.2%	+8.3%

Our Strategy continued

ENHANCED RETURNS TO SHAREHOLDERS

We have an enduring framework for sustained value creation

MID-SINGLE-DIGIT NET REVENUE GROWTH

We target sustainable mid-single-digit top-line growth over the medium term.

+

GROW AOP AHEAD OF NET REVENUE

We target to grow adjusted operating profit ahead of net revenue growth in the medium term.

+

SUSTAINABLE DIVIDEND GROWTH

We have a progressive dividend growth policy (5% increase in 2023).

+

SHARE BUYBACKS

New £1 billion initial share buyback programme announced October 2023.

Earnings model driven

Strong cash flow generation and capital allocation priorities

Sustainable mid-single-digit net revenue growth

We have an excellent portfolio of market leading brands operating in categories with a long-term runway for growth. We target to deliver sustainable mid-single-digit net revenue growth, ahead of the medium-term growth of our categories.

High gross margin business

Our Group delivers high gross margins which reflects the quality of both the categories in which we operate and the premiumisation of our portfolio.

Brand investments

Investing behind innovation, consumer education and omni-channel marketing is key to ensuring our brands resonate with both customers and consumers and drive outperformance.

Adjusted operating profit growth ahead of net revenue growth

Operating leverage from top line growth at structurally high gross margins coupled with an optimised cost base delivered through our productivity programme fuels sustained profit growth ahead of net revenue growth.

Strong cash flow and healthy balance sheet

High cash flow generation, with leverage at around 2.0x EBITDA. This places Reckitt in a position to deliver enhanced returns to shareholders.

Capital Allocation Framework

Our top priority is to invest in organic growth. We will continue to prioritise strong free cash conversion and we are committed to sustainable progressive dividend growth. We target a single A credit rating and will maintain financial ratios appropriate with that rating. We will use our three principles for long-term portfolio value creation to strengthen and optimise our portfolio. We will manage an efficient balance sheet and return surplus cash to shareholders.

Our Business Model

OUR ENABLERS

Our people and culture
We are a diverse workforce of over 40,000 people from 125 different nations, and our Company's Purpose inspires our team to make a positive impact.

Our brands
Our global portfolio of brands occupy market-leading positions in their respective categories. Our brands have a high level of consumer trust and affinity, providing an enduring competitive advantage.

Our stakeholders
Together with our customers, consumers, suppliers, communities and other partners, we have built strong partnerships with a unified ambition to extend our positive impact.

Our insight and expertise
We translate our deep multi-dimensional consumer insight into targeted product science which is a key source of competitive advantage.

Our infrastructure
We have invested in and strengthened our supply chain, enhancing the capabilities of our manufacturing sites and R&D laboratories, as well as our digital systems.

Our financial strength
Structurally superior gross margins enable an earnings model which can fuel both growth and enhanced, sustained total shareholder returns.

OUR VALUE CHAIN

Product design	We develop **superior solutions** grounded in science and we use our **Sustainable Innovation Calculator** to design products that contribute to our sustainability targets. Read more on pages 22-24.
Sourcing	We source product packaging and household product chemicals, such as pharmaceutical ingredients and agricultural commodities, from around **4,000 suppliers** in **70 countries**. Around **36,000 suppliers** provide services that support our business.
Manufacturing	Around **90% of our products** are manufactured **in-house** by our **48 production and warehouse facilities**. Supporting our production requirements, we work with **243 third-party manufacturing sites** (co-packers).
Supply/logistics	Our global distribution network consists of **131 distribution/ embellishment centres across 51 countries**.
Sales and marketing	Globally, our major trading channels span **millions of retailers** (hypermarkets and supermarkets, club, pharmacies, drug stores, pure-play, discounters, convenience stores, mom & pop stores, traditional trade outlets and speciality retail).
Consumer use	We sell around **30 million products every single day**. On this scale, even small changes in consumer behaviour can have a big impact.
End of life disposal	We aim to design for a **circular economy** to help reduce plastic and packaging waste. Read more on page 49.

THE VALUE WE CREATE

Our Consumers
1.9bn
People Engaged[1]
2022: 1.5bn
Read more on page 37

Our People
c.9,500
Learning Library Unique Users
2022: n/a
Read more on page 38

Our Investors
£1.5bn
cash returned to shareholders
2022: £1.2bn
Read more on page 39

Governments & Regulators
£922m
tax paid
2022: £831m
Read more on page 40

Our Customers
42%
Top Tier Advantage Score
2022: 39%
Read more on page 38

Our Suppliers
£240k
average spend with our suppliers
2022: £249k
Read more on page 39

Communities
£31m
invested in our Fight for Access Fund 2022: £32m
Read more on page 40

See pages 37-40
for more details on our engagement with our key stakeholders.

1. Engage two billion people with purpose-led partnerships, programmes and campaigns to promote awareness for a cleaner, healthier world (cumulative since 2020)

Key Performance Indicators

MEASURING PERFORMANCE

Reckitt's key performance indicators (KPIs) include measures for assessing financial and non-financial performance.

Variable pay across the Group is aligned to these KPIs. Central to our remuneration philosophy are the principles of pay for performance, as well as strategic alignment. Combined with our Compass and Leadership Behaviours, these principles define how decisions are made, how people act and how they are assessed and rewarded.

The KPIs shown here directly impact the remuneration awarded to Executive Directors.

See page 100 for more information in our Remuneration Report.

See page 223 for details of our definitions and terms in our APMs.

Like-for-like net revenue growth[1]

2023	3.5%
2022	7.6%
2021	3.5%
2020	11.8%
2019	0.8%

Why we measure it: To ensure our strategy is delivering organic revenue growth. The mix and strength of products and brands enables us to deliver mid-single-digit growth over time.
Performance narrative: Group net revenue of £14,607 million grew by 3.5% on a LFL basis in the year, reflecting price/mix improvements of +7.8% and a volume decline of -4.3%. Our Hygiene brands grew (+5.1%), our Health brands grew (+5.0%) and Nutrition declined (-4.0%) as the US lapped the prior year competitor supply issue.

Adjusted operating profit growth at constant exchange rates[1, 2]

2023	+0.9%
2022	+9.2%
2021	-2.6%
2020	+0.7%
2019	-1.9%

Why we measure it: To ensure we are converting revenue growth into profit. We anticipate growing operating profit faster than revenue growth.
Performance narrative: Adjusted operating profit grew less than net revenue in 2023, as gross margin expansion was offset by increased brand equity investments and inflation led cost base increases.

Adjusted diluted earnings per share[1]

2023	323.4p
2022	341.7p
2021	288.5p
2020	327.0p
2019	349.0p

Why we measure it: To monitor profitability and to provide a comparable net profit per share attributable to owners.
Performance narrative: Adjusted diluted EPS was 323.4 pence (2022: 341.7 pence), a decrease of 5.4%, as higher adjusted operating profit at constant exchange rates was more than offset by adverse foreign exchange and a higher adjusted effective tax rate in 2023.

Free cash flow conversion[1]

2023	97%
2022	83%
2021	61%
2020	131%
2019	87%

Why we measure it: To maintain the delivery of strong free cash flow conversion over time.
Performance narrative: Free cash flow of £2,258 million increased by £227 million or 11%. Free cash flow conversion improved by 14 percentage points to 97% as the benefit from working capital was only partially offset by higher tax and interest paid.

Return on capital employed (ROCE)[1]

2023	12.5%
2022	13.2%
2021	10.1%
2020	10.1%
2019	10.3%

Why we measure it: To ensure disciplined capital management.
Performance narrative: ROCE in 2023 was 12.5% (2022: 13.2%), a decrease of 70bps from 2022, due to a lower Net Operating Profit After Tax as a result of the higher adjusted tax rate.

Net revenue from more sustainable products[1, 3]

2023	29.6%⁺
2022	24.4%
2021	24.9%
2020	30.4%
2019	24.6%

Why we measure it: To drive product innovation that supports the delivery of our sustainability ambitions and meets the growing demand for more sustainable products. We are targeting 50% of net revenue from more sustainable products by 2030, as measured by our Sustainable Innovation Calculator.
Performance narrative: 2023 improvement reflects more sustainable innovations reaching the marketplace, and better use of the Calculator on new and existing product development across all GBUs.

Reduction in Greenhouse Gas (GHG) emissions in our operations

2023	-67%⁺
2022	-66%
2021	-66%
2020	-39%

Why we measure it: To support our net zero ambition and reduce emissions from our own operations. We are targeting a 65% absolute reduction in operational (Scope 1 and 2) GHG emissions by 2030.
Performance narrative: Through our ongoing focus on optimising high energy manufacturing processes, we continued to surpass our science-based target reduction of 65% by 2030.

1. See details on our alternative performance measures on page 223
2. Years after and including 2021 exclude IFCN China (disposed September 2021)
3. Figures prior to 2021 exclude our Nutrition business unit

⁺ Data was subject to independent limited assurance by ERM CVS in accordance with ISAE 3000 (Revised) and ISAE 3410. Please see ERM CVS' full assurance report at www.reckitt.com/reporting-hub for more details

Sustainability Performance Dashboard

OUR SUSTAINABILITY AMBITIONS PROGRESS OVERVIEW

Key: Baseline | Target ¦

This dashboard summarises our performance across key metrics and targets. A full performance breakdown can be found in our Sustainability Report and ESG Data Book, available online at www.reckitt.com/reporting-hub

Sustainability pillar	Topic	Ambition	2023 progress	Target
INNOVATING PURPOSE-LED BRANDS	More sustainable products	50% absolute reduction in product carbon footprint by 2030[1]	13.5%+	50%
		50% reduction in product water footprint by 2040[1]	9.9%+	50%
	Plastics and packaging	50% reduction in amount of virgin plastic packaging by 2030[2]	7%[2]	50%
		25% recycled content in our plastic packaging by 2025	5%[2]	25%
		100% of packaging recyclable or reusable by 2025	76%[2]	100%
ENABLING A HEALTHIER PLANET	Climate	Net zero across our value chain by 2040		
		65% absolute reduction in operational (Scope 1 and 2) GHG emissions by 2030[1]	67%+	65%
		100% renewable electricity by 2030	94%+	100%
	Water	Water positive in water-stressed locations where we operate by 2030	1	17 sites
		30% reduction in water use (per tonne of production) by 2025[1]	7%+	30%
	Waste	100% zero waste to landfill from our factories	100%+	100%
CONTRIBUTING TO A FAIRER SOCIETY	Inclusion	An inclusive culture where everybody is treated fairly and equitably		
		Gender balance at all management levels by 2030[3]	M: 49% F: 51%	50/50
	Social impact	Engage two billion people with purpose-led partnerships, programmes and campaigns to promote awareness for a cleaner, healthier world (cumulative since 2020)	1.9 billion+	2 billion
		Social Impact Investment of £20 million per year	£31 million	£20 million

See page 24 See page 47 for more on our innovation programme.

See pages 48–50 for our Environmental Performance Review.

See pages 51–53 for our Social Performance Review.

+ 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
1. Environmental reduction targets for carbon, water and waste are from a 2015 baseline
2. Reduction target for plastic is from a 2020 baseline. All packaging data relates to 2022, which is driven by the Ellen MacArthur Foundation reporting timelines. 2023 data will be available in mid-2024
3. Data as of 31 December 2023 for active Reckitt employees (excluding contractors). 'All management' includes: Executive Committee Member, Group Leadership Team, Senior Management Team, Middle Manager, Manager. See breakdowns on page 51

BRAND HIGHLIGHTS

finish

Finish is the world's leading auto dishwash brand. 2023 saw the launch of Finish Ultimate Plus, with technology that releases the right ingredient to act at the right time in the wash cycle, further enabling people to 'Skip the Rinse'. Whilst Finish's footprint is concentrated in markets such as Europe and the US, its runway for growth is through global penetration opportunities and premiumisation given dishwasher ownership in many parts of the world remains low and our premium thermoformed tablets are gaining share.

finish.co.uk

Vanish

With a range of fabric stain removers, whiteners and carpet cleaners, Vanish is the number one fabric treatment brand in the world. In 2023, Vanish launched a major formula change, which promises stain removal and colour protection even at 20°C, enabling consumers to save energy and helping clothes look new for longer.

vanish.co.uk

Air Wick

As one of the first brands dedicated to air care, Air Wick has uplifted homes for 80 years. Air Wick is the number three branded air care player globally. The brand continues to innovate, such as with the 2023 launch of 24/7 Active Fresh, our first aerosol-free and best ever auto-spray.

airwick.co.uk

With a range of toilet and bathroom cleaners and fresheners, Harpic is the number one lavatory care player globally. In 2023 we launched the Harpic Hygienic & Fresh Sticker, our first self-sticking toilet block with 99% less plastic, which consumers love for its simplicity.

harpic.co.uk

Dettol is present in over 130 countries across 10 categories from surface disinfection and laundry sanitiser to hand wash and shower gel. It is the world's number one brand in antiseptic personal care. Through its products and its hygiene education programs, Dettol has been helping protect people against illness-causing germs for 90 years. Its biggest markets include India, China and the UK.

dettol.co.uk

The number one branded multipurpose cleaning and disinfectant player in the world, Lysol has been breaking the chain of infection and protecting families from illness-causing germs for more than a century. In the US, its key market, Lysol represents the gold standard in germ protection and continues to leverage its equity to create new categories, such as laundry sanitiser and air sanitiser, which launched in 2023.

lysol.com

durex

Durex is the global leader in condoms, with key markets that include China and Europe. Yet Durex is present in less than 1% of global sex occasions and so offers significant headroom for growth. Recent launches, including polyurethane (PU) condoms and those lubricated with hyaluronic acid for extra moisture, are continuing to premiumise the portfolio. Culturally relevant partnerships in fashion and music, including the 'Diesel x Durex' capsule collection presented at Milan Fashion Week, connect the brand to its target audiences.

durex.co.uk

Mucinex

Mucinex is the number two cold and flu brand in the US, and the brand most trusted by doctors for cough and cold symptoms. Mucinex has a powerful brand equity, which it uses to expand into adjacent categories such as the recent successful launch of its medicated sore throat product, Mucinex InstaSoothe.

mucinex.com

Strepsils

The world's first medicated lozenge, Strepsils is the leading brand in sore throat care across global markets. With an extensive range of lozenges and sprays, the brand helps consumers to manage their sore throat and cough symptoms at home, with formulations that relieve dryness and pain.

strepsils.co.uk

NUROFEN

Nurofen, the number two analgesic brand in Europe, provides effective pain relief, leveraging over 30 years of research and development. The 2023 expansion of Nurofen Liquid Capsules into key markets and purpose-led initiatives like 'See My Pain', which aims to narrow the Gender Pain Gap by highlighting how women's pain is often ignored or dismissed, continue to support brand growth.

nurofen.co.uk

Enfamil

With its strong science-backed reputation for supporting brain health, the Enfamil family of brands offers a range of routine and specialty infant formulas, as well as toddler nutritional drinks. It is the leading premium infant nutrition brand across markets and the number one paediatrician recommended product in core markets such as the US.

enfamil.com

Nutramigen

Nutramigen, a formula product for the dietary management of cows' milk allergy, was the first and is the most extensively studied formula of its kind. 75 years after its launch, it remains the global leader in its category. The UK's National Health Service estimates that CMA affects around 7% of babies younger than one year old, underscoring the brand's growth opportunity.

nutramigen.co.uk

People and Culture

SPOTLIGHT ON: PEOPLE AND CULTURE

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

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

Ranjay Radhakrishnan
Chief Human Resources Officer

A business our people believe in

A powerful combination of our brands, people and Purpose is what makes Reckitt unique.

Our people believe in and are inspired by our Purpose and brands. They take pride in our business and our shared ambition to achieve. This is evidenced by our annual employee survey, which in 2023 saw scores higher than our external benchmark for pride, strategy and company direction.

This shared vision has been crucial to our transformation over the last four years. During this period, we established deep cultural foundations that empower our people as the key value drivers of our business and redefined our Leadership Behaviours to place a greater emphasis on care as we serve the needs of all our stakeholders.

Around 14,000 colleagues now participate in one of Reckitt's all employee share plans. This nurtures a culture in which individuals are owners, as well as colleagues and managers. The result is a business equipped for future growth and focused on sharing the benefits of pursuing a cleaner, healthier world.

Fostering success

The investment we make in our future starts with our people. We want to attract, retain and develop the best talent. We recognise the desire of our colleagues to develop their careers. Yet we acknowledge that personal growth can take many forms; from building functional skills and exploring new markets or functions, to developing management and leadership skills.

Building on feedback received from our colleagues, we have rejuvenated our approach to personal growth by adopting a holistic programme for development in its widest sense.

People and Culture continued

This ranges from equipping individuals with specific skills relating to their function to developing leadership, resilience and providing in-role support, both professionally and personally, through our Wellbeing and Employee Assistance Programmes. Together, these enable individuals to realise their full potential.

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

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

Embedding these skills across our business is a continual process of development and renewal. This is vital for an organisation like ours which purposefully introduces new talent from outside to complement the wealth of experience and skills we nurture from within.

This fosters a culture of innovation and change through fresh thinking, whilst anchoring our energy in a shared belief in how we deliver the best outcomes for our business.

Rewarding outcomes

Reckitt is a results-oriented business with a strong belief in collective accountability. That is why many of our people are enrolled in, incentivised by and rewarded through our Annual Performance Plan (APP). Running each calendar year, this measures our collective performance against annual targets linked to Reckitt's strategic priorities and tailored to individual markets.

Reckitt's most senior management participate in our Long-Term Incentive Plan (LTIP), which incentivises and rewards long-term performance, and aligns the interests of our leaders with those of shareholders. This also delivers a strong focus on ownership and accountability, to ensure that our Leadership Behaviours provide the lens through which success is evaluated.

Building a culture of inclusion

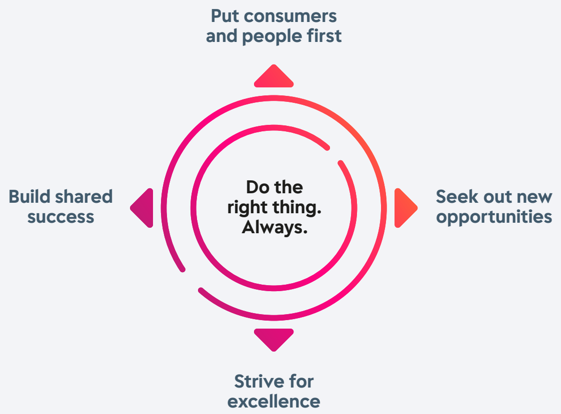
Success at Reckitt means excelling as who you are. Our goal is to provide a working environment where uniqueness is embraced and inclusion is a lived experience. We recognise that diversity of thought is a key driver of performance. With over 40,000 people worldwide drawn from 125 different nations, we want to represent the countries and communities we serve through a workplace where everyone feels able to be their authentic self.

Equally, our aim is for a global workforce profile that is more aligned with the global consumers, customers and markets we serve. Together, our colleagues, our partners and our brands will drive that change as we reflect the diverse and inclusive world in which we operate.

Inclusion is given senior focus in Reckitt by our Global Inclusion Board, which is chaired by our Group CEO. Its mandate is to drive our inclusivity agenda throughout our employee communities, our brand identities and our supply chain. The Group Board works in partnership with our Local Inclusion Boards in individual markets and the growing number of local chapters of our global Employee Resource Groups (ERGs), which continue to play a critical role in driving our inclusion agenda.

ERGs are employee networks that provide visibility, understanding and support to groups that may be underrepresented or face barriers in the workplace. There are four global ERGs, focusing on LGBTQ+, Women@Reckitt, Race and Ethnicity, and Disability. Local ERGs maintain a focus in market, supporting localised inclusion plans.

OUR COMPASS



OUR LEADERSHIP BEHAVIOURS

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

People and Culture continued

Through active engagement on workplace issues, ERGs have been instrumental in driving change across a range of policies and processes. These include our shared parental leave, the development of our Accelerate leadership programme to support women throughout their careers, and Reckitt's conscious inclusion programme, which highlights unconscious bias, microaggressions and the steps everyone can take to promote inclusivity.

Our ERGs have been critical in harnessing a community-based sense of togetherness and belonging across Reckitt. Yet we also recognise that inclusivity is for everyone. We believe that we are Stronger Together and our ambition is that all colleagues are welcomed, able to fully contribute to our business and supported to thrive.

This is a guiding principle behind the next stage of our inclusivity journey. In 2023, we hosted a global Stronger Together event to promote allyship and foster an understanding of how to be an active ally to each other. Through similar events and workplace initiatives, we shall continue to extend conversations beyond our ERGs to make inclusivity an aspect of our culture that everyone can relate to and take responsibility for.

Health, safety and wellbeing

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

Our primary concern is that our people are safe at work, irrespective of what they do or where they live. With a global business spread throughout 68 countries, we ensure we have mature systems in place that enable us to step in quickly to support our people and their families in times of need.

2023 saw continued war in Ukraine, a devastating earthquake hit Turkey and conflict in the Middle East. Our teams provided financial and mental health support for affected colleagues. We were also able to commit over £400k of funds to alleviate suffering on both sides of the conflict in the Middle East through our disaster relief emergency response partner The British Red Cross, and further matched employee donations.

Whilst the safety of our people is paramount, we also recognise the importance of employee health and wellbeing to ensuring our people can thrive, both at home and in the workplace.

Supporting these is the cornerstone of our Global Wellbeing Policy, which recognises mental health as the foundation of a healthy, happy employee community and a cornerstone of sustained business performance.

Our Global Wellbeing Hub enables access to a variety of resources on topics which we know, through employee surveys, are priorities for achieving balance and wellbeing at work. Augmenting this is a global programme of webinars and events that draw attention to some of the key issues that challenge wellbeing.

In 2023, these included a Mental Health Month, a cancer pledge to encourage greater understanding of working with cancer, and a Global Steps Challenge, which united colleagues from more than 30 countries in a physical challenge.

Alongside these global initiatives, our monthly Wellbeing Boosters sessions provide access to performance coaches for advice and support. In 2023, there was a 61% increase in people leader coaching versus 2022 and attendance of over 19,000 at our wellbeing events, a ten-fold increase year on year.

Each of these workplace initiatives is balanced by individual Employee Assistance Programmes that provide tailored care for specific issues, including mental health support.

Fit for the future

Our journey over the past four years has seen Reckitt realign important aspects of its culture with its Purpose.

Our goal throughout has been to ensure our people share a strong sense of purpose anchored in a deep-rooted culture that emphasises ownership and accountability as hallmarks of success.

We live in a changing world. We shall continue to adapt as we grow. Our Purpose provides us meaning, builds our resilience and serves as a north star. We always maintain an unwavering commitment to our people, whose passion, energy and professionalism are the source of our enduring strength.

See page 51
for more details on developing our people.

Scientific Innovation

SPOTLIGHT ON: SCIENTIFIC INNOVATION

We combine deep consumer insights with cutting-edge science to create differentiated, superior solutions that bring delight to consumers everywhere.

"Our goal is to unleash the 'Science Inside' Reckitt through the very best and most trusted brands."

Angela Naef
Chief R&D Officer

Our innovation capabilities
Innovation is harnessed through the global capabilities we possess across the Group, including R&D, Marketing, Sales and Supply. These teams work together with in-market experts to build a deep understanding of the consumer, connecting this with great science to develop products that delight our consumers and meet their everyday needs. Our Supply team then enable us to execute with excellence by delivering these through their best-in-class route-to-market capabilities.

Within our Global Business Units, our Category Development Organisations create and grow categories through consumer-focused innovation that extends Reckitt's brands into adjacent white spaces. This team has developed industry-leading ways of combining consumer insights with our science capabilities that enable us to extend our categories and identify new spaces for growth.

Through our leading R&D capabilities, we have elevated the 'Science Inside' our business to create enduring value through our brands. We have built rigour, discipline and precision across our R&D activities to ensure our science can travel across our categories. This enables greater degrees of freedom in designing new products and provides us with a longer-term lens through which to innovate, reinforcing the sustainability and growth potential of our brands.

With targeted R&D investment, we have built new capabilities in medical sciences that enable us to generate superior evidence. Alongside this, investment in our regulatory intelligence capabilities helps us to identify and anticipate changes in our regulatory landscape. This enables us to drive advocacy that opens channels and routes to market for our innovations so that we can put new products in the hands of consumers.

Scientific Innovation continued

This is a source of competitive advantage through which we offer consumers a greater choice of safe and effective solutions that anticipate their present and future needs.

Our approach to R&D is driven by a strong commercial focus and an innovation culture that fosters collaboration. We focus on strategic choices that help us to build critical capabilities that unlock value and drive step changes in growth.

Framing our strategy

The megatrends behind Reckitt's four global challenges (see page 07) provide the strategic frame that determines where we innovate and channel our R&D. These guide our long-term thinking and ensure the commercial opportunities we pursue offer lasting social benefits.

We think about Innovation at Reckitt not as a function, but as an outcome. Its impact is guided by three priorities, which taken together define the role of R&D in our growth ambitions.

The first we call Innovate Impactfully. This captures the value we create by innovating to drive sustainable top-line growth. By focusing on value as an outcome, we introduce financial rigour wherever we innovate, from formulation through to product packaging, our science-based claims and methods of delivery. We maximise innovation's impact through a 'touch it once' approach, which means that innovation in one science platform travels across the organisation to offer benefit to all brands and categories.

The second priority we refer to as Securing the Company. This safeguards the lifecycle of our products to ensure they remain relevant, compliant and progressive as regulations and consumer preferences evolve. It requires ongoing interaction with our stakeholders and a mindset of regulatory foresight that anticipates how future changes may impact them.

Our third priority is Driving Productivity. We pursue this with our Supply colleagues and partners to ensure innovation delivers on the Group's productivity goals. This involves optimising our supply of raw materials by qualifying suppliers to drive the best procurement choices, and refining our processes to ensure we balance capacity across our manufacturing.

Extending our growth runways

As well as supporting our current growth ambitions, innovation equips us to anticipate and plan for the future. This means being able to look through a longer-term lens and anticipate change though a multi-generational approach to R&D planning.

Our investment in PU technology for Durex condoms in China is an example. This captured a shift in consumer preferences, but also reshaped our manufacturing process and resulted in the establishment of a new Polymer Science and Technology platform.

Now one of nine foundational disciplines that shape our science capabilities across the Company, this platform brings together polymer scientists to design methods of PU use across our brands that meet consumer needs as they evolve. Throughout, we made sure this science travels: polymer science has since crossed categories into Hygiene and the thermoform technology we use in our Finish dishwasher tablets.

Innovation draws continually on our science capabilities to develop and extend products that improve the consumer experience of our brands. Our Nutrition Innovation pipeline is closely linked to our rich science heritage and capabilities, allowing us to develop nutritional solutions that give babies the best start in life, as well as to provide the foundation for life-long health.

Our scientific commitment and cutting-edge studies are advancing the field of paediatric nutrition globally. This was showcased in one of our recent clinical publications, which gained widespread recognition for its findings relating to our Enfamil formula enriched with milk fat globule membrane (MFGM). This showed lasting brain benefits at the age of five-and-a-half years in children who were fed this formulation in their first year, exemplifying our longer-term approach of extending clinical research on our formulas beyond infancy (see page 35).

Similarly, in 2023 our Intimate Wellness team also achieved a significant scientific milestone

CASE STUDY

The 'Science Inside' Reckitt: supercharging science to delight consumers

The 'Science Inside' Reckitt is a global community of over 3,000 scientists spanning nine centres of excellence. It provides us with the capability not only to create a new and disruptive product like Lysol Air Sanitiser, but also to partner with regulators to develop standards for this new category.

We connect the expertise in Reckitt across nine scientific platforms to our deep knowledge of consumers. Within these, we innovate new products that solve unmet consumer needs and deliver our growth ambitions. The pursuit of scientific excellence has transformed Reckitt's R&D. By connecting our science platforms, we ensure our science travels across Reckitt so that we can deliver for consumers everywhere.

In 2023, our Hull Science and Innovation Centre hosted our first annual 'Science Inside' Symposium. Our community came together to celebrate, recognise and connect.

With a focus on peer-based scientific review, 900 authors from 21 countries submitted over 300 abstracts for debate, from which 113 were selected for discussion.

By fostering a culture of collaborative innovation, the Symposium epitomises how the 'Science Inside' Reckitt harnesses our science goals to our ambition to deliver ever-greater value for our consumers.

Scientific Innovation continued

in a clinical trial involving the reformulation of our lubrication portfolio. Driven by our R&D team, the resulting study[1] was acknowledged by the International Society of Sexual Medicine as the Best Paper of 2023 in Female Sexual medicine. These demonstrations of scientific leadership illustrate the depth of clinical and medical expertise within our categories, which serve our global community of healthcare providers and consumers and position our brands for future growth.

Driving sustainable outcomes

Sustainability is a governing principle for Reckitt. 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 goals. These include our ambition for 50% of our net revenue to come from more sustainable products by 2030.

Reckitt's Sustainable Innovation Calculator helps guide us to the right decisions throughout the innovation process. It measures the impact of a new product by rating its ingredients, plastics, packaging, carbon and water performance, as well as evaluating its extended producer responsibility risk. By comparing these data with existing product ratings, we are able to identify alternatives that offer better environmental outcomes (see page 47).

This approach helped shape our Finish Ultimate Plus dishwasher product, which offers superior wash performance alongside a 20% reduction in chemicals use. This enables consumers to 'Skip the Rinse' and helps to save many millions of litres of water every year across the world.

It also drove the development of Harpic Hygienic and Fresh, the very first self-sticking toilet block. This uses a biodegradable polyvinyl alcohol wrap that sticks to the inside of the toilet bowl, removing the need for a plastic cage to hold the block in place. It also dissolves with use. The result is a considerable reduction in plastic and a product that consumers love for its simplicity.

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 hard data to drive positive outcomes.

1. A randomised trial on the effectiveness and safety of five water-based personal lubricants. *The Journal of Sexual Medicine*, Volume 20, Issue 4, April 2023, pages 498-506

Harnessing the benefits of Artificial Intelligence

Reckitt has been involved in complex dataset processing for many years, which has driven a step-change in our ability to understand the needs of consumers. We already leverage machine learning and advanced analytics across consumer research, into consumer activation touchpoints, and to plan, measure and steer our digital campaigns in real-time.

AI enables us to extend these capabilities to additional datasets, including unstructured text shared through sensory evaluations, consumer trials, and ratings and reviews. These offer insight on an unprecedented level that will transform our relationship with consumers as we innovate the products of the future.

We are constantly evaluating the wealth of value that AI can offer as we deepen our understanding of its capabilities, its risks and the opportunities it unlocks. We have focused our efforts on accelerating the adoption and impact of AI across our business, from R&D and manufacturing to sales, marketing and logistics. We are identifying high-value use cases, expediting AI project implementation and reducing barriers to AI innovation. Our objective throughout is to deliver AI-driven results efficiently and responsibly.

For example, AI-driven simulation and modelling are enabling us to achieve our innovation and sustainability goals within R&D and manufacturing. It is also boosting productivity by shortening our product development lifecycles. As these capabilities scale, we will be able to conceive, design and prototype a growing number of new products in the digital-first world, trialling hundreds of different potential variations that simply would not be possible without the human–machine partnership opportunities that AI offers.

At the same time, we are mindful that the nature of this new technology and the speed at which these tools are being developed can, if unchecked, impact issues such as data privacy, biases and content accuracy. In 2023, we introduced an AI Tools Policy to encourage our people to embrace the responsible use of AI tools in the workplace so that we may enjoy the productivity benefits and creativity they can unlock.

"Generative AI will unlock significant new opportunities for Reckitt. By maintaining a strong focus on data foundations and quality, we can ensure that this technology becomes a true competitive advantage."

Filippo Catalano
Chief Information & Digitisation Officer

Our Supply Chain

SPOTLIGHT ON: OUR SUPPLY CHAIN

Our supply chain is the operational backbone that enables us to deliver on our Purpose.

"Our priority is to ensure we have the depth, agility and resilience to respond to an increasingly complex global supply network."

Sami Naffakh
Chief Supply Officer

Investing in our supply strategy

During 2023 our global supply chain was impacted by macroeconomic issues such as inflation and geopolitical instability, causing fluctuations in supply and demand. The investments we have made in the resilience and flexibility of our supply chain enabled us to mitigate the impact of these, whilst strengthening our relationships with suppliers and customers.

Our investment priorities have been underpinned by the four pillars of our supply strategy. Each pillar is fundamental to our Purpose, the success of our business and the returns we generate for our shareholders.

The first pillar ensures we embed care and responsibility in everything we do. This means protecting our consumers through product quality and value, keeping our people safe and managing the impact of our activities on communities and our planet. This commitment ensures we provide our consumers with reliable products that are safe and deliver on their brand promise.

Responsibility and care for our people involves an immutable commitment to health and safety. We continue to strengthen processes to safeguard both, whilst recognising that health and safety cannot flourish without a genuine safety culture, a responsibility and commitment we place at the heart of our business.

The second pillar drives operational excellence across all supply. Our goal is to build a world-class supply function that delivers outstanding customer service and excellence in execution to meet the needs of consumers and customers, both today and in the future. Fundamental to achieving this is the excellence programmes we have launched across all our supply sub-functions. Through these, we have made targeted investments in new technology

Our Supply Chain continued

to develop our productivity muscle near term and boost our competitive advantage long term.

An example is procurement, where we have developed a digital risk management platform that enhances our operational resilience by identifying and mitigating risks associated with the supply of materials. We have also invested in advanced market-based analytical capabilities to provide our buyers with greater visibility on how we can best direct our spending.

In end-to-end planning, we have redesigned our activities from a process, operating model and systems perspective in order to improve service, optimise our inventory levels and the utilisation of our assets and to reduce our costs.

In manufacturing, our Reckitt Production System (RPS) is now a key driver of our on-site productivity capabilities. RPS is helping us pilot several packaging optimisation projects that reduce costs, whilst meeting the needs of our customers and consumers around sustainable materials.

Our Reckitt Logistics Excellence programme is providing new tools, capabilities and standards to improve productivity and costs in warehousing and transport operations. And our Customer Fulfilment Excellence programme is improving the way we collaborate and serve our customers, whilst optimising our internal processes to support their needs.

Throughout, we continue to use our scale and reach to influence positive change and impact across our value chain. This includes promoting supplier diversity, embedding measures to help secure sustainable livelihoods for our suppliers and increasing the use of recyclable and reusable packaging. Each of these were key initiatives in 2023 as we worked to boost responsible procurement and reinforce the sustainability of our supply.

The third pillar is to deliver a supply chain for the future. Here, we have strengthened the resilience of our manufacturing by reducing mono-sourcing, localising production and digitising key components of our supply function to ensure we have the network, assets and capabilities that will enable our future growth.

Raw material sourcing is a case in point. Many of our products, including Dettol soaps, Durex condoms and our infant nutrition formulas, are exposed to naturally-sourced agricultural commodities. Their supply can be affected by geopolitical events, weather and other disruptions. Through greater agility and flexibility in procurement and by adapting our sourcing strategies, we are able to mitigate these impacts more effectively.

We have also built greater redundancy into our supply arrangements to mitigate risk around single-source procurement. This includes infant formula, where we have forged alternative supply for the US market through our plants in Mexico and Singapore. And by developing our own supply capabilities, we have in some instances moved ourselves up the value chain. This includes our VMS category, where we are now in-sourcing vitamin and mineral blends in our Evansville facility in the US.

The fourth pillar captures the importance of our people to Reckitt's success. This means investing in skills, promoting diversity and fostering an inclusive working environment that enables our employees to realise their full potential and our Company to deliver on our ambitions.

Each of our people initiatives have been supported through a variety of training and development resources, including our Future Leaders programme, Personal Development Plans and a Supply Academy, as well as a strong community of experts we have nurtured across the Company. These people foundations remain important resources as we build on our achievements and extend the reach of these new capabilities across supply (see page 50).

Sustainable customer partnerships

Our customer relationships are vital to our market presence and a source of competitive advantage. Strengthening these during volatile periods for supply and demand has been a key priority for us. This involves continuous improvements in forecasting, developing tactical solutions to drive better, more reliable service levels and strengthening communication and engagement to fuel future growth.

In parallel, we have developed an entirely new Customer Service Excellence Playbook, which we are now rolling out as best practice across all our markets and regions. This is a multi-year roadmap for achieving best-in-class customer service globally. It has aligned our focus and driven sustained service improvement, better customer engagement and a reduced cost to serve, whilst supporting increased sales growth and better employee engagement.

Our Supply Chain continued

This structured approach places collaboration and dialogue at the centre of our customer relationships. It involves listening closely to customer needs and serving these though a partnership that integrates sales and supply across our product platform. The benefits are mutual: it improves our ability to deliver whilst lowering our cost to serve through, for example, encouraging more efficient order weights and a greater reliance on no-touch orders.

Technology and digitisation

Technology is a key enabler of change across our supply chain. The improvements it has brought about have in large part been enabled through an accelerated digitisation of our supply sub-functions.

Our Taicang plant in China is a great example. Our newest and largest site in this high-growth market, Taicang is equipped with some of the most advanced automation technology available to create a manufacturing facility that is fully digitally native (see case study opposite).

Technology has also played a key role in lessening the financial impact of market volatility, whilst helping us to mitigate its risks. As a key element of our Commodity Risk Management process, technology is enabling greater market insight through new real-time capabilities in feedstock trend analysis, demand-supply evolution and historical price data. These are enabling us to make smarter decisions in hedging, fixed price contracts and forward booking, which in turn help us to reduce our exposure to market volatility.

Sharing this market insight deepens our supply partnerships. Our capabilities ensure we remain agile in responding to changing market conditions and continue to be an attractive, competitive buyer, whilst helping us to manage risk. The objective throughout is to maximise the benefits we can realise through the choices we make across supply. This helps us achieve sustainable, profitable growth and higher returns through faster in-market execution.

As we progress our digitisation journey, technology will be an ongoing enabler of productivity and quality benefits through monitoring our complex supply chains and identifying potential issues and opportunities as they arise.

Continuity and maturity are themes for the year ahead as we realise further benefits from the investments we have made.

CASE STUDY

Building shared success: our Taicang manufacturing plant

Taicang is our fifth, most recent and largest manufacturing plant in China. It produces Dettol for the people of China, with an annual production capacity of 100,000 tonnes. Committed as a greenfield site in 2019, Taicang was built and operational within three years; quite an achievement given this period spanned the COVID-19 pandemic.

As a site, Taicang is fully digitally native, with some of the most advanced automation and systems available. Utilising Reckitt's global Production Management System, the factory is equipped with a variety of digital systems that empower management with data as an asset to drive innovation and development.

These include Taicang's Automated Storage and Retrieval System warehousing technology, which enables us to organise the movement of pallets efficiently and within a much tighter space than traditional forklift racking systems allow.

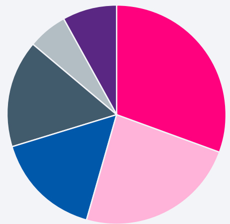
By localising the production of Dettol and providing us with options on further expansion, Taicang is crucial to delivering on our growth ambitions in China.

Market Opportunities: Hygiene

HYGIENE

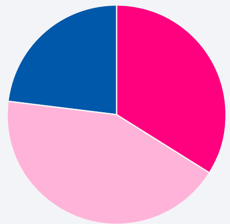
Our Hygiene business comprises category-leading brands anchored in our Purpose. Each enjoys attractive growth opportunities driven by global megatrends and rising household adoption.

Category Profile[1]



- Surface & Disinfection
- Auto Dishwash
- Air Care
- Fabric Additives
- Lavatory Care
- Other

Geographical Profile[1]



- North America
- Europe/ANZ
- Developing Markets

1. Based on FY23 net revenue

Our categories

Surface & Disinfection

#1 Globally

Auto Dishwash

#1 Globally

Air Care

#3 Globally

Fabric Additives

#1 Globally

Lavatory Care

#1 Globally

Other

"We keep raising the bar on how we execute and build our brands to improve our consumers' lives and grow our customers' categories."

Volker Kuhn
President Hygiene

Market-leading brands with purpose

Our Hygiene portfolio extends over six core categories. These include world-class brands that lead their markets and enjoy high levels of consumer trust. Each is supported by a clear and consistent consumer-focused growth model based on driving market penetration and brand extension. Our brands earn industry-leading margins thanks to the strength of their brand equity, our innovation capabilities and our ongoing investment in productivity.

What unites our brands is a shared belief in hygiene as the foundation of health. The COVID-19 pandemic underscored the vital importance of this, particularly in our crowded cities and shared spaces where good hygiene is an effective barrier to the spread of infection.

Population growth and mobility, as well as global warming, are placing unprecedented strains on sanitation and water resources in many parts of the world. These are essential public health priorities that our brands help to address. A growing middle class in these markets is driving greater adoption of our brands as consumers seek the benefits they provide.

Attractive growth opportunities

Our Hygiene brands have very strong and distinct brand equity and benefit from high levels of consumer awareness. Yet their global penetration remains low, particularly in developing markets. Dishwasher ownership is just 13% globally and in the UK fewer than one in five households use either a sanitiser or stain removal product in their general laundry wash. This provides our category-leading brands like Finish in dishwashing, Lysol in laundry sanitisers and Vanish in stain removers with significant headroom for growth as rising household incomes and growing awareness of their benefits drive adoption rates higher.

Market Opportunities: Hygiene continued

Our Hygiene portfolio enjoys strong growth characteristics. In 2023, our categories saw between mid-single-digit and double-digit year-on-year market growth. In Surface and Disinfection, Lysol is the world's largest disinfection brand and its growth in the most recent years has been driven by new household penetration and expansion into adjacent categories as we leverage Lysol's brand equity through innovation.

The depth of our brand equity in each category is rooted in strong consumer trust and loyalty, which reflect our commitment to premium brands with a reputation for outperformance. The result is a profitable portfolio with high rates of return and attractive margins. We underpin these with a constant focus on productivity and the strength of our go-to-market capabilities. Coupled with the significant Group-wide investments we have made in our supply chain capabilities, we are now closer to our customers than ever and able to serve them better.

Innovation-led growth

Innovation is critical to our brand success in the attractive categories in which we play. Our DNA is to create and grow categories through consumer-focused innovation that extends brands into adjacent white spaces. We delight consumers by developing new formulations and superior products through a problem-solving, solutions-based approach to their needs.

By applying our polymer science expertise to the thermoform technology used in our Finish dishwasher tablets, we have secured significant growth and market share gains for our premium Finish products, which adopt this surface chemistry.

CASE STUDY

Finish Ultimate Plus: driving growth and penetration through premiumisation

Auto Dishwash is one of our biggest Hygiene categories. It is also one in which our brand Finish is the global market leader. Auto Dishwash has delivered double-digit compound growth over the past five years as we have driven market share though innovation and premiumisation.

Five years ago, 95% of our revenue from monodose detergents was generated by hard-pressed tablets. Since then, we have introduced different tiers of premium-priced thermoformed tablets. Now, around two-thirds of the revenue of monodose detergent is coming from new technologies.

In 2023, we launched Finish Ultimate Plus, our best-performing detergent yet, in Europe and the US.

Finish Ultimate Plus uses our CycleSync technology, which phases the release of the tablet's detergents to match the wash cycle. Not only does this deliver better results, but as with all thermoform portfolio, enables consumers to 'Skip the Rinse' and helps to save many millions of litres of water every year across the world.

Auto Dishwash has enormous upside in category penetration. Global dishwasher penetration remains at 13% globally and is lower still in emerging markets like India, China and Brazil where it is less than 3%. We are actively partnering with the leading dishwashing machine brands to encourage consumer adoption, both in emerging markets and developed ones.

Similarly, two new brand extensions to Air Wick helped us to deliver further category growth through premium products that attract higher pricing per dose. Air Wick's new Vibrant range offers an improved scent experience delivered via an anti-fade technology infused with more essential oils than our regular scented oils. Meanwhile, 24/7 Active Fresh is our first aerosol-free spray, which is delighting the market with a range of natural-smelling fragrances our consumers tell us they enjoy.

Brand extensions like these demonstrate our ability to galvanise consumer loyalty to drive category growth through innovation that extends product performance. Leveraging the strength and depth of our science platforms is fundamental to this process, providing us with market-leading technology and chemistry that are enduring sources of our competitive advantage.

Delivering sustainable outcomes

Sustainable business principles are at the heart of our Purpose. They find expression throughout our Hygiene categories, both in terms of the health-based principles we support and the environmental impacts we seek to mitigate.

Core to our strategy is developing products that deliver superior performance at lower levels of resource use, like the CycleSync technology we have introduced in Finish Ultimate Plus (see case study).

Premiumisation and sustainability reinforce each other as we deliver superior, more sustainable solutions that provide us with a greater share of the consumer wallet, whilst helping consumers to reduce their overall spend on energy and water during use. This shares the benefits of innovation and secures inherently sustainable outcomes as we deepen our consumer value proposition through brands with lighter environmental footprints.

Market Opportunities: Hygiene continued

Innovation also plays a key role in enabling us to reduce the use of virgin plastic in our packaging and maximise recyclability of components, thereby contributing to progress against our sustainability targets (see page 49).

Outlook and ambitions

Our Hygiene business enters 2024 with an abundance of opportunity. Our brand leadership and innovation capabilities position us well to extend the value proposition we offer our consumers in categories where global penetration rates remain low.

We continue to reap the benefits of investment in our execution capabilities through our ability to leverage technologies, data, our partnerships and our scale.

Low global penetration rates in many of our categories provide us with long growth runways for penetration and brand extensions. So, too, do opportunities to deepen consumer engagement in categories like Air Care, where we see in some markets, consumers who buy two segments or more spending on average four times more than those buying a single product.

Similarly, premiumisation will continue to encourage consumers to trade-up to products that offer a stronger value proposition at higher price points. This includes the Fabric Additives category, where an average Vanish user is delivering three times the revenue per wash compared with one using detergent alone.

A mindset of continuous improvement unites our teams and ensures that growth through innovation will remain our constant. Premiumisation and growing penetration are core to our strategy as we look for future opportunities to create new categories through market-leading brands that our consumers love.

Throughout, serving consumers and their needs is fundamental to everything we do, as is delivering the benefits of the cleaner, healthier world our brands enable.

See page 42
for details of our 2023 financial performance in Hygiene.

CASE STUDY

Vanish Oxi-Action: reducing energy use through cooler wash cycles

Vanish is the world's leading stain remover brand. It enjoys a number one position in more than three-quarters of its markets. Yet with less than 10% global household penetration, premiumisation provides us with headroom for considerable growth as we innovate and extend Vanish's considerable brand equity.

In 2023, we upgraded Vanish's stain removal capabilities through Vanish Oxi-Action, a new formulation that gives better performance at cooler 20°C wash cycles than with a detergent alone at 40°C. A new patented oxi-action catalyst makes this possible, enabling even the toughest stains to be removed in extreme test conditions without the help of high wash temperatures. This helps make clothes last longer whilst reducing energy use.

As well as helping to drive category penetration through premiumisation, Vanish Oxi-Action is a great example of how we innovate products that deliver a strong consumer value proposition alongside better environmental outcomes.

CASE STUDY

Lysol Air Sanitiser: innovating for unmet consumer needs

2023 the introduction of a product that defines the future of Air Care: Lysol Air Sanitiser, a spray that kills 99.9% of airborne viruses and bacteria whilst eliminating bacterial odours in the air.

Lysol Air Sanitiser is a first-of-its-kind in the Air Care category: an entirely new product that combines a sanitiser and bacterial odour eliminator in one. It epitomises how our science-backed innovation enables us to develop new products on the shoulders of very strong brand equity and consumer trust.

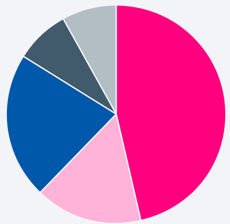
Launching in the US, the product reached retail shelves in Q3 to a very warm response from customers and consumers, with two of its product variants reaching the top five Stock Keeping Units (SKUs) by rotation in the Instant Action category within the first three months.

Market Opportunities: Health

HEALTH

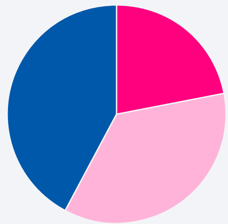
Our Health business brings together a portfolio of market-leading brands that define their categories and are synonymous with day-to-day health and wellness needs.

Category Profile[1]



- OTC
- Intimate Wellness
- Germ Protection
- VMS
- Personal Care

Geographical Profile[1]



- North America
- Europe/ANZ
- Developing Markets

1. Based on FY23 net revenue

Our categories

OTC

Mucinex – #2 US in Cold & Flu
Nurofen – #2 Europe in Analgesics
Strepsils – #1 Globally in Sore Throat
Gaviscon – #1 Globally in Upper GI
Biofreeze

Intimate Wellness

Durex, K-Y – #1 Globally

Germ Protection

Dettol – #1 Globally

VMS

Move Free – #3 US in Bone & Joint Care
Airborne
Neuriva – #2 US in Brain Supplement

Personal Care

Veet – #1 Globally in Depilatories

> "Our brands possess considerable equity and continue to earn high levels of consumer trust, which allow them to extend into adjacent white space opportunities."

Pat Sly
President Health

A portfolio of market-leading brands

Our Health portfolio enables us to deliver Reckitt's Purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world.

Ours is a portfolio differentiated by the quality of our brands and our geographic footprint. Our exceptionally strong brands, including Mucinex, Durex, Dettol, Strepsils and Nurofen, offer high growth opportunities and an excellent margin structure. Combined with our geographic diversification, we are well positioned to serve a wide range of health and wellness needs.

We are selective about where we play and are focused on five key categories: OTC, Intimate Wellness, Germ Protection, VMS and Personal Care.

Our brands possess considerable equity and continue to earn high levels of consumer trust, which allows them to extend into adjacent white space opportunities, often crossing consumer categories. This horizontal reach brings with it an abundance of premiumisation opportunities as we extend our relationship with the consumer, evolving our brands to match their changing needs and behaviours.

OTC

OTC is the biggest category in our Health business and enjoys high growth and high margins across our sub-categories, including pain, gastrointestinal and upper respiratory. Since 2019, our OTC business has added over £1 billion in net revenue. Innovation continues to extend its market reach and we continue to invest in both short- and long-term innovation opportunities.

In the US, the extension of Mucinex into the treatment of sore throats through the introduction of Mucinex InstaSoothe drew on scientific expertise from Strepsils.

Market Opportunities: Health continued

CASE STUDY

Strepsils investment in increased capacity to meet sustained high demand

Through investment at Reckitt's manufacturing sites in Nottingham, UK and Bangplee, Thailand, we've built increased capacity to enable us to continue to meet sustained high demand for Strepsils. This brand has broad shoulders, offering significant opportunities for expansion, as we've seen recently with the launch of Strepsils Cough in Australia, which meets an additional consumer need through one of our trusted, efficacious solutions. This mirrors the similar, recent extension of our Mucinex category in the US into sore throat with the launch of Mucinex InstaSoothe.

It secured a meaningful share of the US sore throat category within a year of launch.

Pain is an important sub-category within our OTC portfolio. Nurofen continues to offer opportunities to expand into white spaces. In 2023, we made significant progress in establishing Nurofen in some of the most attractive adult pain markets in Europe through Nurofen Liquid Capsules and are seeing early success versus our initial launch targets.

Through our multi-year 'See My Pain' campaign in the UK, Nurofen has highlighted the gender pain gap, with over 50% of women sharing an experience of pain being ignored or dismissed. Now in its second year, the campaign has recently launched 'PAINPASS', a tool to enable women to have data-centred conversations around their pain and its management with their healthcare providers. This campaign was shaped by extensive research and insights generated by our Medical Affairs and Medical Marketing teams and continues to build brand equity.

The 2021 acquisition of Biofreeze, a market leader in topical pain relief in the US, provided us with a brand extension opportunity through a night formulation that meets an underserved consumer need. During 2023, our launch of Biofreeze in France enjoyed early success with consumers and continues to build on the successful international rollout of the Biofreeze brand.

Intimate Wellness

Durex maintains its position as the global market leader in condoms and we continue to see growth in our KY portfolio. We have built a successful Intimate Wellness business, which enjoys significant headroom for growth given that our products are currently used in less than 1% of global sex occasions.

CASE STUDY

Durex hyaluronic acid-lubricated condom

Launched in China, Durex Fetherlite is a new, premium product which offers a water-based, hyaluronic acid-lubricated condom which delivers an additional consumer benefit through the moisturising properties of hyaluronic acid. This product was the result of an incredibly fast innovation cycle, from ideation through to delivery in under 12 months, and achieved a leading share of this segment within its first year in market.

We are continuing to extend our Durex brand through a new range of intimate devices, which launched in the second half of 2023. Our innovation agenda has allowed us to launch more premium offerings in our condom and lubricants portfolio, which have enabled us to cover a range of increasingly premium pricing tiers in many markets.

By continuing to invest in our materials science platform, we are bringing innovative new products to market across our latex and PU condom portfolios. We recently launched a new hyaluronic acid-lubricated condom in China, Durex Fetherlite, which delivers additional moisturising benefits.

Our Intimate Wellness portfolio in China was a strong contributor to sales during 2023. Through ongoing innovation and a revitalised China strategy, we have seen positive competitive momentum in the business and continued growth of our PU condoms franchise.

Germ protection

As the number one antiseptic liquid brand globally, Dettol is an expansive brand that can traverse categories. This has enabled us to extend the brand from antiseptic use for cuts and wounds to personal care, laundry and the disinfection of household surfaces and appliances. Yet with around 20% penetration globally, Dettol enjoys considerable headroom for further growth, particularly in developing markets where a growing middle class is devoting greater spend to health, hygiene and personal care.

In India and China, we have been particularly successful in leveraging Dettol's brand equity into a growing number of new product spaces, stretching its reach across home hygiene and personal care and enabling us to compete in different market tiers. These range from soaps and handwash to our premium range of Dettol-based bath and shower products.

Market Opportunities: Health continued

Together, these deepen Dettol's brand equity and enable us to strengthen our market presence through brand extensions.

VMS and Personal Care

In our VMS category, which includes Neuriva, Airborne and Move Free, we continue to focus on establishing leading positions in key areas of consumer need. The recent launch in the US for Neuriva Ultra is designed to deliver mental alertness from the first serving and supports seven indicators of brain health: mental alertness, reasoning, memory, focus, concentration, learning and accuracy.

Move Free continues to grow in China, where it serves a growing number of older people for whom pain and joint health are top personal health concerns. We see significant, expandable equity for the brand and the opportunity to deliver increased joint health and additional benefit products through further innovation.

In Personal Care, the launch of our Veet Total Pro intimate hair removal kit has seen it become a best seller on European online platforms. We continue to invest in improved formulations across the Veet portfolio. Our Veet depilatory products enjoy some of the highest consumer repeat rates in their category, particularly in France.

Winning through the consumer experience

The consumer's experience of our brands is fundamental to our market success. We focus on developing the most effective solutions in the categories where we play, and on designing products that help consumers maximise their 'health span': the proportion of their life they can live feeling healthy and well. Throughout, we leverage a wealth of consumer insight and deep science platforms to formulate, test and deliver our products to the very highest quality and safety standards.

We never lose sight of the fact that our customers are the key point of interaction between our brands and the consumer. Through the strength of our customer relationships, we help influence, shape and drive our ambition to enable better care for consumers' health.

We draw on our customer partnerships early when developing consumer initiatives designed to bring about critical changes in behaviour. That was the approach we adopted with Tesco in the UK to drive the adoption of refills for our Dettol surface cleanser trigger bottle, which not only reduced packaging but also provides consumers with a more sustainable, better value alternative.

Shaping the digital journey

Digital channels play an important role in shaping the customer relationship with our health brands. We leverage a wide range of capabilities to improve our understanding of consumer needs and behaviour, complementing these with a variety of fulfilment capabilities that enable us to enhance online engagement and sales.

For Intimate Wellness, digital channels are already fundamental to our success since they provide a more discrete medium through which to engage, educate and then fulfil. Nowhere is this more so than in China, where this combination enabled the market success we achieved with Durex PU, and where we continue to invest in our live-commerce capabilities to enable effective direct-to-consumer operations.

In other categories, we are continuing to scale our e-commerce and digital capabilities to cement the brand leadership we enjoy. These include Dettol, where we have doubled the size of our e-commerce business over the last four years to around 20% of sales, but still have ample headroom to grow.

Here, as elsewhere, we are excited by developments in machine learning and AI in helping to guide where our brands should play. We are already using a wide range of consumer datapoints across multiple machine learning algorithms to direct our campaigns and engagement activities. These are used alongside a proprietary marketing return on investment capability, offering us a material uplift in returns on our marketing spend.

Technology is also improving our execution across channels. As we continue to see the rise of new ways of shopping, we are using our rich data insights to fully leverage AI, including its conversational and creative capabilities, to develop entirely new experiences for consumers.

Outlook and priorities

Leveraging the leading positions and scale of our brands in high-growth categories, we continue to build on the momentum we enjoy through trusted products that can provide new benefits and define new usage occasions. Stretching our considerable brand equities to close adjacent white spaces with efficacious products will remain our focus as we innovate to meet new health and wellness needs in a sustainable way.

See page 43
for details of our 2023 financial performance in Health.

CASE STUDY

Dettol laundry expansion in Greater China

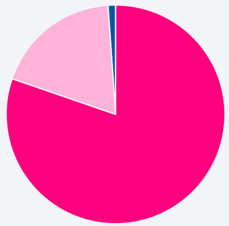
Through the expansion of our Dettol 4-in-1 laundry pods into offline channels in Hong Kong, and the launch of Dettol Washing Machine Cleaner in China, the laundry category in the Greater China region is now a significant contributor to our growth. Dettol products are scoring well ahead of rival brands in in-store performance across the region and Dettol Washing Machine Cleaner is performing ahead of expectations.

Market Opportunities: Nutrition

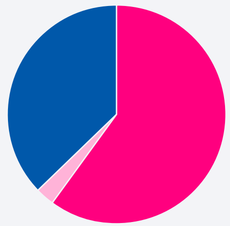
NUTRITION

Our Nutrition business is dedicated to providing the very best science-based products throughout the stages of life.

Category Profile[1]



Geographical Profile[1]



1. Based on FY23 net revenue

Our categories

Infant & Child

#1 Globally

Specialty

#1 Globally

> Our products are differentiated by our clinical, science-based approach to innovation and an expanding focus on specialised nutrition."

Susan Sholtis
President Nutrition

A specialised, science-led portfolio

Our infant formula and toddler products lead their categories and earn trust through an immutable commitment to quality that is deeply rooted in our Purpose. We bring that Purpose to life through a strong innovation and clinical research pipeline that delivers the latest in scientific advances to our consumers.

Our Nutrition business comprises some of the world's leading brands in infant and toddler formula alongside a growing brand presence in adult nutrition. Our products are differentiated by our clinical, science-based approach to innovation and an expanding focus on specialised nutrition.

Our leading scientists and Key Opinion Leader partnerships enable us to deliver solutions that are trusted and respected by parents and healthcare professionals (HCPs) alike. This is reflected in Enfa's position as the leading premium infant nutrition brand across markets and the number one paediatrician recommended product in core markets such as the US and Malaysia, where infants are able to benefit from the cognitive and digestive benefits of our science-backed formula.

Similarly, Nutramigen is the number one global brand for cow's milk allergy and is the only product with 75 years of evidence and over 100 published studies.

Our brands lead in premium product categories globally. Together, they comprise a comprehensive portfolio designed to meet the increasingly specialised needs of every child.

Market Opportunities: Nutrition continued

CASE STUDY

Enfamil: building brains, easing tummies

When choosing an infant formula, promoting brain health is cited as the number one benefit looked for by parents. Digestion issues, meanwhile, are a common problem for infants and a key reason why parents switch products.

Tackling both challenges head on, we've developed Enfamil formulations with key nutrients such as MFGM, a naturally occurring compound found in breast milk, to combine brain and digestion benefits in a single formula.

Our vision is to establish MFGM as a powerful, clinically proven ingredient that brings our formulas closer to breast milk.

Like all of our infant nutrition products, the development of our customised MFGM formulation is science-driven and based on state-of-the-art clinical research. This includes evidence from our most recent study that showed lasting neurocognitive benefits in children who had used formulations containing MFGM during their first year that were still measurable at five and a half years of age.

By adding MFGM to our superior Gentlease product, a partially hydrolysed protein (PHP) based formulation, Enfamil Gentlease Neuro Pro was able to overcome common digestive issues that affect an estimated eight out of 10 babies fed on formula in their early years, whilst also supporting neurodevelopmental benefits.

Launched first in ASEAN and Latin America in the second quarter of 2023, and introduced in North America during the fourth quarter, Enfamil Gentlease Neuro-Pro has met with a positive consumer response that has helped us to gain market share.

Our success is rooted in a team-based approach to clinical excellence and delivery. For 120 years, our R&D, Medical Affairs and Commercial Innovation teams have been pioneers in advancing research and innovation to provide superior nutrition that nourishes children in the early stages of their life. Our credible science has meant we have established high levels of consumer trust and paediatric recommendation. This is a position we never take for granted. We recognise trust needs to be earned every day and we work relentlessly to meet changing nutritional needs through a no-compromise commitment to product quality and food safety.

Our long-term growth opportunity

Our share of the core infant formula market remains a focus. Yet set against a global trend of declining birth rates, we see our long-term growth opportunity in specialised nutrition, where customisation and premiumisation provide us with attractive opportunities for innovation and product development.

By extending our categories into these white spaces via nutritional categories like digestion and allergies, we are driving momentum and lengthening our growth runways across our markets.

A science-driven innovator

Our science-as-solutions mindset is the inspiration behind our formulations that incorporate MFGM, a critical component in breast milk linked to long-term brain development (see case study).

Doctors have told us that the science behind the benefits of MFGM can change healthcare practice by enabling more infants to receive benefits from early life nutrition that support long-term cognitive outcomes. It is differentiated and important benefits like these that have

CASE STUDY

Enfa A+, CS-Biome: protecting early-year health and wellness

Babies born through caesarean section could be missing an important step in the development of their immune system compared to babies born through vaginal birth. This is a particular challenge in Asia where caesarean section births account for up to 40% of births in nations like the Philippines and Thailand.

Enfa A+ offers Brain-Immune-Gut (BIG) health benefits for caesarean section babies by supporting their microbiome with our exclusive immune blend, CS-Biome. This helps to promote optimal immune system function and offer babies the best start in life, irrespective of how they were born.

Working closely with HCPs, Enfa A+ has received acknowledgment for its infant health benefits, which we have leveraged to a broader education campaign that promotes awareness of the importance of a baby's microbiome development.

Launched initially in the Philippines in July 2023, Enfa A+ uses a differentiated formulation, which we've integrated into our existing manufacturing platform.

Market Opportunities: Nutrition continued

led us to extend MFGM's use to our Digestive portfolio in brands such as Gentlease.

Elsewhere, we have extended the Enfamil brand in Asia with the launch of Enfamil CS-Biome. This supports the development needs that can arise from childbirth given the greater occurrence of caesarean section births in the region, which can impact the development of a baby's microbiome and therefore the health of its immune system (see case study on page 35).

A differentiated go-to-market model

Our infant formula products have a consumer journey that differs to those in our Hygiene and Health businesses. Within Nutrition, HCPs play an integral role in educating parents on child nutrition and recommending the solutions for their needs. As channel mediators, HCPs are therefore critical to our market success, which means building their awareness and trust alongside that of consumers.

We review the latest clinical research continually to help improve understanding of how our products may be used to meet the specialised nutritional needs of infants and toddlers. We provide a variety of resources to HCPs, including medical education, roundtables and the workshops we facilitate with world-renowned experts. Our goal throughout is to foster a collaborative support environment that is second to none.

The investment we have made in educating HCPs on the scientific credibility of our products has resulted in our status as the number one trusted infant formula in the US; a testament to the trust we have established throughout this important stakeholder community.

Shaping the consumer journey

Whilst prenatal interactions with HCPs play a vital role in our category, the influence of consumer research on formula choice is increasing, and with it the importance of winning in search.

We are expanding the reach and quality of our digital engagement to capture this opportunity through content designed to foster consumer interactions based on truth, accuracy and trust. AI is set to play an increasingly important role in this arena by extending our consumer reach considerably through individualised, authentic and credible content that helps us to win in the information journey.

Our mission throughout is to reduce the complexity of the communication between HCPs and parents in order to strengthen dialogue. By bringing both sides closer together through engaging digital content, we can help to inform decisions and build confidence in choice.

Achievements and priorities

During 2023 the market environment for infant formula continued to be influenced by the prior year infant formula supply shortages in the US, which resulted from the temporary closure of a major factory belonging to a competitor. These past supply shortages have influenced and resulted in an evolving regulatory landscape, which we expect to increase both ongoing compliance costs and our capital requirement for the infant formula business.

Our US market share is now normalising, following an extended period of elevated gains as we increased production in order to help feed as many infants and children as possible.

CASE STUDY

Keeping children in schools by increasing access to water in Mexico

Access to clean water and sanitation is one of four global challenges our products seek to address. This is a pressing problem in Mexico, where it is estimated that four out of 10 schools don't have water available every day. In areas with the highest water stress and high population concentration, access to water in schools can impact class hours, student attendance, performance and overall learning achievement.

We're working with local communities and the Agua Capital non-governmental organisation (NGO) to increase water availability in the areas surrounding Tlalpan, Atizapan and Chiapas, the latter being home to cocoa farming communities that support our Chocomilk brand.

We're aiming to positively impact the lives of 2.4 million people in vulnerable communities by generating 116,000 m³ of clean water to keep schools open. So far, we've installed 11 rainwater harvesting systems at schools in Estado de México. In 2024, we plan to expand the reach of this programme to more schools by partnering with Walmart on a campaign to install additional rainwater harvesting systems.

Through infrastructure improvements and education programmes in schools, we are able to support children's learning and the broader community to build a better future.

See page 53
for more details on our community investments.

Stability in quality supply has been our uppermost priority throughout. Our teams worked tirelessly to ensure product availability was met on retail shelves and in hospitals.

The episode made unprecedented demands on our manufacturing platform. Our achievements in helping to overcome a nationwide infant formula shortage are a testament to the hard work, ingenuity and dedication of our teams.

Ensuring we maintain the highest levels of quality and food safety will remain our overriding priority as we work relentlessly to sustain the trust we have earned and the market leadership we are privileged to enjoy.

See page 44
for details of our 2023 financial performance in Nutrition.

Our Stakeholders

See page 76
for our Section 172 Statement.

MAINTAINING THE TRUST OF OUR STAKEHOLDERS

Understanding the needs and expectations of our stakeholders is fundamental to our Purpose.

Our business can only grow and prosper by acting in the long-term interests of our consumers and customers, our people, our suppliers, our investors and shareholders, and the communities in which we operate.

Our commitment to 'Do the right thing. Always' guides us in acting responsibly and with integrity, putting people first, seeking out new opportunities, striving for excellence and building shared success with our stakeholders. For us, high standards of corporate governance and incorporating stakeholder voices into our decision-making are central to maintaining that integrity and trust, and strengthen our long-term relationships.

See page 76
for our Section 172 Statement, which explains how the Directors have discharged their responsibilities during the year under review.

OUR CONSUMERS

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

Our consumers want products that are safe, effective and provide value for money. Increasingly, they also want reassurance that the products they trust are responsibly sourced, with consideration and care for the people who make them and for natural resources

Consumer insight drives our innovation programme, helping us to provide trusted, quality products that help meet consumers' hygiene, health and nutritional needs.

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

How we engage

Group

- We sell around 30 million products every day and we collect consumer insights through our sales teams, supply chain partners, customer and consumer teams. Most of our products are sold through our retail customers who provide us with feedback on consumer priorities (see more in Customers on the next page)
- Our sensory and consumer science labs combine this insight and feedback with behavioural analytics to develop superior solutions grounded in science
- Through our brands, we work to forge emotional connections with our consumers by delivering products and solutions that meet their needs and reflect their values

Board

- In October 2023, the Board visited the Montvale, New Jersey R&D facility to learn more about the consumer-focused approach adopted by the R&D function

2023 outcomes of engagement

- We are ranked number 24 out of the top 100 consumer packaged goods companies in the Kantar PowerRanking, which identifies retailers and suppliers that set the standard of performance (as rated by trade partners)
- Based on consumer insights, during the year we developed and launched Finish Ultimate Plus, Air Wick Vibrant, Nurofen Liquid Capsules and Lysol Air Sanitiser (read more on pages 28 to 30)
- We continued our multi-year Nurofen 'See My Pain' campaign highlighting the Gender Pain Gap and launching 'PAINPASS', a tool that enables women to have data-centred conversations with HCPs
- We simplified the communication between HCPs and parents through the use of engaging digital content tailored to the information needs of each group
- Our Amazon Climate Pledge Friendly products continued to deliver benefits and outperform their benchmark by helping our consumers discover more sustainable products in our ranges and make choices that align with their values

Our Stakeholders continued

See page 76
for our Section 172 Statement.

OUR CUSTOMERS

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

Aside from the merchandising opportunities they provide, retailers also offer us vital feedback on evolving consumer priorities and patterns of demand. This informs our product and service innovation programmes and helps us to better meet consumers' needs.

We aim to build strong and successful customer relationships and partnerships founded on common purpose that ultimately help us to grow our business.

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

How we engage

Group

- We have a Chief Customer Officer for the Group who is focused on customer engagement, delivering profitable results and accelerating sales growth through execution excellence
- Customer relationships are coordinated globally, regionally or nationally through our customer service and sales teams. Joint meetings and workshops are used to define and build shared objectives, both commercial and non-financial, agree strategy and action plans, performance and growth metrics
- We develop joint sustainability business plans with many of our customers to help deliver on collective goals such as plastics and packaging reduction and emissions avoidance. Operationally, we provide ongoing support through our category, shopper, sustainability, channel and format, and regional specialists
- We seek to identify strategic synergies, promote purpose-led innovation and invest in partnerships and networks that deliver joint growth

Board

- The Board recognises the importance of understanding our customers. The recent appointments of Tamara Ingram and Marybeth Hays strengthen the Board's capability in this area

2023 outcomes of engagement

- Our customers rated us top tier in 42% of our markets in the Advantage Group Survey of retailers (+260 bps improvement on 2022). Specifically, Reckitt Hygiene was ranked number one for 'Best E-commerce Supplier' across all supermarket categories in Australia
- Reckitt won 'Best Healthcare Partner' at the Watsons Singapore Health, Wellness and Beauty Awards, and Dettol featured as a 'Must Have' in the Boots Thailand Most Loved Beauty Awards
- Drawing upon our relationship with Tesco in the UK, we worked on consumer behaviour change initiatives to drive the adoption of refills for our Dettol surface spray bottle
- Customer Service Excellence Playbook developed, which drives sustained service improvement, better customer engagement and a reduced cost to serve

OUR PEOPLE

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

We believe in nurturing a workplace that supports and encourages all colleagues to thrive. The talent, skills, experience and values our colleagues bring and continuously develop strengthen our organisation.

We engage to build strong relationships with our people, ensuring an understanding of Reckitt's strategic direction and the role that every one of us plays in contributing to our collective success.

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

How we engage

Group

- Regular global townhalls, hosted by the CEO and Global Executive Committee (GEC), including live-streamed Q&As plus supporting market and function-specific townhalls
- Annual Global Employee Engagement Survey
- Employee Resource Groups (ERGs) provide a space for underrepresented groups of colleagues to connect and support each other and share views with the business
- 'Always-on' communication provided through our intranet, Rubi, supported by Workplace, a more tailored communication platform for employees to share updates, insights and news

Board

- Mary Harris, our Designated Non-Executive Director for Engagement with Company's Workforce, maintains regular engagement with various employee groups, including the Group's ERGs
- In October 2023, the Board undertook in-person engagement sessions with US employees at our Parsippany office
- The Board also receives briefings on the Group's annual employee 'pulse' survey

2023 outcomes of engagement

- We hosted nine global townhalls during 2023, including three on strategy, performance and results, five on wellbeing and allyship, plus our annual Global Compass Awards. Around 11% of employees attended and/or viewed our strategy, performance and results updates, with questions raised on a range of topics, including ongoing performance, our CEO's priorities and how we are supporting our DE&I and sustainability agendas
- A record 87% of employees took part in our annual GLINT employee survey, in which:
  - 80% 'believe in and are inspired by our Purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world';
  - 82% indicated they are 'proud to work at Reckitt', and
  - 78% would 'recommend Reckitt as an employer', 3% higher than external benchmarks and the highest positive response recorded to this question since we began the survey in 2020

Our Stakeholders continued

See page 76
for our Section 172 Statement.

OUR SUPPLIERS AND PARTNERS

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

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

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

How we engage

Group

- We host regional supplier capability-building events in partnership with industry peers, where local suppliers are invited to attend and share best practice on salient topics
- We have centralised more supplier relationships and procurement activity to monitor supplier performance and enable best practice sharing
- We conduct regular supplier audits based on past performance and risk. Where needed, we work with suppliers through our capability building programme to help improve processes and raise standards
- We engage with HCPs internationally to exchange information, share best clinical practice and sponsor research. We also contribute our expertise to professional journals, international symposiums and congresses
- We collaborate with independent, purpose-driven entrepreneurs whose objectives complement our own

Board

- The Board receives briefings from the Supply function on our key supplier relationships, including in the context of progress against our wider supply strategy

2023 outcomes of engagement

- As a member of Manufacture 2030, we are helping our co-packers to improve their environmental performance, specifically emissions reduction and water use
- In partnership with Oxfam Business Advisory Service, we created a practical toolkit to help suppliers develop and implement site-level grievance mechanisms. The toolkit was piloted with suppliers in India, Pakistan, China, Peru and the UK across the manufacturing and agricultural sectors
- We updated our Supplier Balanced Scorecard to facilitate more granularity on sustainability performance, allowing us to review performance and action plans twice a year
- We incorporated sustainability metrics into our Supplier Vulnerability Tool, a framework used to assess supply risk data (including sustainability metrics)

OUR INVESTORS

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

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

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

How we engage

Group and Board

- We communicate our financial results through webinars and management presentations to analysts and institutional investors
- We communicate our financial results at our Annual General Meeting to retail investors
- Post results, the CEO and CFO attend roadshows to meet with top shareholders and prospective investors to discuss our latest financial performance and address any relevant associated topics
- Management and the Investor Relations team attend investor conferences throughout the year to communicate key messages from our most recent financial results and reiterate our company strategy
- We hold ad hoc meetings with investors and sell-side analysts to address any strategy, operational, Environmental, Social and Governance (ESG) and modelling queries
- We host a number of additional investor engagement events, including investor dinners, sales desks and credit investor updates
- The Finance Directors of Hygiene and Health participated in investor conferences during the year
- Our Global Head of Sustainability participated in a number of ESG investment panels as a speaker on biodiversity, in addition to hosting a biodiversity webinar in partnership with the publisher Responsible Investor and supporting the launch of the Taskforce on Nature-related Financial Disclosures (TNFD) framework
- Our Chair hosted meetings with key investors to discuss the appointment of Kris Licht as new CEO

2023 outcomes of engagement

- Following extensive outreach to investors by our new CEO Kris Licht, through one-on-one meetings and attendance at leading bank conferences, we updated the market with our Strategic Update alongside our Q3 results
- We reinforced our strategic message: we are focused on the continuity of our strategy, delivering consistent execution and driving sustained value creation

Our Stakeholders continued

See page 76
for our Section 172 Statement.

COMMUNITIES

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

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

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

How we engage

Group

- Together with our partners, we use our expertise and global reach to drive measurable and sustainable impact in communities aligned with our commitment to a cleaner, healthier world and our focus on achieving a fairer society, while advancing the UN Sustainable Development Goals
- We accelerate social entrepreneurship with expert partners, including Yunus Social Business and Health Innovation Exchange, by mentoring, funding and scaling these businesses
- We leverage innovative finance and impact investments like Water Equity's Fund IV and Watercredit micro-finance loans to help provide lasting access to clean water and sanitation
- We drive behaviour change at scale through our leading brands; for example, through Dettol's Hygiene Quest, a gamified school programme that educates millions of students each year
- We work with suppliers and communities in our supply network through partners such as Earthworm Foundation, to manage our supply networks, promote sustainable livelihoods, and protect local ecosystems and habitats

Board

- Through the Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee, the Board is kept updated on and monitors our Fight for Access Fund and other social impact initiatives

2023 outcomes of engagement

- Enabling access to hygiene education is a key focus for our Dettol, Lysol, Harpic and Napisan brands. Our global hygiene campaigns have brought high-quality hygiene education to 35 million people in over 7 countries and reduced absenteeism in schools
- We launched the 'Empowering our Youth' strategic partnership with the United Nations Population Fund (UNFPA) to empower women and young people on sexual and reproductive health
- In collaboration with local partners, through commercial incentives and investment in training and capacity building, rubber farmers in our latex supply chain have reduced their costs, built resilience and improved their incomes, leading to wider community benefits

See page 52
for our Social Performance Review.

GOVERNMENTS, NGOS, INDUSTRY AND ACADEMIA

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

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

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

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

How we engage

Group

- We engage with governments and national regulators, including the FDA in the US, through formal policy consultation processes and informally through bilateral engagement at formal public-private forums, such as the United Nations COP28 and Water Week
- With NGOs: through global partnership programmes with Water.org and our WWF partnership, and through local supply chain partnerships such as with Earthworm Foundation
- With industry peers: through trade associations including the International Association for Soaps, Detergents and Maintenance products (AISE), via the World Business Council for Sustainable Development (WBCSD) and the Consumer Goods Forum (CGF), and through partnerships such as the Climate & Health Coalition, facilitated by independent partners
- We work with the Nature-based Insetting team, a spin-off from the University of Oxford, to help us understand and measure our impact on biodiversity in key supply chains, and the University of York on PhDs to support green chemistry and product resilience

Board

- To coincide with the first ever Health Day at COP28, the Board held a Listening Session on the impacts of climate change on global health. Experts from the London School of Hygiene and Tropical Medicine (LSHTM) provided the Board with a strategic overview of the associated health issues. The session also assessed the topic from the perspective of the communities Reckitt serves; in particular, the health challenges of water scarcity in Mexico and the spread of vector-borne diseases in India

2023 outcomes of engagement

- With our partners, we emphasised the impact of climate change on health and collectively secured the first ever Health Day at COP28, now part of the COP agenda
- Reckitt's long-term collaboration with LSHTM has advanced hygiene best practices
- Our 'Oh Yes! Net Zero' campaign, which aims to make Hull net zero, now has 175 local companies from the region, both large and small, signed up as members

Financial Performance

A YEAR OF PROGRESS WITH MID-SINGLE-DIGIT GROWTH FOR HEALTH AND HYGIENE

"We grew net revenue, increased free cash flow and reduced leverage, enabling us to deliver greater returns to shareholders."

Jeff Carr
Chief Financial Officer

Group net revenue of £14,607 million grew by +3.5% on a LFL basis in the year, reflecting price / mix improvements of +7.8% and a volume decline of -4.3%. Our Hygiene brands delivered broad-based growth (+5.1%) across our brand portfolio with improving volume trends throughout the year. Health growth (+5.0%) was led by our OTC and Intimate Wellness portfolios, and Nutrition declined (-4.0%) as the US lapped the prior year competitor supply issue.

Total net revenue on an IFRS basis was up +1.1%, reflecting net M&A impact of -0.3% and foreign exchange headwinds of -2.1%.

44% of our Core Category Market Units (CMUs) held or gained share, with 47% in Hygiene, 46% in Health and 37% in Nutrition (weighted by net revenue).

E-commerce net revenue grew by +9% in 2023 and now accounts for 15% of Group net revenue.

Adjusted gross margin was 60.0% (2022: 57.8%), an increase of +220bps, driven by pricing and productivity efficiencies – predominantly across revenue growth management and procurement. These levers more than offset inflation of mid-single digits in the year.

Brand equity investment (BEI) increased by +13.2% (+£0.2 billion) on a constant FX basis as we invest behind innovation launches and the long-term strength of our brands. BEI percentage of net revenue was up +130bps to 13.1% (2022: 11.8%).

Adjusted operating profit was £3,373 million (2022: £3,439 million) at an adjusted operating margin of 23.1% (2022: 23.8%), -70bps lower than prior year, with gross margin expansion offset by increased brand equity investments and inflation-led cost base increases. When excluding the one-off benefits of circa 80bps in 2022 related to US Nutrition, adjusted operating profit margin grew +10 bps.

IFRS operating profit was £2,531 million (2022: £3,249 million) at an operating profit margin of 17.3% (2022: 22.5%). This was impacted by the IFCN goodwill impairment of £810 million (2022: £nil), reflecting higher interest rates and changes in the regulatory environment.

Total adjusted diluted EPS was 323.4p in 2023 (2022: 341.7p), -5.4% below 2022 as higher adjusted operating profit at constant exchange rates was more than offset by adverse foreign exchange and a higher adjusted effective tax rate in 2023. Total IFRS diluted EPS was 228.7p (2022: 324.7p).

Full year dividend increased by 5% to 192.5p (2022: 183.3p) per share, in line with our policy to deliver sustainable dividend growth. The final proposed dividend is 115.9p (2022: 110.3p) per share.

Free cash flow was £2,258 million in 2023 (2022: £2,031 million) a +11% increase year on year driven by an improvement in net working capital.

Net debt ended the year 1.9x adjusted EBITDA (2022: 2.1x adjusted EBITDA).

Net Revenue
£14.6bn
£14.5bn as of 2022

Adjusted Operating Profit
£3.4bn
£3.4bn as of 2022

Free Cash Flow
£2.3bn
£2.0bn as of 2022

Financial Performance continued

HYGIENE

Hygiene net revenue grew +5.1% on a LFL basis to £6,135 million for the full year. Innovation-led pricing and favourable mix (price / mix +11.1%) were the key drivers partially offset by volume decline of 6%. Importantly, our volume trend substantially improved quarter by quarter throughout the year. Net revenue growth was broad-based across all major brands delivering positive LFL net revenue growth and total Hygiene market share momentum improving in Q4 driven by continued momentum in Auto Dish (Finish). We successfully launched innovations in most categories that improved consumer delight, delivered more premium solutions for our consumers and grew penetration, in line with our category growth strategy.

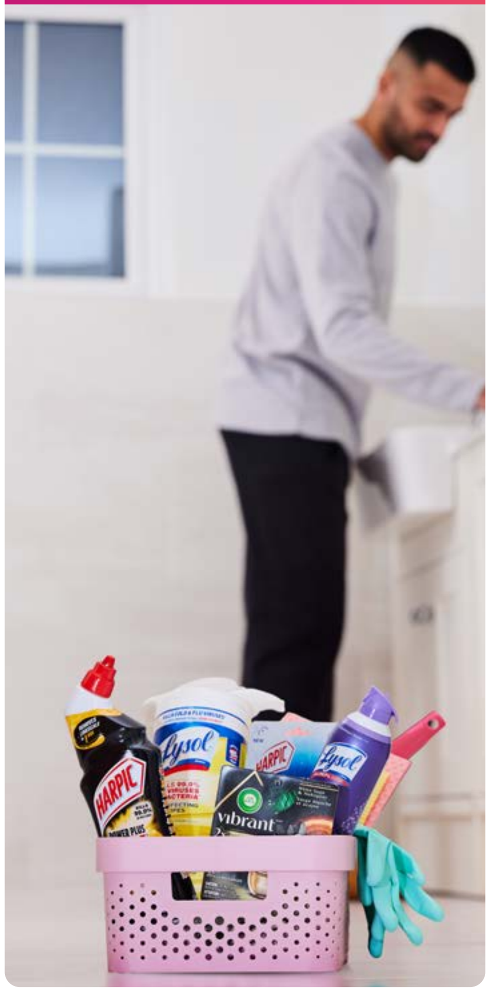
47% of Core Hygiene CMUs (weighted by net revenue) gained or held share during the year.

Within Auto Dish, our market leading brand Finish, grew low-double digits LFL net revenue and grew market share driven by the successful launch of our new super premium tier, Finish Ultimate Plus All-in-One, delivering more superior solutions to consumers and driving premiumisation in the category.

Lysol returned to growth in the year driven by strengthened brand equity and the broadening of the brand's shoulders with continued strong growth in Laundry Sanitiser expanding household penetration and the recent creation of the Air Sanitisation category with the launch of Lysol Air Sanitisers in the US, the first and only antimicrobial product approved by the EPA that kills 99.9% of airborne viruses and bacteria while eliminating odours.

Adjusted operating profit for Hygiene at £1,236 million was up +4.7% on a constant FX basis and +1.8% on an actual basis. Adjusted operating profit margin was 20.1%, down -30bps. Strong gross margin expansion was offset by increased investment behind innovation launches and brand building initiatives, and inflation-led fixed costs.

42%
of Group net revenue



FY 2023 Net Revenue

£6,135m

Volume	-6.0%
Price/Mix	+11.1%
LFL[1]	+5.1%
Net M&A	–
FX	-2.2%
Actual	+2.9%

Adjusted Operating Profit[1]

£1,236m

Constant FX (CER)[1]	+4.7%
Actual	+1.8%

Adjusted Operating Profit Margin[1]

20.1%

Actual	-30bps

1. Adjusted measures are defined on page 223

Financial Performance continued

HEALTH

Health net revenue grew +5.0% on a LFL basis to £6,062 million for the full year. This reflected price / mix improvements of +5.3% and volume decline of -0.3%.

46% of Core Health CMUs (weighted by net revenue) gained or held share during the year.

Our OTC portfolio grew low-double digits on a LFL net revenue basis behind a combination of both volume and price / mix growth. Nurofen, Strepsils, Gaviscon and Biofreeze all grew-double digits, driven by innovation launches, premiumisation and pricing actions, brand whitespace expansion (Biofreeze Overnight Relief in the US and Nurofen Liquid caps into a number of European markets), as well as some retailer inventory rebuilding in Europe in Q1. Mucinex delivered low-single-digit growth which laps a very strong and earlier cold & flu season in Q4 2022. Mucinex added a new medicated throat spray to its InstaSoothe product range, further extending its presence in the $1 billion US sore throat market.

Intimate Wellness delivered high single-digit growth in the year. Growth was broad-based across Europe, following the rebranding of the product range during 2022. Our portfolio in China benefited from the end of COVID-related lockdowns and innovation, including Durex Fetherlite, our new hyaluronic acid condom with water-based lubricant providing a natural moisturisation experience. Growth was also strong across LATAM, and India where we increased total distribution points share during the year by around +400bps.

Dettol declined mid-single digits in the year, with a mixed performance across markets. A number of markets delivered growth and market share gains, underpinned by innovations, including an extension of Dettol Cool in India, Dettol Washing Machine Cleaner and Dettol Laundry Pods in China. However, growth was offset by declines in ASEAN due to category weakness and specific in-market challenges. The actions taken during the second half of the year to address these challenges have driven an improved performance in Q4.

Adjusted operating profit for Health at £1,690 million was up +6.3% on a constant FX basis and +2.5% on an actual basis. Adjusted operating margin was 27.9%, an increase of +40bps, with gross margin expansion more than offsetting increased investment behind our brands and inflation-led fixed cost increases.

42%
of Group net revenue

FY 2023 Net Revenue

£6,062m

Volume	-0.3%
Price/Mix	+5.3%
LFL[1]	+5.0%
Net M&A	-0.6%
FX	-3.2%
Actual	+1.2%

Adjusted Operating Profit[1]

£1,690m

Constant FX (CER)[1]	+6.3%
Actual	+2.5%

Adjusted Operating Profit Margin[1]

27.9%

Actual	+40bps

1. Adjusted measures are defined on page 223

Financial Performance continued

NUTRITION

Nutrition net revenue declined -4.0% on a LFL basis to £2,410 million for the full year. Volume declined -10.0% due to the lapping of peak market shares in the US from the competitor supply shortage in the prior year and category-led volume declines in LATAM and ASEAN. Price / mix improvements were +6.0% with pricing actions partially offset by more normalised trade conditions in the US.

37% of Core Nutrition CMUs (weighted by net revenue) gained or held share during the year.

IFCN US net revenue declined high-single digits on a LFL basis in the year with non-WIC market shares rebasing during the second half as we lap the prior year competitor supply issue. Throughout the year, we maintained our leading volume and value market share position in the non-WIC stage 1-3 segments where we operate. Our Enfamil brand remain the number one recommended infant formula by paediatricians in the US.

Our Developing Markets business declined mid-single digits with category-led volume declines partially offset by premiumisation and growth in both the specialty and adult segments. A reduction in our transitional service arrangement (TSA) contract manufacturing volume relating to our disposed China business, contributed around 60bps to the year-on-year decline. LATAM grew mid-single digits, offset by market challenges across certain ASEAN markets.

Adjusted operating profit for Nutrition at £447 million was down -22.4% on a constant FX basis and -22.5% on an actual basis. Adjusted operating margin was 18.5%, down -460bps, reflecting the year-on-year volume deleverage as we lap the competitor supply issue in the US, and negative mix as we lose the benefit from WIC sales in states where Reckitt does not hold the government contract.

Product liability claims have been filed against the Group's Nutrition business relating to Necrotizing Enterocolitis (NEC). More details on this matter are included in Note 20 on page 190.

16%
of Group net revenue

FY 2023 Net Revenue

£2,410m

Volume	-10.0%
Price/Mix	+6.0%
LFL[1]	-4.0%
Net M&A	-0.1%
FX	+0.5%
Actual	-3.6%

Adjusted Operating Profit[1]

£447m

Constant FX (CER)[1]	-22.4%
Actual	-22.5%

Adjusted Operating Profit Margin[1]

18.5%

Actual	-460bps

1. Adjusted measures are defined on page 223

Financial Performance continued

The following section should be read in conjunction with the full-year financial review from page 41 and the alternative performance measures section from page 223.

Group operating profit

Adjusted operating profit was £3,373 million (2022: £3,439 million) at an adjusted operating margin of 23.1%, 70bps lower than the prior year (2022: 23.8%). Excluding the one off benefit of c.80bps in 2022 relating to US Nutrition, adjusted operating margin was 10bps higher than 2022. This increase was driven by higher gross margins, 220bps higher than 2022 from productivity efficiencies and pricing. This gross margin leverage was offset by higher BEI, 130bps higher than 2022 as we have invested behind our innovation launches and the long-term strength of our brands, and higher fixed costs, 160bps higher than 2022 due to inflation led cost base increases. Adjusted operating profit in both 2023 and 2022 included the favourable effect of adjustments to trade spend and operational accruals, certain of which were subject to significant estimation uncertainty when initially recorded.

Late in the year end close process we identified, through our ongoing compliance procedures, an understatement of trade spend in two Middle Eastern markets related to the fourth quarter and prior quarters of 2023. As a result, full year net revenue was £55 million lower than previously expected which is fully reflected in the FY 2023 results (adjusted operating profit impact of £35 million).

IFRS operating profit was £2,531 million (2022: £3,249 million) at an IFRS operating margin of 17.3% (2022: 22.5%). IFRS operating profit in 2023 was impacted by a goodwill impairment charge of £810 million relating to IFCN (2022: £Nil), reflecting higher interest rates and changes in the regulatory environment, (see Note 9). IFRS operating profit in 2022 was impacted by a charge of £152 million from impairment of goodwill relating to the acquisition of Biofreeze.

Net finance expense

Adjusted net finance expense was £247 million (2022: £256 million). Adjusted net finance expense in 2023 benefited from foreign exchange gains on certain financing liabilities (compared with losses in 2022), which offset the effect of higher interest rates in 2023 as compared to 2022.

IFRS net finance expense was £130 million (2022: £161 million). The lower net finance expense under IFRS is principally due to £130 million of translational foreign exchange gains resulting from the liquidation of a number of subsidiaries to simplify the Group's legal entity structure (2022: £69 million).

Tax

The adjusted effective tax rate (ETR) was 25.2% (2022: 21.9%). The 2022 ETR benefited from a higher level of reassessment of uncertain tax positions following progress on and conclusions of tax authority audits.

The IFRS tax rate was 31.4% (2022: 23.2%). The IFRS ETR in 2023 is higher than the adjusted ETR due to the non-deductible impairment of IFCN goodwill offset by the benefit from largely non-taxable gains on liquidation of subsidiaries. The IFRS ETR in 2022 benefited from a higher level of reassessment of uncertain tax positions following progress on and conclusions of tax authority audits, and largely non-taxable gains on sale of E45 and foreign exchange gains on liquidation of subsidiaries.

Discontinued operations

The Group recognised a profit from discontinued operations of £9 million (2022: £7 million loss), in relation to the Group's disposal of the RB Pharmaceuticals business (now Indivior plc).

Earnings per share (EPS)

Adjusted diluted EPS was 323.4 pence (2022: 341.7 pence), a decrease of 5.4% as higher adjusted operating profit at constant exchange rates was more than offset by adverse foreign exchange and a higher adjusted ETR in 2023.

IFRS diluted EPS was 228.7 pence (2022: 324.7 pence).

Balance sheet

At 31 December 2023, the Group had total equity of £8,469 million (31 December 2022: £9,483 million).

Current assets of £5,302 million (31 December 2022: £5,285 million) increased by £17 million as lower inventories and lower corporation tax receivables were offset by higher cash and cash equivalents and higher assets held for sale.

Current liabilities of £8,338 million (31 December 2022: £8,341 million) decreased by £3 million. The decrease principally relates to lower trade and other payables, together with lower current tax liabilities and current provisions. These decreases were offset by the share repurchase liability in relation to committed purchases under the share buy-back programme.

Non-current assets of £21,834 million (31 December 2022: £23,457 million) primarily comprise goodwill and other intangible assets of £18,588 million (31 December 2022: £20,203 million) and property, plant and equipment. The decrease in goodwill and other intangible assets of £1,615 million is predominantly due to the strengthening of sterling reducing the value of foreign currency denominated assets and the impairment of IFCN goodwill.

Non-current liabilities of £10,329 million (31 December 2022: £10,918 million) decreased by £589 million principally due to the strengthening of sterling reducing the value of foreign currency denominated liabilities.

Net working capital

During the year, net working capital decreased by £56 million to negative £1,479 million. Net working capital as a percentage of 12-month net revenue is -10% (31 December 2022: -11%) mainly due to lower trade payables and lower inventories.

Financial Performance continued

Cash flow

	31 Dec 2023 £m	31 Dec 2022 £m
Adjusted operating profit	**3,373**	3,439
Depreciation, share-based payments and gain on disposal of fixed assets (net of proceeds)	**585**	521
Capital expenditure	**(449)**	(443)
Movement in working capital and provisions	**(21)**	(408)
Cash flow in relation to adjusting items	**(45)**	(38)
Interest paid	**(263)**	(209)
Tax paid	**(922)**	(831)
Free cash flow	**2,258**	2,031
Free cash flow conversion	**97%**	83%

Free cash flow (FCF) is the amount of cash generated from continuing operating activities after net capital expenditure on property, plant and equipment and intangible software assets. Free cash flow reflects cash flows that could be used for payment of dividends, repayment of debt or to fund acquisitions or other strategic objectives.

Free cash flow of £2,258 million increased by £227 million or 11%. Free cash flow conversion improved by 14 percentage points to 97% as the benefit from working capital was only partially offset by higher tax and interest paid.

Net cash generated from operating activities has increased by £239 million to £2,636 million (2022: £2,397 million).

Net debt

	31 Dec 2023 £m	31 Dec 2022 £m
Opening net debt	**(7,984)**	(8,378)
Free cash flow	**2,258**	2,031
Share buyback	**(207)**	–
Purchase of ordinary shares by employee share ownership trust	**(2)**	–
Shares reissued	**48**	54
Acquisitions, disposals and purchase of investments	**(80)**	220
Dividends paid to owners of the parent company	**(1,339)**	(1,249)
Dividends paid to non-controlling interests	**(8)**	(35)
New lease liabilities in the period	**(44)**	(134)
Exchange and other movements	**76**	(500)
Cash flow attributable to discontinued operations	**(8)**	7
Closing net debt	**(7,290)**	(7,984)

At 31 December 2023, net debt was £7,290 million, a decrease of £694 million from 31 December 2022, as continued strong free cash flow was used to pay down debt and enabled higher capital returns through dividends (£1,339 million) and the new share buy-back program (£207 million). Net debt was 1.9x adjusted EBITDA at 31 December 2023 (31 December 2022: 2.1x).

The Group regularly reviews its banking arrangements and currently has adequate facilities available to it. The Group has committed borrowing facilities totalling £4,500 million (31 December 2022: £4,500 million), £4,450 million of which expire after more than two years, which are undrawn at year end. The Group remains compliant with its banking covenants. The committed borrowing facilities, together with cash and cash equivalents, are considered sufficient to meet the Group's projected cash requirements.

Dividends

The Board of Directors recommends a final 2023 dividend of 115.9 pence (2022: 110.3 pence). The ex-dividend date will be 11 April 2024 and the dividend will be paid on 24 May 2024 to shareholders on the register at the record date of 12 April 2024. The final 2023 dividend will be accrued once approved by shareholders.

Return on Capital Employed (ROCE)

ROCE in 2023 was 12.5% (2022: 13.2%), a decrease of 70bps from 2022, due to a lower Net Operating Profit after Tax (NOPAT) as a result of the higher adjusted tax rate.

Capital returns policy

Reckitt has consistently communicated its intention to use its strong cash flow for the benefit of shareholders. Our priority remains to reinvest our financial resources back into the business, including through value-adding acquisitions, in order to deliver sustainable growth in net revenue and improving earnings per share over time.

In managing the balance sheet, we intend to maintain key financial ratios in line with those expected of an A-grade credit-rated business. This will broadly define acceptable levels of leverage over time. As we reduce leverage we will return surplus cash to shareholders as appropriate. In October 2023, our strong free cash flow generation and healthy balance sheet enabled us to announce a £1 billion share buy-back programme over the following twelve months.

Growing the dividend is a long-term goal of the business. The Board's dividend policy aims to deliver sustainable dividend growth in future years, subject to any significant internal or external factors. Accordingly, the 2023 dividend was increased by 5% in line with this objective.

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.

Sustainability Performance Review continued

HEALTHIER PLANET

See page 14
for our Sustainability Ambitions progress overview.

Net zero across our value chain

We have a holistic set of science-based targets to help tackle climate change and achieve net zero by 2040:

- Reduce our product carbon footprint by 50% by 2030 versus 2015
- Reduce our absolute Scope 1 and 2 GHG emissions by 65% by 2030 versus 2015
- Achieve 100% renewable electricity by 2030

Emissions reduction and energy use

Our product carbon footprint includes emissions across the whole value chain (Scopes 1, 2 and selected Scope 3). During 2023, we improved the stability of our model, enhancing the methodology and strengthening the approach. This process has resulted in our 2015 baseline being restated at 10.6 million tCO_2e (previously 11.1 million tCO_2e). Using the updated methodology, our 2023 product carbon footprint was 9.1 million tCO_2e, a 13.5% reduction on our 2015 baseline. Further information on this is available in our Basis of Reporting Criteria at www.reckitt.com/reporting-hub.

Our approach to reducing our Scope 3 emissions is to focus on the largest emitting categories. Raw materials and packaging account for over half of our carbon footprint and 25 key raw materials comprise 80% of our ingredients footprint. We have begun working with our suppliers to reduce the carbon emissions associated with these categories. In some cases, we will switch to low carbon alternatives and our R&D team is evaluating options for this while maintaining the safety and efficacy of our products. Downstream logistics makes up another significant proportion of our footprint and we are evaluating low carbon road- and sea-freight options.

In our operations, we continue to meet and exceed our target to reduce emissions from our manufacturing and warehousing operations, achieving a 67% reduction in Scope 1 and 2 emissions against our baseline. We have developed plans and targets for carbon reduction across our manufacturing sites which are reviewed monthly by our Supply Chain Leadership team. Specifically, we focus on optimising high carbon manufacturing processes and exploring options for asset replacement.

We source renewable electricity and are evaluating alternative options and replacements for our thermal energy needs. 94% of the electricity purchased and consumed by our sites is renewable through a combination of on-site generation and renewable energy certificates. We are progressively implementing power purchase agreements (PPA) to reduce the use of renewable energy certificates.

In partnership with Manufacture 2030, we continued to work with our contract manufacturers through our Supplier Environmental Performance programme to measure, track and help progressively reduce their emissions. This included the launch of the 'FMCG Vertical' campaign in March 2023, where we, along with other peer companies, promoted shared data provision and action planning. This simplifies environmental performance activity for both the suppliers involved and their customers.

See our ESG data book
for more detailed emissions and energy data and the methodologies used to calculate this information.

See pages 218-222
for our Climate-related Financial Disclosures and TCFD statement.

Emissions information[1]

Metric	Unit	2023	2022 (restated)*	2022
Scope 1 emissions	tCO_2e	**115,705+**	121,467	121,275
Scope 2 emissions (market-based)	tCO_2e	**8,902+**	9,450	9,448
Scope 2 emissions (location-based)	tCO_2e	**241,600+**	241,968	237,471
Total Scope 1 and 2 emissions (market-based)	tCO_2e	**124,606**	130,917	130,723
Total Scope 1 and 2 emissions (location-based)	tCO_2e	**357,304**	363,435	358,746
Scope 3 emissions (excluding indirect consumer use)	million tCO_2e	**9.2**	9.5	13.0
Scope 3 emissions (including indirect consumer use)	million tCO_2e	**37.6**	36.7	40.0
Total product carbon footprint (excluding indirect consumer use)[2]	million tCO_2e	**9.1+**	9.5	13.0
Total product carbon footprint (including indirect consumer use)[2]	million tCO_2e	**37.3+**	36.7	40.0
Scope 1 and 2 GHG emissions intensity (market-based) – tCO_2e per tonne of production[3]		**0.04**	0.04	0.04
– tCO_2e/£m revenue		**0.008**	0.009	0.009
Energy consumption resulting in Scope 1 and 2 emissions	MWh	**1,220,968+**	1,278,934	1,278,643
Proportion of energy consumption from UK operations	%	**10**	11	11
Proportion of Scope 1 and 2 emissions from UK operations	%	**12**	11	11

+ Assured by ERM CVS as part of limited assurance engagement in accordance with International Standard on Assurance Engagement ISAE 3000 (revised) and ISAE 3410 for Greenhouse Gas data issued by the International Auditing and Assurance Standards Board. The assurance report, along with the principles and methodologies we use in our reporting, can be found online at www.reckitt.com/reporting-hub
1. We report on emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Streamlined Energy and Carbon Reporting (SECR) requirements covering the 2023 reporting year (1 January–31 December). Emissions have been calculated in line with the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD)Greenhouse Gas (GHG) Protocol – Corporate Accounting and Reporting (revised edition). Our GHG emissions and energy data includes emissions and energy consumption from operations covered by the Group Financial Statements for which we have operational control
2. Our total product carbon footprint includes Scope 1, 2 and selected Scope 3 emissions.
3. The scope of our GHG emissions per tonne of production covers manufacturing and warehousing. Including R&D and offices the GHG emissions intensity per unit of production in 2023 sites only was 0.04 tCO_2e

* Restatements: prior year Scope 1 and 2 data has been restated as a result of site divestments, and updates to local energy conversion factors and the International Energy Agency GHG emission factors. Prior year Scope 3 data has been restated as a result of methodology improvements

Full details on the calculation methodologies are available in our Basis of Reporting Criteria online at www.reckitt.com/reporting-hub.

Sustainability Performance Review continued

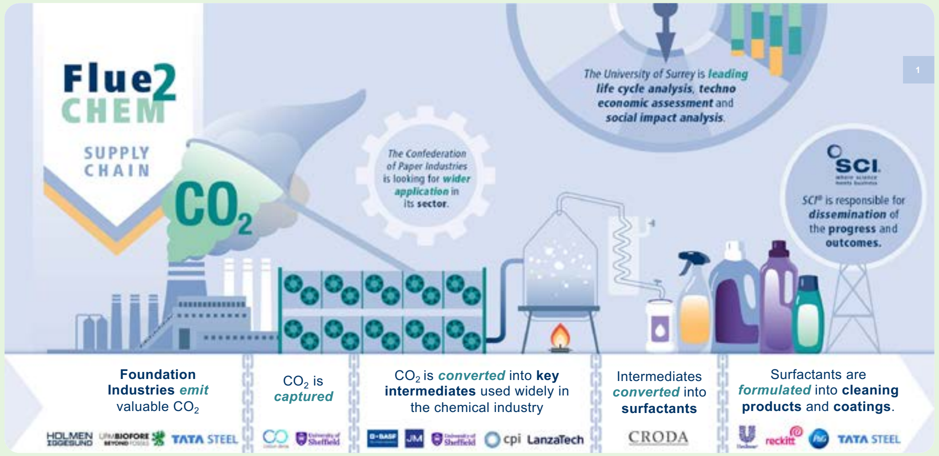
CASE STUDY

Flue2Chem: cross sector collaboration to tackle net zero

Reckitt has joined forces with a number of businesses, universities and NGOs in the pioneering Flue2Chem project, spearheaded by Unilever and the Society of Chemical Industry. The project aims to cut CO_2 emissions by converting industrial waste gases into chemicals to create more sustainable consumer products.

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

Flue2Chem represents an opportunity to progress our journey towards a cleaner, healthier world. If successful and adopted at scale, Flue2Chem could cut 15 to 20 million tonnes of carbon dioxide emissions in the UK each year.



Energy efficiency measures

When we set our science-based targets for emissions reduction in 2020, improving our energy efficiency was an important step in delivering a 65% carbon reduction. Since then, changes to our business structure and product mix alongside ensuring our purchased electricity is from renewable sources, has reduced the significance of energy efficiency on our carbon emissions. We remain focused on energy efficiency improvements for cost purposes, but the original target is no longer as relevant for decarbonisation. Instead, we are targeting gas efficiency and alternative thermal energy to reduce emissions.

As a result, progress towards our energy efficiency target has slowed and this year we reduced energy use per tonne of production by 4% against our baseline. We are still aiming to improve energy efficiency, with its associated reduction in energy costs, but with many projects having longer pay-back periods, absolute carbon reduction will remain the focus of our attention.

Plastics and packaging

By 2030, we plan to halve our use of virgin plastic. Our ambition is for all our plastic packaging to be recyclable or reusable by 2025, with at least a quarter coming from recycled materials.

During the year, we reviewed our Post-Consumer Recycled (PCR) plastic inclusion rates against our targets and planned activity. Progress to date is slower than anticipated at 5%. To help accelerate the inclusion of more PCR in our packaging, the GEC approved an additional financial commitment. This will support our work to increase PCR across many of our Hygiene and Health brands, focused on key packaging formats where the majority of plastic is used, and help correct our trajectory towards our target of 25% recycled content in plastic packaging by 2025.

In addition, we're working with Recyclass and other industry experts and associations to ensure we have access to the latest recycling guidelines, and in-country collection and recycling information. This enables our teams to design for recycling right from the start of a project. The guidance extends beyond plastic to other materials, ensuring we're equipped with the knowledge to make the right choices in product design and development.

We continue to make progress in reducing our use of virgin plastic. For example, Dettol's new surface cleaner refill in the UK enables consumers to refill their original bottle and trigger packaging and results in 75% less plastic versus buying another 750ml Dettol trigger bottle. Looking ahead, we're investing in polymer science and research to find the solutions for our products which will help us deliver our reduction target by 2030.

See reckitt.com/reporting-hub
for more on Plastics and Packaging.

Reducing waste in our operations

During the year, we reduced waste in manufacturing by 18% versus 2015, keeping us on track to achieve our 2025 target of a 25% reduction against our baseline. All of our manufacturing sites have now achieved zero waste to landfill, with new waste management and disposal systems in our US Nutrition sites (previously the only remaining sites using landfill).

Sustainability Performance Review continued

Water stewardship

Our ambition is to halve our total product water footprint by 2040 versus 2015. Where we operate in water-stressed areas (17 sites) we aim to be water positive by 2030.

Our Sustainable Innovation Calculator encourages the design of products that reduce water consumption across the value chain. Volume and product mix changes have led to our product water footprint increasing by 9.9% versus our baseline. However the expansion of our Calculator across all parts of the innovation process has resulted in an improvement versus 2022.

In the near term, our focus on driving water reduction has centred around our operations and the catchment areas we are part of, especially in water-stressed locations. Our progress on water reduction in our operations remained relatively static versus last year, with small improvements driven by production efficiencies, water treatment recovery, cleaning optimisation and water recycling. The return on investment from water saving projects is low given the relative price of water but within water-stressed locations it remains a key part of our water strategy for resilience in the long term. This extends to our catchment area work. Our Hosur site in India became our first water positive site in 2022 and we are advancing similar projects in our other water catchments of focus, near Mysore in India and in Mexico and Pakistan, partnering with local NGOs and governments to support communities and our sites there.

Biodiversity and nature-based solutions

We have committed to developing ecosystem protection and regeneration programmes with nature-based solutions in our key value chains by 2030. Our focus is on the areas where we can have the most impact, and our priority commodities include rubber, palm oil, natural fragrances, dairy and timber.

We have been a contributing member to and early adopter of the TNFD, whose framework helps companies identify nature-related dependencies, risks and opportunities. During the year, we participated in a pilot of the scenario modelling guidance focusing on our latex supply chain (see case study).

To measure the biodiversity impacts of our activities on local ecosystems we are taking a science-based approach, developed over the last two years in collaboration with the Nature-based Insights (NbI) team, a spin-off from the University of Oxford. This enables us to quantify both positive and negative impacts, assess potential interventions and understand which will have greatest impact. The outcomes are helping to shape new ways of working with suppliers and farmers that support sustainable development. Our partnerships with smallholder rubber farmers in Thailand for example, facilitated by our partner Earthworm Foundation, encourage good agricultural practices, protecting the ecosystem and strengthening productivity.

We work with a number of partners to help regenerate ecosystems and deliver social benefits, including the Earthworm Foundation's palm landscape programmes in Indonesia and Malaysia. With WWF, our work on critical river systems in the Amazon and Ganges basins has helped strengthen the aquatic ecosystem by preventing pollution and with demonstrable impact on local wildlife. This supports the water catchment area of our sites and the sourcing regions we depend on for our ingredients.

See our Sustainability Report
online at reckitt.com/reporting-hub.

CASE STUDY

Applying the TNFD framework to our latex supply chain in Thailand

Reckitt relies on a range of ecosystems to supply ingredients, including rubber for latex condoms, palm oil for soaps, and natural fragrances. Our sustainable sourcing programme is designed to help protect and support these ecosystems with nature-based solutions that can also help mitigate risks such as climate change. This, in turn, can have a positive social impact for local communities. Our suppliers and farmers are key stakeholders in protecting these ecosystems.

During the year, Reckitt's Sustainable Sourcing team, in partnership with NbI, piloted the TNFD LEAP framework in our latex supply chain to establish a baseline of our current impact and identify the potential areas affected by latex sourcing. The Surat Thani landscape in Thailand was chosen for analysis due to its high levels of biodiversity and its importance in supplying rubber for our Durex brand. It is also the location of our existing partnership programme with Earthworm Foundation, which builds the capacity of local farmers in the region.

NbI's analytical approach has helped us to identify areas under stress and focus our resources where we can have the most impact. Using the framework, NbI also conducted a deep dive into deforestation and water-related risks. In addition, Earthworm identified the impact of high market prices for durian, a tropical fruit to which some rubber farmers

were switching. Durian is generally produced with higher levels of fertilisers and pesticides, and unlike rubber requires irrigation to farm. Further land use change of rubber landscapes to durian therefore represents a risk to the intensity of local water demands and could reduce the long-term biodiversity and carbon gains made by mature rubber plantations.

Reckitt and NbI's work in Thailand is one of over 200 test cases to use the TNFD framework. Together we are working with local farmers and stakeholders to shape targets that are economically viable and bring a positive climate, biodiversity and social impact to the region. We are building a network to evolve the model that we have used in Surat Thani and we are aiming to extend this methodology to other key commodities in Reckitt's supply chain, including palm oil in Indonesia and Malaysia.

See the TNFD guidance
on tnfd.global for more detail.

Sustainability Performance Review continued

FAIRER SOCIETY

See page 14
for our Sustainability Ambitions progress overview.

We are committed to enabling a fair, diverse and inclusive society as an employer and across our value chain.

Our people

Leveraging diversity

Our cultural diversity is a key strategic capability, harnessing diversity of thought to drive our performance. With over 40,000 people from 125 different nationalities operating across 68 countries spanning six continents, we closely reflect and represent the consumers and communities we serve.

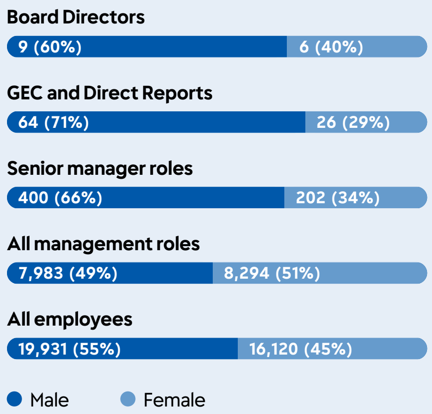
Building a culture of inclusion

Our ambition is to build a business where every one of our colleagues feels able to be their authentic self as they contribute to our collective performance, that our brands reflect this value and support inclusion within the markets we serve, and that we set clear standards for the partners and businesses we work with throughout our value chain.

See pages 19-21 **See page 38**
for more on Our People.

Gender diversity

We aim to achieve gender balance at all management levels by 2030.



1. Diversity data is taken as of 31 December 2023 for active Reckitt employees (excluding contractors)
2. 'All management' includes: Executive Committee Member, Group Leadership team, Senior Management team, Middle Manager, Manager
3. 79 persons with undisclosed gender
4. Further information on methodology for calculating diversity performance is available in our Basis of Reporting Criteria at www.reckitt.com/reporting-hub

Developing our people

On-the-job learning and continuous development take place throughout the year. All employees have a formal annual performance review against business objectives. This is also a chance to discuss ongoing personal development plans, career ambitions and potential to take on different roles.

We continue to invest in a range of learning and development programmes and following feedback from colleagues have rejuvenated our approach to personal development. Reckitt colleagues now have access to a new learning platform which offers personalised development options based on role, function and career aspirations. Aligned to our 10 functional academies and LinkedIn's Learning library, colleagues are able to drive their own development using the format that works for them.

Since launch in April 2023, our LinkedIn Learning library had 9,500 active Reckitt users at the year-end with a total of 14,898 learning hours (2hr 20 minutes average training hours per person).

Of our 10 functional learning academies, the Reckitt Marketing Academy was our champion in 2023. Targeted at Reckitt marketing professionals, the Marketing Academy facilitates online and face-to-face learning and integrates a learning culture within the business operating model.

- The online platform achieved an impressive 89% participation rate, with 2,286 people registered across 58 markets
- 70+ countries now have a marketing upskilling plan
- 70 learning courses are available with an average 4.3/5 satisfaction score and the platform received Bronze for 'best technology' at the Learning Technologies Awards

In terms of our Group leadership development programmes, we ran:

- 15 Accelerate/Advanced Accelerate inclusion focused programmes for high-potential women; the highest we have ever run in a year
- 7 Explore sessions for our purpose focused leadership programme for senior leaders, including two session in Amsterdam, two in the US, one in Malaysia and two in the UK
- 5 Global Commercial Future Leadership Potential programmes to spot and develop high-potential senior leaders of the future

In addition, our 'Good to Great' programme for high-potential leaders aspiring to global management positions or GEC/functional leadership roles had 37 people this year; a record number and investment.

Supporting livelihoods

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

In 2023, we completed an assessment to identify if any Fair Wage gaps existed and, where they did, put plans in place to rectify through mid-year adjustments and our annual pay review process.

See pages 100-136
for our Remuneration Report.

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

Sustainability Performance Review continued

In 2023, our Framework was expanded to include key Water, Sanitation and Hygiene (WASH) metrics. The metrics were developed to ensure that all of our facilities provide people with access to sufficient, free, safe water that meets required quality standards; access to sufficient personal hygiene and hand washing facilities; and adequate, improved, convenient toilet facilities (as per the WHO definition of adequate and improved). We are pleased to report that all of our facilities met these criteria.

Enabling a fairer society across our value chain

Our global supply chain extends across 70 countries. We work with manufacturing partners, distributors and various other organisations, from rural farms to multinational raw material and packaging material suppliers.

Our focus over the past 12 months has been:

- **Expanding the scope of our sustainability programmes to identify and tackle human rights and environmental challenges** by engaging more categories of indirect suppliers and distributors
- **Deploying effective remediation** where we identify cases of modern slavery and transparently report our findings and actions
- **Supporting suppliers to implement effective site-level grievance mechanisms** using the toolkit developed with Oxfam Business Advisory Service to enable grievances to be raised and effectively addressed close to source
- **Looking beyond audit** to actively identify and address potential human rights impacts before they materialise
- **Enhancing our sustainable sourcing activities** within our palm oil and latex supply chains to enable a healthier planet and deliver sustainable livelihoods and working conditions
- **Ongoing collaboration and partnership** through industry associations and forums, such as AIM-Progress, the Pharmaceutical Supply Chain Initiative (PSCI) and the Consumer Goods Forum, to promote human rights and build sustainable solutions that make a tangible difference to tackle systemic issues such as modern slavery

We are committed to protecting human rights and use impact assessments and action plans in our key value chains and top 10 priority markets to monitor and drive improvement. Having completed our first Human Rights Impact Assessment of our Durex and Enfa brand value chains in Thailand, this year we completed an assessment of our Brazilian operations (see case study right). Using a tool developed with the Danish Institute for Human Rights together with our own knowledge and insights, we have identified a further eight priority markets in which we plan to conduct human rights impact assessments by 2030.

During the year, we also continued our programmes of risk-based supplier audits, helping to strengthen labour standards in our supply chain. We complement these audits with a supplier capability programme to raise awareness, knowledge and skills of our suppliers on labour standards and human rights issues. This joint approach continues to improve standards within our supplier network and we report on this in more detail in our Modern Slavery Statement.

See our Sustainability Report
online at reckitt.com/reporting-hub.

CASE STUDY

Assessing human rights impacts in Brazil

As part of our commitment to protecting human rights across our value chains, we carry out human rights impact assessments to understand the actual and potential impacts affecting a particular market or geography. These assessments help us to create locally relevant action plans to drive improvement for our stakeholders.

In 2023, we completed an assessment of our operations in Brazil, covering the value chains of our Olla condoms, SBP's Aerosol Pesticides, and Veja's Multipurpose Cleaners. It took into account consumers, our employees, tier 1 suppliers and workers in the raw material supply chain.

The findings acknowledged the positive impact we are having through our purpose-led brands.

It also identified several potential human rights issues, related to systemic issues in Brazil. These are areas of strength for Reckitt where we have programmes and strategies in place.

We have identified three key areas where Reckitt can continue to drive improvements in our operations, across our value chain and for the communities where we operate:

- Continuing to take a leadership position on diversity, equity and inclusion matters
- Working with local suppliers to ensure the responsible sourcing of raw materials
- Increasing access to intimate wellness products and information on sexual health in disadvantaged and lower income communities

See our Sustainability Report
at reckitt.com/reporting-hub for more detail on our human rights programmes.

Sustainability Performance Review continued

Our communities

We aim to reach half the world with our purpose-led brands, engage two billion people through our programmes, partnerships and campaigns, and have a measurable, positive impact on 10 million people by 2030. We have already exceeded this goal, impacting 18 million people to date.

We have set a target that at least 50% of our beneficiaries should be women. In 2023, we helped to progress this ambition through our support for initiatives such as the Climate Gender Equity Fund and Women in Innovation Fund (WiNFUND), which both support the scale-up of women-led grassroots innovation. An example from the WiNFUND, which is focused on healthcare, is CHIL AI Lab in Uganda, which leverages AI to extend specialised and affordable disease prevention and management services to women in remote areas.

We see our role as a catalyst to driving lasting, positive impact in communities. We drive systems change by leaning into the positive power of business and do what we do best:

- Driving behaviour change at scale via our market-leading brands. Examples include Dettol Hygiene Quest in partnership with Roblox that has engaged over five million children in 2023 in the metaverse
- Scaling the social economy by supporting social entrepreneurship via mentorship and capacity building
- Leveraging innovative finance to create lasting impact in communities

1. **Clean water, sanitation and hygiene:** We strive for universal access in communities around the world. In 2023, we enabled access to improved water and/or sanitation solutions for more than 331,000 people in India, Indonesia and Kenya through our partnership with Water.org. Since 2018, this partnership has enabled lasting access to WASH for more than two million people. In 2023, to address critical capacity challenges in scaling up this programme, Reckitt invested $2.4 million into WaterEquity's Global Access Fund IV, which seeks to increase access to a further 240,000 people by supporting financial institutions in emerging markets to scale their water and sanitation microloan portfolios.
2. **Sexual health and rights:** We empower women and young people to know their sexual rights and protect their sexual health. In 2023, Reckitt and Durex launched the 'Safeteen First' programme in partnership with UNFPA in Thailand and Mexico, which aims to positively impact 700,000 people by 2026 by reducing prevalence of STIs and unwanted teenage pregnancies through changing behaviours, breaking stigmas and increasing condom use.
3. **Maternal and child health:** We support mothers and infants to have the best start in life. In 2023, for example, our partnership with Wellbeing Foundation Africa in Nigeria connected with 25,835 pregnant and lactating mothers to educate on critical hygiene practice to prevent infection.

Our social impact investments are critical to furthering our fairer society goal to measurably impact 10 million people by 2030. This work is funded via our Fight for Access Fund, which totalled £31.4 million in 2023.

See our Social Impact Report online at reckitt.com/reporting-hub.

CASE STUDY

Accelerating social entrepreneurship

We believe we can have the greatest impact when we work as a catalyst for social innovation, harnessing the positive power of business, our brands and our people.

By accelerating the growth of health and hygiene social businesses, we can leverage the multiplier effect and address the access gap whist also unlocking economic growth, creating jobs and reducing poverty. And by working with entrepreneurs that inherently understand the needs of their communities, we can reach people with solutions that work.

In partnership with Yunus Social Business, we are providing innovative WASH social enterprises with the support they need to scale: capacity building, expert mentorship from Reckitt people and seed funding. We have done this so far in Brazil, South Africa and more recently, Nigeria.

In South Africa and Brazil, six months from the close of the acceleration period, the 12 enterprises reported the following:

- A 56% increase in the total number of full-time employees
- A 12x increase in the number of people positively impacted by their business

One of those enterprises is Kusini Water, based in South Africa, which utilises waste macadamia nut shells and nanotechnology to build water filtration systems that remove 99% of disease-causing bacteria, parasites and debris.

Kusini Water was able to reach an additional 8,000 people with clean water within six months of the acceleration period ending. It is also now working to implement clean water systems in a further 13 schools across rural South Africa.

Kusini Water alongside its Reckitt mentor, Deroosha Naidoo, was the subject of the 'Climate and Us' film produced for Reckitt by BBC Storyworks Commercial Productions and presented by the Global Climate and Health Alliance at COP28 in UAE.

Sustainability Performance Review continued

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

We are committed to the 10 principles of the UN Global Compact in the areas of human rights, labour, the environment and anti-corruption.

	Relevant policies and risk management processes	Additional information
Environmental matters	Our **Environmental Policy** sets out our objectives for reducing our environmental impacts. It requires compliance with relevant legislation, consideration of environmental issues in key decisions, and engagement with multiple stakeholders for better environmental performance which is monitored through our **Group Environmental Management System**. Our Supply Chain Leadership team routinely monitors environmental performance, including progress on our climate ambitions through our operational change carbon emissions programmes. These are also reviewed at Business Unit, Group and Board level on a quarterly basis. Our **Sourcing for Sustainable Growth Policy** sets out Reckitt's human rights, health and safety, environment and sourcing requirements for all business partners. The policy details six responsible sourcing principles that drive us to conduct business with honesty and integrity, respect human rights, provide a safe and healthy working environment, use safe and sustainable ingredients, source raw materials responsibly, protect the environment and reduce environmental impact. The policy applies to Reckitt employees and third parties.	Environmental Performance Review, pages 48-50
Employees	Reckitt's **Code of Conduct** governs standards of conduct in relation to our employees, as well as our stakeholders. All employees must complete code of conduct training and are encouraged to refer to the code frequently to ensure the right decisions are made. In addition, Reckitt has policies committing to equal opportunities at work and to providing a safe and healthy working environment. Health and safety performance is monitored through our **Group Occupational Health and Safety Management system**, enabling us to investigate any incidents and take any necessary action. We have a **Speak Up policy** and process, allowing any employee or third party to confidentially report a violation of the Code of Conduct, local law or regulation, or unethical behaviour.	Social Performance Review, page 51 Our People, pages 19-20, and 38
Human rights	Respecting human rights is an absolute and universal requirement and through our **Code of Conduct** we set out our commitment to respecting the fundamental human rights defined in the UN Universal Declaration of Human Rights. Our Labour and Human Rights Standard sets out the requirements and practices expected of our supply chain. Our **Sourcing for Sustainable Growth Policy** (see above) also encompasses principles of the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We also follow the UN Guiding Principles on Business and Human Rights and Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Our Supply Chain Leadership team monitors our human rights and labour standards assessment programme on a monthly basis, while these are also reviewed at Business Unit, Group and Board level on a quarterly basis.	Social Performance Review, page 52 Our Suppliers, page 39
Social and community matters, including consumers	Reckitt's **Product Safety Policy** describes our approach to safety assurance for products, covering product development; monitoring in-use safety and feedback from users; and reacting promptly and effectively to mitigate potential harm. In addition, 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 or our Speak Up Line.	Social Performance Review, page 51-53 Our Stakeholders, pages 37-40
Anti-bribery and corruption	Our policy is that all Reckitt companies, employees and contractors must comply with the anti-bribery, anti-corruption and competition laws of all countries in which they operate. Directors and managers must ensure that the employees and contractors they supervise are aware of and comply with this policy. All employees and contractors must certify annually that they have complied with our **Code of Conduct**, and the Audit Committee reviews internal audit findings in relation to this.	
Emissions information		Page 48
Climate-related financial disclosures		Our climate-related financial disclosures can be found on pages 218-222 and are incorporated into the Strategic Report by reference
Diversity information		Page 51
Policy embedding, due diligence and outcomes		Risk Management, pages 55-56 | CRSEC Committee Report, pages 96-99
Principal risks and impact of business activity		Pages 57-60
Description of business model		Page 12
Non-financial key performance indicators		Pages 13-14

Risk Management

RISK MANAGEMENT AT RECKITT

Taking and managing risk is essential to operating and growing our business safely, effectively, and sustainably.

Our approach to risk management

Our Risk Management Framework provides a consistent approach to risk management across the organisation and facilitates the timely communication of risks to ensure the right people at the right level are managing the right risks.

Risk management process

We embed risk management at multiple levels of the organisation. Our framework ensures risks are identified, assessed, mitigated and monitored in an effective and consistent way and supports information flow and open communication between the GEC, GBUs, our functions, markets and sites.

Our Group Risk team facilitates the risk management process throughout the year. This ensures that we are appropriately prioritising our efforts and resources to manage our risks. The Group's risk profile along with key mitigations and action plans are reported throughout the year, providing the GBU Leadership, GEC and Board with an enterprise-wide view of risk.

Risk governance

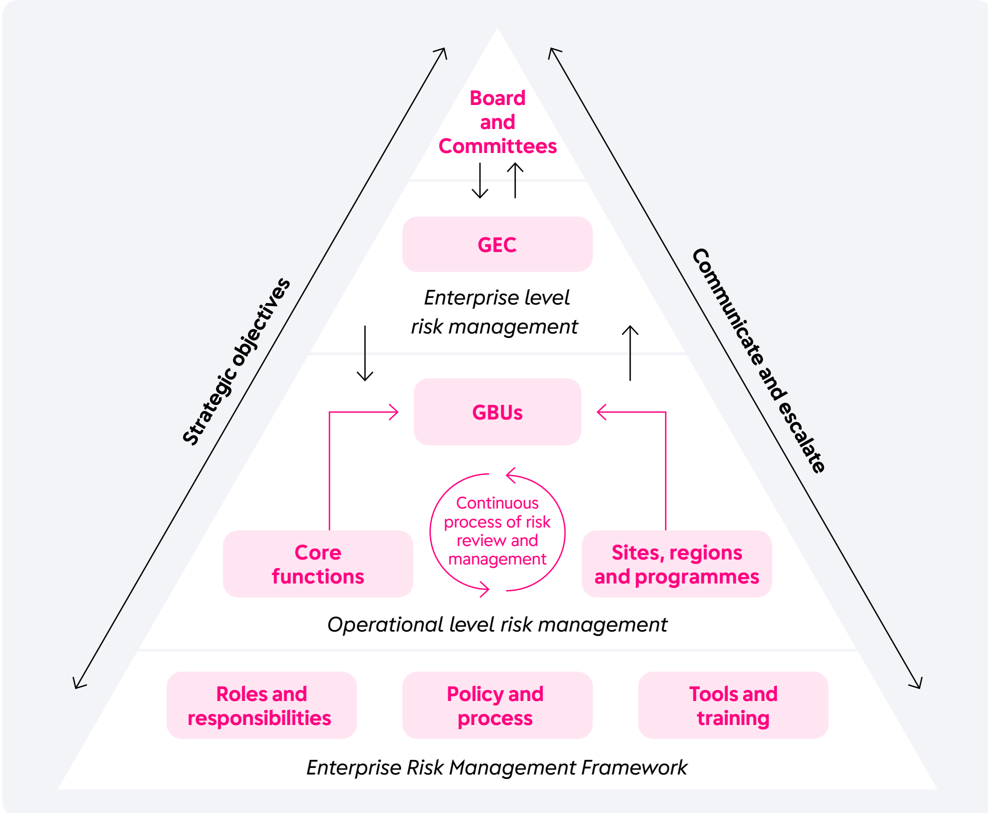
The Board provides oversight over our principal risks and the Audit Committee monitors the overall effectiveness of our risk management and internal controls framework.

Board oversight is achieved through several mechanisms which include reviews of strategic programmes, Committee meetings and focused reviews into selected risk areas.

The Group and GBU Risk, Sustainability & Compliance Committees (RSCCs) support the GEC in its oversight role. These are embedded within the governance structure of the organisation, with escalation between committees as needed. They meet quarterly to review, challenge and monitor risk management activities.

Ownership and accountability for the management of principal risks resides with the GEC. There is an accountable owner for each principal risk.

Our Risk Management Framework is aligned with the Three Lines of Defence model, which assigns roles and responsibilities for risk and control across line management, oversight functions and independent assurance providers.



Risk appetite

The Board interprets risk appetite as the level of risk that the Company is willing to take to meet its business objectives. The Board's appetite for risk is communicated to the organisation through our strategic and business planning process and control frameworks. The Board recognises that not only does risk mitigation need to be proportionate to the benefit gained, but also carefully balanced with a degree of flexibility to support Reckitt's dynamic and entrepreneurial culture.

In assessing risk appetite, the Board reviews the three-year business plan and associated strategic risks. Risk appetite for specific financial risks such as funding and liquidity, credit, counterparty, foreign exchange, interest and commodity risk are set out in the Board-approved Treasury policies. Compliance with our safety standards and our legal and regulatory requirements is mandatory.

Risk Management continued

Emerging risks

Emerging risks and horizon scanning are integrated into our risk management process and provide a forward-looking view of major trends that have the potential to impact the business across a longer time horizon (>three years). We are currently monitoring a number of emerging risks.

The impact of industry on nature and biodiversity is a growing area of interest and emerging risk, both in terms of resilience of supply chains and the impact of growing regulatory frameworks. With this in mind, we have developed programmes to prevent deforestation, support water resources in areas of water stress and act to prevent pollution from manufacturing operations. We have also developed biodiversity impact monitoring systems that steer activity in key value chains. These help us introduce activity to mitigate impact on biodiversity and will support our emerging reporting against the guidance from the TNFD, to which we have been a contributing member for the past year. This complements our activity on climate change and reporting against the guidance of the TCFD, given climate change is frequently a driver of nature-related issues. For more information on our response to TCFD, please refer to page 218.

The emergence of generative AI tools presents new opportunity for how we work across all areas of the Company. However, the nature of this new technology and the speed at which these tools are being developed has the potential to impact data privacy, accuracy and reliability. Our Information Technology & Digital (IT&D) and Legal teams are working closely to ensure that any AI tools utilised across the organisation are fully risk assessed, with appropriate actions taken where necessary, and that our policies (e.g. AI Tools Policy) are adopted and regularly updated.

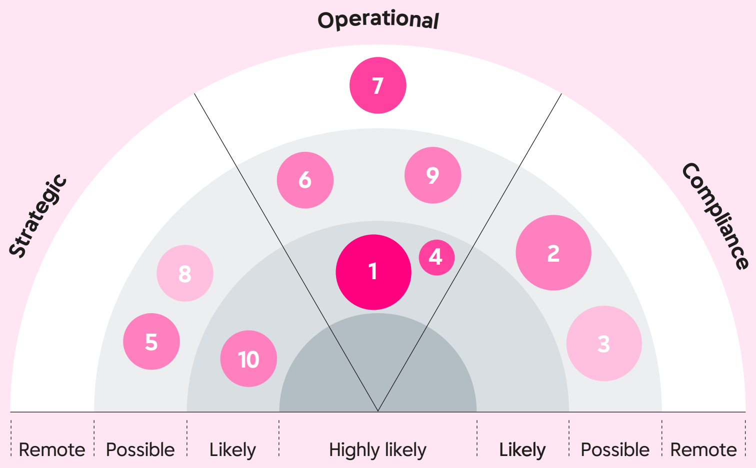
Developments in disruptive science and technology may impact some of the categories in which we operate, such as the traditional cold and flu category. Our R&D and Science teams actively engage with the scientific community to stay abreast of leading developments in science, medical and regulatory affairs, and the impact of emerging technology.

Finally, we continue to see consolidation across the sector, with increasing levels of competition for acquisition targets. Our Corporate Development team, which is responsible for identifying, evaluating and executing on Reckitt's global M&A opportunities, partners closely with each GBU to actively manage our portfolio and undertake competitive screening activities.

Our principal risks

The Group's principal risks represent the most significant risks facing the Group and arise from one or a combination of internal or external factors. The Group's risk profile is reviewed biannually, with risks assessed across a timeline of up to three years.

During the year, we undertook a review of our principal risks to make them more focused and specific to our business. This included re-evaluating their potential impact and likelihood. The 10 listed are assessed as being the most material risks to the Group. Four risks previously reported fell below this threshold, and whilst they will continue to be managed in the same way, they have not been reported in detail here. These risks are Employee Health and Safety, Tax Disputes, Commercial, and People.



Principal risk	Principal risk
1. Cyber Security	**6.** ESG Transition
2. Changes to Product Regulations	**7.** Product Safety
3. Legal and Compliance	**8.** Innovation
4. Supplier Disruption	**9.** Reliance on Key Manufacturing Sites
5. Geopolitical Instability	**10.** Economic Volatility

Other key changes to the principal risks include:

- Supply Disruption risk has been split into two more specific supply-related risks, Supplier Disruption and Reliance on Key Manufacturing Sites, to provide greater focus on these two key areas of our supply chain
- Sustainability has evolved to ESG Transition in response to the changing regulatory environment and the growing ESG reporting agenda. This risk includes the work being done to understand the impact of climate risk and respond to our climate-related disclosures
- Product Quality and Product Safety have been merged to create a Product Safety risk, reflecting the close interdependencies between these two areas
- South Korea Humidifier Sanitiser (HS), which has been managed as its own principal risk for a considerable period, has now been subsumed within the Legal and Compliance principal risk

Risk Management continued

Key
Sustainable mid-single-digit growth
High gross margin business
Brand Investments
Adjusted operating profit growth ahead of net revenue growth
Strong cash flow and healthy balance sheet
Capital Allocation Framework

OUR PRINCIPAL RISKS

The risks listed in this section and the activities being undertaken to manage them should be considered in context of the Group's internal control framework described in the Corporate Governance statement on page 78. Each of our principal risks has been linked to Our Strategy. For more information refer to page 11.

Risk	What is the risk?	Examples of how we are managing the risk	Mitigation progress this year
1 Cyber Security Link to strategy: Sustainable mid-single-digit growth Risk trend: **Increasing** Oversight Committee: **Main Board**	A cyber security incident that could compromise the confidentiality, integrity and availability of critical IT systems, and the data held on them, within our own network or that of a third party. Such an attack could impact our ability to manufacture and/or move products, resulting in a material impact on our market value and reputation. This risk is heightened as we become a more digitally-enabled and data-driven Company with greater connectivity and mandatory internal and external compliance obligations to protect our customers, suppliers, consumers and critical business processes.	– We operate a Group-wide cyber security control framework, aligned with industry standards, including ISO and National Institute of Standards and Technology (NIST). This includes security controls and active monitoring across our factory environments to ensure we identify and manage any vulnerabilities – We undertake regular horizon scanning and threat detection activities, perform penetration testing and work closely with our third parties and partners to manage cyber risk. – Mandatory Cyber Awareness training is rolled out to all employees across the Group as part of our compliance training programme	– During the year, we have seen cyber threats continue to rise. In response, we have continued to strengthen our governance and controls through the Cyber Security programme. This has included a campaign to raise awareness of cyber security across the organisation and ensure business-critical systems are supported by disaster recovery plans – We have launched a multi-year programme to strengthen security and resilience across our factories, including against cyber threats
2 Changes to Product Regulations Link to strategy: Sustainable mid-single-digit growth Risk trend: **Increasing** Oversight Committee: **CRSEC Committee**	Failure to identify, assess and proactively respond to new or changing regulations or emerging detection methodologies impacting our products could result in increased regulatory scrutiny, costly product reformulations or product recalls, potential litigation and the license to sell a product being removed.	– Our Regulatory Intelligence programme proactively identifies new or changing regulations and trends in enforcement practice – Regulatory Affairs and Safety (RAS) works closely with the business to assess and respond to new regulations impacting our existing portfolio of products – Our Ingredient Steering Group monitors regulatory developments, reviews classification changes and completes impact assessments – We work closely with external regulators, engaging with them to advocate on any new or pending product regulations where it is feasible to do so	– We have consolidated our Regulatory Operating model to reduce complexity – We have completed nitrosamine assessments for all products in line with regulatory requirements – We have strengthened our REACH compliance programme with enhancements to our systems, processes and data – We continue to strengthen our claims substantiation and have put in place long-term initiatives to establish corporate data standards and oversight to improve our data quality and availability

Risk Management continued

Key

- Sustainable mid-single-digit growth
- High gross margin business
- Brand Investments
- Adjusted operating profit growth ahead of net revenue growth
- Strong cash flow and healthy balance sheet
- Capital Allocation Framework

Risk	What is the risk?	Examples of how we are managing the risk	Mitigation progress this year
3 Legal and Compliance Link to strategy: Risk trend: **Increasing** Oversight Committee: **CRSEC Committee**	We operate in multiple jurisdictions which creates a complex regulatory environment. A serious violation of competition, anti-corruption, human rights or data protection legislation or economic sanctions within our operations or our supply chain could result in significant fines, penalties and reputational damage. A number of products are manufactured and sold in litigious jurisdictions, which increases the risk for potential class action and mass tort litigation that could result in significant legal or settlement costs and reputational damage.	– A global Ethics and Compliance programme including annual training, 'Speak Up' hotline, compliance policies and procedures, targeted risk and control assessments and third-party due diligence – Embedded legal and compliance teams, supported by external experts as needed, to help us identify, understand and comply with current and emerging regulatory obligations – Group Privacy Office (GPO) and in-market privacy programmes to support the business and provide oversight of data protection policy compliance – Disputes and litigation are supervised by senior members of the Legal team, with General Counsel oversight of significant Group matters	– Our Code of Conduct has been updated and is supported with a refreshed code of conduct and 'Speak Up' training – We continue to evolve our Ethics and Compliance programme, including additional metrics to support the ongoing monitoring of key compliance risks – Our Legal and Compliance team has been working closely with our Sustainability team to ensure that evolving ESG regulations are fully understood and to support the management of ESG Transition risk (see principal risk 6 below)
4 Supplier Disruption Link to strategy: Risk trend: **No change** Oversight Committee: **Main Board**	Over-reliance on a limited number of suppliers, geographic concentration, or an excessive dependence on specific routes, sub-suppliers or technologies could render our supply chain vulnerable to disruption. Our business is dependent on a significant number of sole- and single-source suppliers for critical raw and pack materials.	– We carefully monitor all our third-party suppliers – Our Procurement team regularly risk assesses our suppliers across multiple dimensions using our supplier vulnerability tool – Action plans are put in place for any suppliers identified as critical to our supply chain to ensure continuity of supply in the event of a disruption. Where possible, these include business continuity planning and the qualification of alternative suppliers – Action plans are centrally tracked and monitored through our quarterly Supplier Risk Committee	– We have continued to de-risk our sourcing of critical materials through the qualification of alternative suppliers and have reduced the total value of single-sourced spend across each GBU. In 2023, we reduced monosourcing of critical materials by 9.4% – We have started mapping our suppliers further up the value chain to identify any potential geographic concentration risk – An SKU simplification programme has been initiated to reduce complexity across our supplier base, and our procurement teams are working more closely with our R&D teams to ensure supplier resilience is built into the early stages of new product development
5 Geopolitical Instability Link to strategy: Risk trend: **Increasing** Oversight Committee: **Main Board**	Geopolitical events, including threats of conflict, trade wars, economic sanctions and political polarisation, could disrupt our operations. Our presence in unstable regions and countries further increases this risk.	– We maintain an extensive network of local regulatory and external affairs teams, which together with external advisors closely monitor the political and geopolitical environment – Our Issues and Crisis Management team supports the business with market-specific risk assessments and resources to support with regional issue and crisis management – Geopolitical risk is considered within our business continuity planning for the resilience of our supply chain – Our Corporate Security Function identifies potential threats through the Corporate Security programme and supports the business with horizon scanning activities	– The GEC provides ongoing oversight over the management of the Group's geopolitical risk profile. We continue to diversify our supply chain through regionalisation and onshoring to mitigate any regional instability – Ad hoc horizon scanning and scenario planning activities are undertaken by the GEC and in-country management teams

Risk Management continued

Key
- Sustainable mid-single-digit growth
- High gross margin business
- Brand Investments
- Adjusted operating profit growth ahead of net revenue growth
- Strong cash flow and healthy balance sheet
- Capital Allocation Framework

Risk	What is the risk?	Examples of how we are managing the risk	Mitigation progress this year
6 ESG Transition Link to strategy: Sustainable mid-single-digit growth; Brand Investments Risk trend: **No change** Oversight Committee: **CRSEC Committee**	Changes in the regulatory environment and shifting stakeholder expectations emerging from the transition to a more sustainable, net zero economy could create significant uncertainty for Reckitt. There is a risk that we fail to deliver our ESG programme or deliver against our sustainability ambitions.	– A Group ESG reporting function is in place and responsible for identifying, assessing and implementing emerging ESG regulation – Tools have been developed to support delivery against our sustainability ambitions, including the SIC. This has been implemented across our innovation pipeline to quantify sustainability improvements across carbon, water, plastics and packaging, ingredients and overall Extended Producer Responsibility (EPR) risk – Performance against our Sustainability Ambitions is centrally coordinated, monitored, and reported – A DE&I Board is in place to provide oversight across diversity and gender balance	– We have established cross-functional steering committees providing governance and oversight across key ESG transition risks and sustainable product activities – A taskforce to respond to the Corporate Sustainability Reporting Directive (CSRD) has been established, which is focused on preparing the business to meet its incoming requirements – We have started product carbon footprint modelling to identify and prioritise reductions in our product carbon footprint in partnership with our suppliers and innovation teams
7 Product Safety Link to strategy: Sustainable mid-single-digit growth Risk trend: **No change** Oversight Committee: **CRSEC Committee**	Across our broad consumer-facing portfolio, many of our products are ingested, have direct skin contact, are consumed by a varied range of demographics and vulnerable populations, and can contain corrosive/flammable chemicals. Failure to prevent, identify or respond to a product quality and/or safety issue may result in potential consumer harm or death, financial settlements (product liability claims), costly recalls and reputational damage.	– Our Consumer Safety and Vigilance team partners with each of our GBUs, embedding product safety into operations and providing oversight and assurance services – A robust quality management system is in place underpinned by clear policies and supporting systems, and is subject to regular independent audits – Our manufacturing facilities adhere to Quality Manufacturing Systems and our adverse and critical events process and our dedicated Vigilance team allows us to monitor and respond to any product quality or safety issues – Role-based mandatory Product Safety training is in place, with all employees required to complete Adverse Events training	– We continued our five-year Global Safety Transformation programme to elevate our global safety approach across safety culture, processes, systems and data – We have deployed our global quality management system (Quality One) to support better control of, and visibility into, product quality and safety processes – A cross-functional Quality, Regulatory and Safety (QRS) Council has been created to enhance Reckitt's compliance programmes

Risk Management continued

Key

- Sustainable mid-single-digit growth
- High gross margin business
- Brand Investments
- Adjusted operating profit growth ahead of net revenue growth
- Strong cash flow and healthy balance sheet
- Capital Allocation Framework

Risk	What is the risk?	Examples of how we are managing the risk	Mitigation progress this year
8 Innovation Link to strategy: Brand Investments; Capital Allocation Framework Risk trend: **No change** Oversight Committee: **Main Board**	Our continued growth and success depends on the relevance of our brands to consumers and our ability to innovate. Failure to effectively innovate, launch and market new products could lead to adverse financial performance and loss of market share.	– Consumer trends, behaviour and needs are analysed through our Demand Centered Growth process based on targeted consumer segments – Innovation projects follow a standardised operating model, which includes defined stage gates and cross-functional approvals, with oversight from our Category and R&D teams – Enhanced reporting provides greater visibility over our innovation pipeline	– To ensure we are identifying and responding to changing consumer needs, we continued to make investments in our science platforms to create superior, longer-term and differentiated products, strengthen our claims and lead with consumer-relevant solutions – We have enhanced our external partnership capability to drive co-creation of innovation through greater external orientation in key areas like sustainability
9 Reliance on Key Manufacturing Sites Link to strategy: High gross margin business; Adjusted operating profit growth ahead of net revenue growth; Capital Allocation Framework Risk trend: **No change** Oversight Committee: **Main Board**	We are heavily reliant on a few key manufacturing sites to produce our products. An unexpected shutdown at one of these sites or a sustained increase in demand could lead to a significant interruption to the production of a specific component or product.	– Each of our manufacturing sites is classified through a three-tier system based on revenue dependency or criticality to market. This drives our site inspection programme with Tier 1 sites being subject to more regular inspections – We operate a Global asset protection programme through our insurers, which includes a rotational review of sites – Our Global Health and Safety and Corporate Security teams maintain a framework of standards and complete a global audit compliance programme	– Short- and medium-term strategies are being implemented to build redundancy into our manufacturing network. These include investment in line capacity, refocusing of manufacturing operations and dual sourcing for critical brands – We have deployed the Reckitt Production System across all our manufacturing sites to drive sustainable manufacturing performance – We continue to closely monitor the external environment and develop business continuity plans to minimise the impact of any disruption
10 Economic Volatility Link to strategy: Sustainable mid-single-digit growth; High gross margin business; Adjusted operating profit growth ahead of net revenue growth; Strong cash flow and healthy balance sheet; Capital Allocation Framework Risk trend: **No change** Oversight Committee: **Main Board**	Adverse economic conditions, together with high levels of volatility and unpredictability in the macroeconomic environment, could impact our ability to deliver consistent and predictable growth.	– Price volatility is managed through our CRM process, which determines the optimal price management strategies for energy and other key commodities – Our Treasury function oversees the Group's risks relating to foreign exchange and interest rate risk management through several controls, including policies, oversight of market and GBU activities, monitoring and reporting	– We launched our Planning and Forecasting programme as part of our Finance for the Future Transformation programme. The programme aims to mitigate against unpredictability in the external environment and improve the accuracy of planning and forecasting activities. The programme will continue into 2024

Our Viability Statement

THE ASSESSMENT PROCESS AND KEY ASSUMPTIONS

The Board's Viability Review is based on the Group's strategy, its long-term financial plan and its principal risks.

A financial forecast covering a five-year period was prepared (the base case). This period was selected as it is the period covered in the Group's long-term forecasting process, based on the budget and projections for the following years and covers the introduction to market of the current new product pipeline. The period also covers the majority of Reckitt's debt repayment profile.

The financial forecast is based on a number of key assumptions aligned to the Group's growth strategy, planned capital spending and capital allocation policy. The assessment of viability takes into account the Group's cash flow, its currently available banking facilities and interest cover ratios in relevant financial covenants, and does not assume the raising of additional new debt or equity finance. If Reckitt performs in line with the base case forecasts, it will have sufficient funds to trade, settle its liabilities as they fall due, remain compliant with financial covenants and remain viable. Moreover, the Group has access to external debt markets on account of its credit rating together with a well-diversified supplier network, customer base and product range, and geographical activities with a strong innovation pipeline and dividend cover.

Assessment of principal risks and viability

To further test the robustness of the base case forecast, further analyses were prepared to consider the viability of the business in the event of adverse unexpected circumstances. Such adverse circumstances were modelled primarily upon the crystallisation of the Group's principal risks (see pages 57-60, including how we are managing the risk). Principal risks have the potential to create adverse circumstances for the Group and can occur individually or in combination with each other. The assessment of viability considered the implications of crystallisation of each principal risk and estimating the impact on interest cover ratios and headroom over available borrowing facilities.

These principal risks were aggregated to create two scenarios which model plausible downside scenarios of increasing severity based on: (i) crystallisation of principal risks deemed to have the most relevant potential impact on viability; and (ii) crystallisation of all principal risks and the impact of adverse movements in foreign exchange and interest rates. The principal risks that were evaluated also include the failure to address existing and emerging environmental, social and governance (ESG) and sustainability risks and the changing societal and stakeholder expectations of businesses in addressing these.

The Board has also considered the potential impact of changes to environmental factors which may affect the business model and performance in the future, as set out in the Taskforce on Climate-related Financial Disclosures (TCFD) statement on page 218. The analysis indicated that even with unexpected events occurring immediately and in combination, Reckitt would still have sufficient funds to trade, settle its liabilities as they fall due and remain compliant with financial covenants.

The Board has further considered the occurrence of a Black Swan event: an event of greater adversity than those modelled above, with sufficient potential impact to risk the future of Reckitt as a strong and independent business operating in its chosen markets. The occurrence of a major issue could result in significant reputational impact, a substantial share price fall, significant loss of consumer confidence and the inability to retain and recruit quality people. Such an event could have an impact on the viability of the business. On the basis of a comprehensive set of mitigating controls in place across the business, considering the unknown nature of a Black Swan event and that its occurrence is considered highly unlikely, it has not been included in the Viability Review.

Viability Statement

The Board believes that the Group is well-positioned to manage its principal risks successfully. The Board's belief is based on consideration of the historic resilience of Reckitt and has taken account of its current position and prospects, the actions taken to manage the Group's debt profile, risk appetite and the principal risks facing the business in unexpected and adverse circumstances. Mitigating actions, should they be required, are all within management's control and could include reduced capital expenditure or temporary suspension of dividend payments.

Conclusion

As a result of the Viability Review, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period covered in the Viability Review.

The Strategic Report, as set out on pages 2 to 61, has been approved by the Board.

Catheryn O'Rourke
Company Secretary
Reckitt Benckiser Group plc

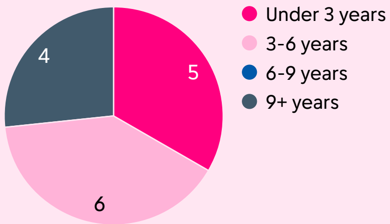
21 March 2024

Corporate Governance Report

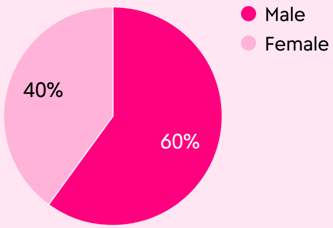
AT A GLANCE

DIVERSE LEADERSHIP

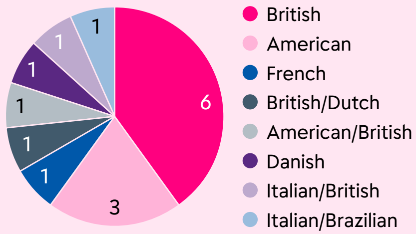
Tenure[1,3]



Gender[1]

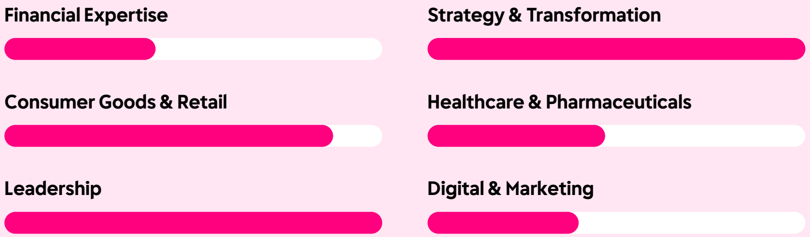


Nationality[1]



Board members skills overview[2]

Core skill



See pages 65-68
for details of Board members who served during the year and as at the date of this Report.

1. As at close of business on 31 December 2023
2. Board skills as at 15 March 2024
3. Board members who have served over nine years as at the date of this Report will retire at the 2024 AGM, with the exception of Mary Harris, who will remain on the Board for a fixed term until the 2025 AGM to support a smooth Remuneration Committee Chair succession (see page 64)

UK Corporate Governance Code: 2018 Statement of Compliance

For the year ended 31 December 2023, the Company complied with all the provisions of the Code and the Disclosure Guidance and Transparency Rules requirements to provide a corporate governance statement.

How we comply with the Code

Corporate Governance Report continued

CHAIR'S INTRODUCTION TO GOVERNANCE

"Our Board is committed to upholding the highest standards of governance in the long term interests of our shareholders and stakeholders."

Chris Sinclair
Chair

Dear shareholder,

On behalf of the Board, I am pleased to present Reckitt's Corporate Governance Report for the financial year ended 31 December 2023. The Board is responsible for the effective leadership of the Group and for promoting its long-term sustainable success.

The Board provides leadership by setting the Company's Purpose, strategy and values, overseeing implementation of the strategy by management and monitoring culture to ensure its alignment with our Purpose and values. The Board ensures there are appropriate processes in place to manage risk and monitors the Company's financial and operational performance against objectives.

Evolution of the Board and Executive Team

Since I have now completed nine years on the Board, a process was undertaken during the year to identify my successor as Chair. This exercise was undertaken by the Nomination Committee (excluding me) and led by Andrew Bonfield. Further information on the process is described on page 86. It was successful, and I am delighted to be succeeded by Sir Jeremy Darroch who will take over as Chair of the Board with effect from the conclusion of the AGM.

Sir Jeremy joined the Board as Senior Independent Director in November 2022. He is an outstanding leader with considerable expertise, a proven track record of performance and a unique insight into what motivates consumers as well as a passion for responsible and sustainable business.

Our evolution as a Company has also been accompanied by a transition in our executive leadership team. On behalf of the Board, I'd like to thank Nicandro Durante for the exceptional job he has done as CEO, helping to oversee the selection of a permanent CEO and a new CFO, and for working with Kris Licht to ensure a seamless transition for all our stakeholders. The Board came into this process knowing we had a strong bench of leadership talent and Kris Licht was identified as the outstanding candidate to be CEO. Kris has been instrumental in Reckitt's transformation through his role as Chief Transformation Officer and his strong operational leadership of our Health GBU. He has a deep understanding of Reckitt's business, customers, brands and culture.

During the year, Jeff Carr, our Chief Financial Officer (CFO) notified the Board of his intention to retire in March 2024. Following a thorough search, Shannon Eisenhardt was appointed as CFO Designate on 17 October and will succeed Jeff as CFO in March 2024.

Shannon brings extensive experience across the consumer goods and retail sectors, having worked with some of the most globally recognised brands. Shannon is a proven strategic and operational leader with a track record of building highly successful teams and delivering strong and consistent performance.

Corporate Governance Report continued

Following Kris's appointment as CEO Designate in May, there were also changes to our Group Executive Committee (GEC) membership. Pat Sly was appointed as President Health having previously led Reckitt's Global Nutrition business since 2021. Pat was succeeded as President Nutrition by Susan Sholtis, who rejoined Reckitt on 1 July 2023. Susan has a deep knowledge of the Nutrition business, having previously worked for more than 11 years at both Mead Johnson and Reckitt in general management and global marketing roles.

On 12 January 2024, we announced the appointment of Marybeth Hays as a Non-Executive Director, with effect from 1 February 2024. Marybeth has over 25 years of experience in the retail, healthcare and consumer goods sectors and we are delighted Marybeth has agreed to join the Board. More details on Marybeth's appointment can be found on page 84.

In February 2024, we were also delighted to confirm the appointment of Fiona Dawson as a Non-Executive Director and as Chair Designate of the Remuneration Committee from 1 June. Fiona brings extensive consumer goods experience and is passionate about sustainability, health and wellbeing – particularly women's entrepreneurship and human rights.

On the same day, we announced that Alan Stewart, currently Non-Executive Director and Chair of the Remuneration Committee, had notified the Board of his intention to retire from the Board following the AGM in May.

To ensure continuity in relation to the Remuneration Committee, Mary Harris, former Chair of the Remuneration Committee and the current Designated Non-Executive Director for Engagement with the Company's Workforce, will be reappointed as Chair of the Remuneration Committee upon conclusion of this year's AGM, for a fixed term until our next AGM in May 2025.

Although Mary has now served nine years as a Non-Executive Director of the Company, the Board unanimously agreed that Mary is uniquely positioned to undertake the role of Remuneration Committee Chair during this interim period due to her extensive knowledge of the business, her in-depth understanding of investor and other stakeholder expectations and previous Remuneration Committee Chair experience. Mary is considered to continue to retain an independence of mind and to be an effective and valued contributor to the Board.

Elane Stock will take on the role of Designated Non-Executive Director for Engagement with the Company's Workforce from Mary Harris, with effect from the conclusion of this year's AGM.

At the conclusion of the 2025 AGM, Fiona will take on the role of Remuneration Committee Chair.

Board performance review

The Board undertakes an annual review of its own and its Committees' performance and effectiveness. The Board performance review was facilitated by Lintstock Ltd (Lintstock), as part of its ongoing Board Development Programme. Details of this year's Board performance review, together with our progress against the outcomes from our 2022 Board performance, can be found on page 82.

Our people and culture

Our culture and values define the way that Reckitt does business and this starts with our employees. We aim to create the space and opportunities to help our employees make a difference and do the right thing, always. It is our collective responsibility to build inclusion into everything we do, whilst ensuring we represent the people we are and the global community we serve. Our Code of Conduct reinforces our principles of business conduct and is communicated to all employees each year with mandatory training. Our values underpin our Code of Conduct and are enhanced by our Purpose and Compass.

We are evolving a vibrant, inclusive and collaborative culture to deliver on our Purpose. In embedding inclusivity, all colleagues should feel free to participate fully, bring their authentic self to work and realise their full potential. Internally, we are strengthening our inclusive culture by focusing on leadership, people and policy. Externally, our inclusive approach to procurement, brands and partnerships aligns what we do with who we are.

Further details on our people, culture and inclusion can be found on pages 19 to 21 and page 51.

Engaging with our stakeholders

Effective engagement with our shareholders, our employees and wider stakeholders is key to Reckitt's sustainable success. We, as directors, must act in a way that we consider, in good faith, would be likely to promote the success of the Company for the benefit of its shareholders as a whole. In our decision-making, the Board also considers wider stakeholder interests.

Our key stakeholders include our employees, shareholders, customers, consumers, partners, and the communities in which we operate and the environment. Our Section 172 Statement, which explains how the Directors have discharged their responsibilities during the year under review, can be found on pages 76 to 77.

For further information on our Sustainability Ambitions, please see pages 14 and 47 to 54. Our Climate-related Financial Disclosures can be found on pages 218 to 222.

I am extremely proud of the Board and all our Reckitt employees for their continued commitment to our Purpose, Compass and the stewardship of our business, on behalf of all our stakeholders.

Chris Sinclair
Chair
Reckitt Benckiser Group plc

21 March 2024

Board Leadership and Company Purpose

OUR BOARD

The Board of Reckitt: experienced, diverse and balanced

Biographical details of the Directors as at 31 December 2023.

Chris Sinclair (73)
Chair of the Board

N R C

Nationality American

Appointment
Appointed as a Non-Executive Director in February 2015 and as Chair of the Board and Nomination Committee in May 2018. Chris will retire as Chair and from the Board following the Company's Annual General Meeting in May 2024.

Skills and competencies
Chris brings strong leadership skills and valuable strategic insight to the Board, through his experience as CEO and Chair of other large companies. He also has a strong understanding of international consumer-focused businesses. He is the former Chair and CEO of Mattel, Inc. and previously served as CEO for various companies including Caribiner International, Quality Food Centers, Pepsi-Cola Co. and PepsiCo Foods and Beverages.

Current external appointments
None

Kris Licht (47)
Chief Executive Officer

C

Nationality Danish

Appointment
Appointed as Chief Executive Officer (CEO) Designate on 1 May 2023, an Executive Director on 1 June 2023 and became CEO on 1 October 2023.

Skills and competencies
Kris has strong leadership and transformation experience with a proven track record in delivering growth and driving performance. He has in-depth knowledge of the consumer goods sector. Kris joined Reckitt in November 2019 as Chief Transformation Officer and in July 2020 became President Health & Chief Customer Officer. Prior to Reckitt, he has held a number of senior strategic and operational positions at PepsiCo and was a Partner at McKinsey & Company working in the consumer, health and retail practices.

Current external appointments
Board member of the Consumer Brands Association

Sir Jeremy Darroch (61)
Senior Independent Director

N R

Nationality British

Appointment
Appointed as Senior Independent Director and a member of the Remuneration and Nomination Committees in November 2022. Sir Jeremy will become Chair of the Board following the Company's Annual General Meeting in May 2024.

Skills and competencies
Jeremy is an outstanding leader with considerable expertise in the consumer retail environment. He has a proven track record of driving business performance and a unique insight into what motivates consumers. He is the former Executive Chairman and Group CEO of Sky and prior to that was Group Finance Director of DSG International plc. He has also held board positions with Burberry Group plc and Marks and Spencer Group plc.

Current external appointments
Director of The Walt Disney Company

Chair, National Oceanography Centre

WWF Ambassador

Non-Executive Director of Ahren Acquisition Corp

Detailed Board members biographies can be found at reckitt.com/our-company/our-leadership/.

Committee Key

- Chair (filled)
- R Remuneration
- N Nomination
- A Audit
- C Corporate Responsibility, Sustainability, Ethics and Compliance

Board Leadership and Company Purpose continued

Jeff Carr (62)
Chief Financial Officer

Nationality British

Appointment

Appointed as Chief Financial Officer (CFO) in April 2020. Jeff will step down as CFO in March 2024 and will retire as an Executive Director on 31 March 2024.

Skills and competencies

Jeff brings extensive experience across consumer and retail companies. He has a record of transformational, strategic and operational leadership, consistent performance delivery and strong capital allocation discipline. Prior to Reckitt, he was the CFO and Management Board member at Ahold Delhaize, CFO of First Group plc and easyJet plc and held senior finance roles at Associated British Foods plc.

Current external appointments

Chair of the Audit Committee and Non-Executive Director of Kingfisher plc

Shannon Eisenhardt (49)
Chief Financial Officer Designate

Nationality American

Appointment

Appointed as CFO Designate on 17 October 2023 and will become CFO in March 2024.

Skills and competencies

Shannon brings extensive experience across the consumer and retail sectors, having worked with some of the most globally recognised brands. Shannon held multiple senior management roles at NIKE, Inc., including as CFO of the NIKE Consumer, Marketplace and Brand segment. Prior to that, Shannon had spent almost two decades at Procter & Gamble in a range of finance roles. Shannon is a proven strategic and operational leader with a track record of building highly successful teams and delivering strong and consistent performance.

Current external appointments

None

Andrew Bonfield (61) A N
Non-Executive Director

Nationality British

Appointment

Appointed as a Non-Executive Director in July 2018 and as Chair of the Audit Committee in January 2019. Andrew will become Senior Independent Director following the Company's Annual General Meeting in May 2024.

Skills and competencies

Andrew brings more than three decades of financial expertise to the Board. He is a strong leader, with experience gained in large, complex organisations and has a history of driving strong financial performance in the UK and globally. These skills are valuable to the Board and to his role as Chair of the Audit Committee. He is CFO of Caterpillar Inc., was Group CFO of National Grid plc, CFO of Cadbury plc and Executive Vice President and CFO at Bristol Myers Squibb.

Current external appointments

Chief Financial Officer of Caterpillar Inc.

Pam Kirby (70) C N A
Non-Executive Director

Nationality British

Appointment

Appointed as a Non-Executive Director in February 2015 and as Chair of the CRSEC Committee in July 2016. Pam will retire from the Board following the Company's Annual General Meeting in May 2024.

Skills and competencies

Pam brings to the Board extensive knowledge of the healthcare sector and a wealth of international business and pharmaceutical experience. These skills are highly valuable to her role as Chair of the CRSEC Committee. She has served as Chair of SCYNEXIS, Inc., CEO of Quintiles Transnational Corporation and held senior positions in the international healthcare industry at AstraZeneca plc and Hoffman-LaRoche.

Current external appointments

Non-Executive Director of Bunzl plc

Member of the Supervisory Board of AkzoNobel N.V.

Board Leadership and Company Purpose continued

Alan Stewart (63)
Non-Executive Director
R N

Nationality British

Appointment
Appointed as a Non-Executive Director in February 2022 and as Chair of the Remuneration Committee in May 2022. Alan will retire from the Board following the Company's AGM in May 2024.

Skills and competencies
Alan brings to the Board significant corporate finance and accounting experience from a variety of industries, including retail, banking and travel, as well as executive leadership experience within a listed company environment. He was CFO of Tesco PLC where he played a key role in the turnaround of Tesco. Prior to this he was also CFO of Marks and Spencer Group plc, CFO of AWAS, Group Finance Director of WH Smith PLC and CEO and CFO of Thomas Cook Holdings.

Current external appointments
Non-Executive Director of Diageo plc

Non-Executive Director of Burberry Group plc

Olivier Bohuon (65)
Non-Executive Director
R C

Nationality French

Appointment
Appointed as a Non-Executive Director in January 2021.

Skills and competencies
Olivier is a successful leader, with many years' experience as CEO of a large, global company. Olivier has a wealth of experience in healthcare products and markets and brings great insight to the Board. He was the CEO of Smith & Nephew plc and of healthcare, cosmetology and pharmaceutical company Laboratoires Pierre Fabre, and Corporate Executive Vice President of Abbott Laboratories and President of their pharmaceutical products division.

Current external appointments
Chairman of Majorelle

External Director of Takeda Pharmaceutical Company Limited

Co-Founder and Board member of AlgoTherapeutix SAS

Margherita Della Valle (58)
Non-Executive Director
A

Nationality Italian/British

Appointment
Appointed as a Non-Executive Director in July 2020.

Skills and competencies
Margherita has extensive experience of financial markets and digital technologies. She is an experienced leader in business in both developed and developing markets. Margherita is Chief Executive Officer of Vodafone Group plc and prior to that held numerous senior finance roles within the business including as Chief Financial Officer. These skills, together with her strong leadership background, are valuable to the Board and her membership of the Audit Committee.

Current external appointments
Chief Executive Officer of Vodafone Group Plc

Mary Harris (57)
Designated Non-Executive Director for Engagement with Company's Workforce
R

Nationality British/Dutch

Appointment
Appointed as a Non-Executive Director in February 2015. Mary was Chair of the Remuneration Committee from November 2017 to May 2022, and will resume that role following the Company's AGM in May 2024. Mary has been the Designated NED for Engagement with the Company's Workforce since July 2019.

Skills and competencies
Mary has substantial experience in consumer and retail businesses across China, Southeast Asia and Europe. She brings to the Board a top-level strategic outlook, with an international and consumer focus. Her previous experience in other Non-Executive Director roles, and as Chair of other Remuneration Committees, is invaluable to the Board and the Remuneration Committee.

Current external appointments
Non-Executive Director of Coca-Cola Europacific Partners plc

Supervisory Director of HAL Holding N.V.

Board Leadership and Company Purpose continued

Tamara Ingram, OBE (61) A
Non-Executive Director

Nationality British

Appointment
Appointed as a Non-Executive Director in February 2023.

Skills and competencies
Tamara has had an extensive career in advertising, marketing and digital communications and has a deep understanding of consumer brands and digital strategy. She was Global Chair of Wunderman Thompson and also held various leadership roles at WPP plc. She also served as CEO of McCann Worldgroup and Saatchi & Saatchi in London.

Current external appointments
Non-Executive Director of Marks and Spencer Group plc

Non-Executive Director of Intertek Group plc

Non-Executive Director of Marsh & McLennan Companies, Inc.

Mehmood Khan (65) C
Non-Executive Director

Nationality American/British

Appointment
Appointed as a Non-Executive Director in July 2018.

Skills and competencies
Mehmood is a highly skilled medical practitioner and researcher. Mehmood has been Chief Executive Officer of Hevolution Foundation since October 2020. He was previously CEO of Life Biosciences Inc., and before that served as Vice Chairman and Chief Scientific Officer, Global Research and Development at PepsiCo Inc. He has extensive experience in both developing and developed markets, adding value to the CRSEC Committee through his knowledge of creating sustainable initiatives and past experiences of leading research and development efforts to create breakthrough innovations.

Current external appointments
Chief Executive Officer of Hevolution Foundation

Executive Chairman of Life Biosciences Inc.

Chairman of VCAT, US National Institute of Standards and Technology

Elane Stock (59) A
Non-Executive Director

Nationality American

Appointment
Appointed as a Non-Executive Director in September 2018.

Skills and competencies
Elane has held various senior leadership positions including Chief Executive Officer of ServiceMaster Brands, Group President at Kimberly-Clark International and Kimberly-Clark Professional and as a director and member of the Audit Committee of Yum Brands! and Equifax. Elane brings great sector-relevant experience and insight of consumer goods products to the Board, particularly in personal care and wellness. She also brings key knowledge of emerging markets and the changing channels of trade and consumer preferences.

Current external appointments
None

Other Directors who served during the year
Nicandro Durante, Non-Executive Director from December 2013, was appointed as Chief Executive Officer from October 2022 until October 2023 and stayed on as Executive Director until his departure in December 2023.

Marybeth Hays (55)
Non-Executive Director

Nationality American

Appointment
Appointed as a Non-Executive Director in February 2024.

Skills and competencies
Marybeth has over 25 years of experience in the retail, healthcare and consumer goods sectors. She has held various senior roles at Walmart, including as Executive Vice President of Consumables and Health & Wellness for Walmart U.S. and as Chief Merchandising, Marketing and Supply Chain Officer for Walmart China. Marybeth was previously Vice President of Marketing at HanesBrands, Inc.

Current external appointments
Director and member of Audit Committee of JOANN Stores, Inc.

Board member of Decowraps

Fiona Dawson CBE will join the Board as a Non-Executive Director and as Chair Designate to the Remuneration Committee effective 1 June 2024. Fiona's full biography will be available on our website upon her appointment.

Board Leadership and Company Purpose continued

GROUP EXECUTIVE COMMITTEE

Kris Licht (47) 1
Chief Executive Officer

Nationality Danish

Key skills and experience
Kris has strong leadership and transformation experience with a proven track record in delivering growth and driving performance. He has in-depth knowledge of the consumer goods sector.
Kris joined Reckitt in November 2019 as Chief Transformation Officer, and in July 2020 became President Health & Chief Customer Officer.
Prior to Reckitt, he has held a number of senior strategic and operational positions at PepsiCo, and was a Partner at McKinsey & Company working in the consumer, health and retail practices.

Jeff Carr (62) 2
Chief Financial Officer

Nationality British

Key skills and experience
Jeff joined Reckitt as Chief Financial Officer in April 2020. Prior to that, he was CFO and Management Board member at Ahold Delhaize, and held the role of CFO at First Group plc and easyJet plc. Jeff brings extensive experience across consumer and retail companies. He has a record of transformational strategic and operational leadership, consistent performance delivery and strong capital allocation discipline. Jeff will step down as CFO in March 2024 and will retire as an Executive Director on 31 March 2024.

Shannon Eisenhardt (49) 3
Chief Financial Officer Designate

Nationality American

Key skills and experience
Shannon joined Reckitt as CFO Designate in October 2023 and will become CFO in March 2024. Shannon brings extensive experience across the consumer and retail sectors, having worked with some of the most globally recognised brands. Shannon held multiple senior management roles at NIKE, Inc., including as CFO of the NIKE Consumer, Marketplace and Brand segment. Prior to that, Shannon had spent almost two decades at Procter & Gamble in a range of finance roles. Shannon is a proven strategic and operational leader with a track record of building highly successful teams and delivering strong and consistent performance.

Volker Kuhn (56) 4
President Hygiene

Nationality German/Swiss

Key skills and experience
Volker joined Reckitt in August 2020 as Chief Transformation Officer, and in May 2021 became President Hygiene. As well as leading the Hygiene BU's global team, he has additional responsibility for New Growth Platforms, a cross-BU initiative.
Prior to joining Reckitt, Volker spent 26 years with Procter & Gamble in a range of international finance, marketing, and senior general management roles.

Detailed Executive Committee members biographies can be found at reckitt.com/our-company/our-leadership/.

Board Leadership and Company Purpose continued

Pat Sly (47) 5
President Health

Nationality American

Key skills and experience
Pat joined Reckitt in 2017 as part of the Mead Johnson Nutrition acquisition. He was appointed as Chief Operating Officer, Nutrition in July 2021, as President Nutrition in February 2022 and as President Health in July 2023. Pat has more than 20 years of experience in senior leadership roles in general management, marketing and sales across North America, Europe, Asia Pacific and Latin America.

Susan Sholtis (57) 6
President Nutrition

Nationality American

Key skills and experience
Susan joined Reckitt as President Nutrition in July 2023. Susan brings to Reckitt a deep knowledge of the Nutrition business, having previously worked for over 11 years at Mead Johnson Nutrition and Reckitt in a number of senior leadership roles in the US and Europe, including general management, marketing and sales.

Ranjay Radhakrishnan (53) 7
Chief Human Resources Officer

Nationality British

Key skills and experience
Ranjay joined Reckitt as Chief Human Resources Officer in March 2020. Ranjay has over 30 years' experience in the human resources function across different geographies and industries. Prior to joining Reckitt, Ranjay was the Chief Human Resources Officer at InterContinental Hotels Group plc and spent over two decades at Unilever in senior leadership roles.

Fabrice Beaulieu (50) 8
Chief Marketing, Sustainability and Corporate Affairs Officer

Nationality French

Key skills and experience
Fabrice joined Reckitt in 1999 and the GEC in April 2022. Since joining the Company he has worked internationally in senior leadership roles across marketing and general management. He oversees the Marketing Centres of Excellence and the Sustainability and Corporate Affairs functions. He is responsible, amongst others, for reimagining and scaling Reckitt's playbook for digitally led, sustainable and profitable growth. Fabrice is a graduate of EM Lyon Business School, France.

Sami Naffakh (53) 9
Chief Supply Officer

Nationality French

Key skills and experience
Sami joined Reckitt as Chief Supply Officer in July 2020. He is responsible for global supply chain operations, including planning, procurement, manufacturing and logistics. Sami will be leaving Reckitt in July, to be succeeded by Harald Emberger, previously Chief Supply Chain Officer at Beiersdorf AG.

Angela Naef, PhD (48) 10
Chief R&D Officer

Nationality American

Key skills and experience
Angela joined Reckitt as Chief R&D Officer in September 2020 and is responsible for elevating Reckitt's science capability and platforms as well as for driving external partnerships. She is focused on enabling the R&D organisation to deliver meaningful solutions addressing the mega trends and sustainability to deliver growth.

Filippo Catalano (51) 11
Chief Information & Digitisation Officer

Nationality Italian

Key skills and experience
Filippo joined Reckitt as Chief Information & Digitisation Officer in April 2021. Filippo is responsible for building and maintaining Reckitt's IT, Data and Digital capabilities. Filippo brings to Reckitt extensive leadership experience in defining and shaping IT, digital portfolios and technology-enabled new business models across leading consumer goods organisations.

Catheryn O'Rourke (51) 12
General Counsel & Company Secretary

Nationality American

Key skills and experience
Catheryn joined Reckitt in February 2022 and is responsible for legal and compliance matters across the Group. She brings to Reckitt more than 20 years of professional expertise in running global legal and compliance teams, managing litigation and corporate transactions, advising on financial reporting and disclosure as well as supporting Board governance.

Other Group Executive Committee members who served in the year
Nicandro Durante, Non-Executive Director from December 2013, was appointed as Chief Executive Officer from October 2022 until October 2023 and stayed on as Executive Director until his departure in December 2023.

Board Leadership and Company Purpose continued

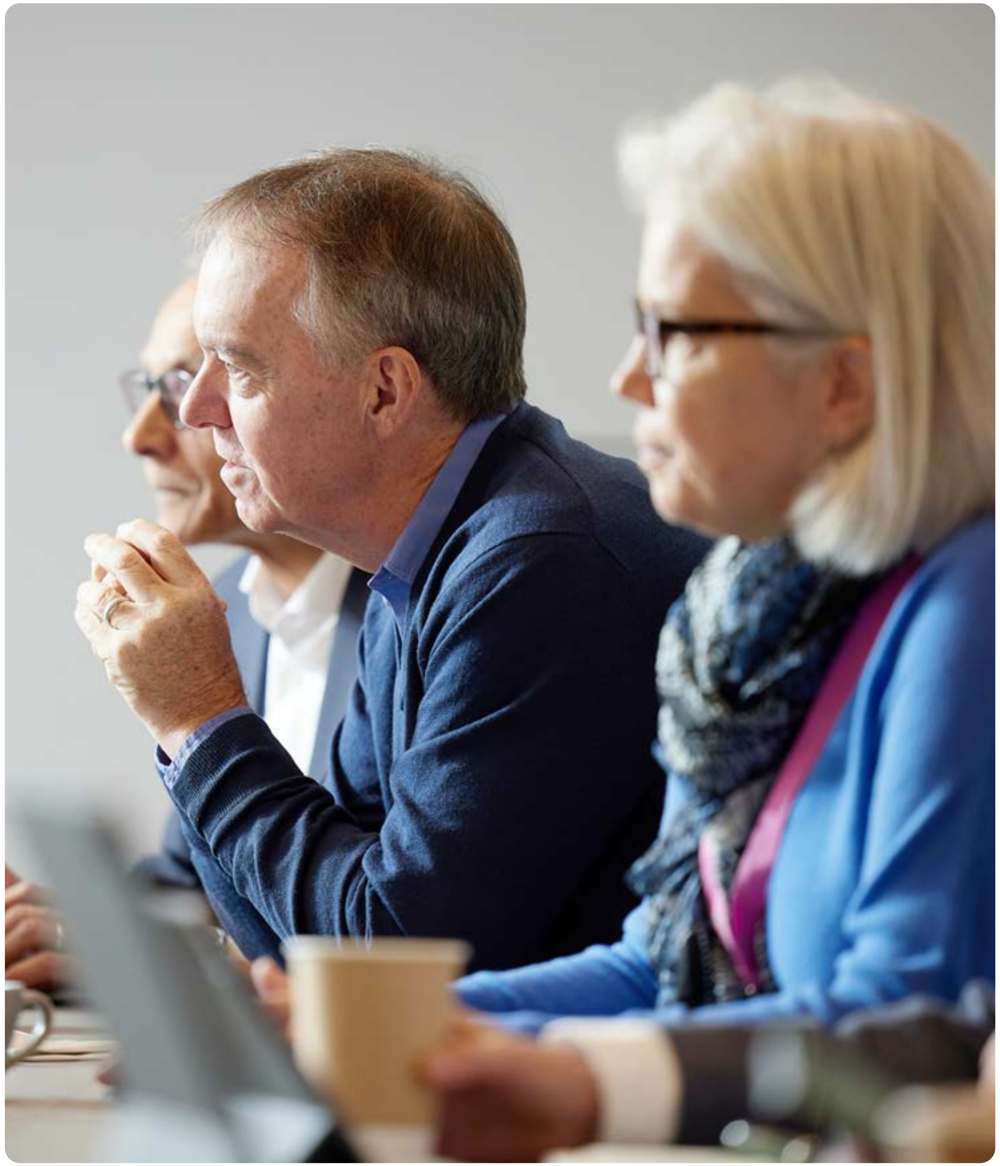
RECKITT'S APPROACH TO GOVERNANCE

The Board is responsible for the effective leadership of the Group and for promoting its long-term sustainable success, generating value for shareholders and contributing to wider society, whilst focusing on governance with the highest regard to the principles of the Code. The Board provides leadership by setting our Purpose, strategy and values, monitoring our culture and ensuring alignment with our Purpose and Compass, and overseeing implementation by management. All Directors must act with integrity, lead by example and promote the Company's culture and values. The Board also ensures there are appropriate processes in place to manage risk, including the Company's risk appetite and monitors financial and operational performance against objectives. The Board consists of a balance of Executive and Non-Executive Directors who together have collective accountability to Reckitt's shareholders as well as responsibility for the overriding strategic, financial and operational objectives and direction of Reckitt.

The Board manages the overall leadership of the Group with reference to its formal Schedule of Matters Reserved for the Board. This schedule is reviewed annually, with the last review undertaken in November 2023, and broadly covers:

- Matters which are legally required to be considered or decided by the Board, such as approval of Reckitt's Annual Report and Financial Statements, declaration of dividends and appointment of new Directors
- Matters recommended by the Code to be considered by the Board, such as terms of reference for the Board and its Committees, review of internal controls and risk management
- Compliance with regulations governing UK publicly listed companies, such as the UK Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules
- Matters relating to developments in, or changes to, the Group's strategic direction, or material corporate or financial transactions

The full Schedule of Matters Reserved for the Board is available on the Reckitt website at reckitt.com/investors/corporate-governance.



Board Leadership and Company Purpose continued

Governance structure

The Company has a clear and effective governance structure, which allows the Board, its Committees and the Executive team to make decisions effectively. The Board has established four Committees to assist in the execution of its responsibilities. Each Committee operates under terms of reference approved by the Board. The terms of reference are reviewed regularly, with the last review taking place in November 2023. There are also three supporting Management Committees: the Disclosure Committee, the Group Executive Committee (GEC), and the Risk, Sustainability & Compliance Committee (RSCC).

Shareholders

Our shareholders are the ultimate owners of the Company and play an important role in the governance structure. Further information on our engagement with shareholders can be found on page 39.

Our Board

The Board is collectively responsible for the overall leadership of the Group and for promoting its long-term sustainable success whilst focusing on its strategic direction, Purpose, values and governance with the highest regard to the principles of the Code. There is a clear division of responsibilities between the Board, its Committees and Management Committees.

Nomination Committee
Chaired by Chris Sinclair

Responsible for making recommendations to the Board on suitable candidates for appointment to the Board, its Committees and senior management and to regularly review and refresh their composition to ensure that they comprise a diverse group of individuals with the necessary skills, knowledge and experience to effectively discharge their responsibilities, whilst keeping in mind the importance of diversity.

See pages 83-87
for more details in the Nomination Committee Report.

Audit Committee
Chaired by Andrew Bonfield

Responsible for monitoring the integrity of Reckitt's Financial Statements and for ensuring effective functioning of internal audit, internal controls and risk management. It is also responsible for managing the Company's relationship with its External Auditor.

See pages 88-95
for more details in the Audit Committee Report.

Remuneration Committee
Chaired by Alan Stewart

Responsible for assisting the Board in fulfilling its oversight responsibility by ensuring that the Remuneration Policy and practices reward fairly and responsibly, are linked to corporate and individual performance and take account of the generally accepted principles of good governance. The Committee is responsible for determining the remuneration for the Chair, Executive Directors and senior management.

See pages 100-132
for more details in the Remuneration Committee Report.

CRSEC Committee
Chaired by Pam Kirby

Responsible for supporting the Board in reviewing, monitoring and assessing the Company's approach to responsible, sustainable, ethical and compliant corporate conduct and to assist the Board in upholding its Compass.

See pages 96-99
for more details in the CRSEC Committee Report.

Disclosure Committee
Chaired by CFO

Responsible for ensuring accuracy and timeliness of disclosure of financial and other public announcements.

Group Executive Committee
Chaired by CEO

Responsible for overseeing Reckitt's management and ensuring collaboration between GBUs, functions and in-market operations. It recommends and implements the strategy and related budget as approved by the Board. The GEC 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.

Risk, Sustainability & Compliance Committee
Chaired by CEO

Provides oversight of risk across the organisation and makes recommendations to the CRSEC Committee for actions to be taken in respect of the Group's legal compliance and ethics, sustainability, external affairs, employee health and safety, quality, consumer safety and regulatory matters, including compliance strategies, policies, programmes and key activities.

Board Leadership and Company Purpose continued

How we manage conflicts of interest

Directors have a duty to avoid interests, direct or indirect, which might conflict with the interests of the Group. Under the terms of our Articles, such conflicts can be authorised by the Board. Procedures are in place to manage and, where appropriate, approve such conflicts. Any authorisations granted by the Board are recorded by the General Counsel & Company Secretary in a Register of Conflicts, together with the date on which the conflict was authorised. Any conflicts authorised during the year are reviewed annually by the Nomination Committee and the Board. In addition, each Director certifies on an annual basis that the information contained in the Register of Conflicts is correct.

The Company indemnifies the Directors and Officers of the Company and any Group subsidiary to the extent permitted by law in respect of the legal defence costs for claims against them and third-party liabilities. The indemnity would not provide cover for a Director or Officer if that individual was found to have acted fraudulently or dishonestly. Additionally, Directors' and Officers' liability insurance cover was maintained throughout the year at the Company's expense.

How Board meetings are structured

Board meetings are conducted in an open atmosphere conducive to challenge and debate. Agendas are tailored to the requirements of the business and agreed in advance by the Chair and CEO with the support of the General Counsel & Company Secretary.

The Board receives operating and financial reports from the CEO and CFO on strategic and business developments, as well as financial performance and forecasts at each meeting. Specific presentations are also made by non-Board members on material matters to the Group. In addition, the Chairs of the Audit, Remuneration, CRSEC and Nomination Committees update the Board on the proceedings of those meetings, including key topics and areas of concern.

At the conclusion of every scheduled Board meeting, the Chair holds a session with the other Non-Executive Directors, without the Executive Directors present, providing further opportunity for the Non-Executive Directors to assess the performance of management and individual Executive Directors and help drive future agenda items.

The Board uses its meetings as a way of discharging its responsibilities, including as set out in section 172 of CA 2006 to promote the success of the Company for the benefit of its members as a whole.

Board and Committee meeting attendance

In 2023, there were five scheduled Board meetings. The October Board meeting was a strategy session held in person in New Jersey, USA to allow the Board to immerse itself in the Group's operations, to visit local sites and meet the local workforce. During the three-day meeting, the Board received presentations on the Company's strategy, including deep dives into each GBU, innovation, supply and IT & Digital strategy. The Board also met informally with senior leadership from the US team and hosted employee engagement sessions.

The table opposite sets out the attendance by Directors at scheduled Board and Committee meetings that each Director was eligible to attend. Directors who were not members of individual Board Committees were also invited to attend one or more meetings of those Committees during the year.

Where a Director is unavoidably absent from a Board or Committee meeting, they still receive and review the papers for the meeting and may provide verbal or written input ahead of the meeting, usually through the Chair of the Board or the Chair of the relevant Committee, so that their views are considered at the meeting.

	Board	Audit Committee	Remuneration Committee	CRSEC Committee	Nomination Committee
	5 meetings	4 meetings	3 meetings	4 meetings	2 meetings
Andrew Bonfield	5 of 5	4 of 4			2 of 2
Olivier Bohuon	4 of 5		2 of 3	3 of 4	
Jeff Carr	5 of 5				
Jeremy Darroch	5 of 5	4 of 4	3 of 3		2 of 2
Margherita Della Valle	4 of 5	3 of 4			
Nicandro Durante[1]	4 of 5				
Shannon Eisenhardt[2]	1 of 1				
Mary Harris	5 of 5		3 of 3		
Tamara Ingram	5 of 5	4 of 4			
Kris Licht[3]	3 of 3				
Mehmood Khan	5 of 5			4 of 4	
Pam Kirby	5 of 5	4 of 4		4 of 4	
Chris Sinclair	5 of 5		3 of 3	4 of 4	2 of 2
Alan Stewart	5 of 5		3 of 3		2 of 2
Elane Stock	5 of 5	4 of 4			

1. Nicandro Durante resigned from the Board on 31 December 2023
2. Shannon Eisenhardt was appointed to the Board on 17 October 2023
3. Kris Licht was appointed to the Board on 1 June 2023

Board Leadership and Company Purpose continued

2023 BOARD ACTIVITIES

Stakeholders

Customers, People, Partners, Communities, Government and industry associations, Consumers, Shareholders

Strategy

Group plans and budgets
- Reviewed the Group's financial plan for 2024 and individually for the GBUs
- Reviewed forecasts and business performance

Strategy
- Board members met in person for a three-day meeting in October 2023 to discuss strategy and the innovation pipeline
- Reviewed strategy for each GBU, supply chain and IT & Digital function
- Received updates on competitive environment and broader market developments

Mergers and acquisitions
- Oversight of potential merger and acquisitions (M&A) activities and portfolio strategy

Business updates
- Review of GBU business performance
- Deep dives on functions such as Finance, HR, Supply, IT & Digital and Cyber

Governance and Oversight

Board and Committee performance review
- Conducted the annual Board performance review and had oversight of Committee performance reviews. Identified areas for improvement and recommended actions
- Considered and proactively addressed actions from the 2022 Board performance review

Talent, succession and board composition
- Oversight of Group talent planning and succession, including senior management succession and retention
- Considered and approved Board changes, including the appointment of Chair, CEO, CFO, SID and new Non-Executive Directors as detailed on pages 83 to 87

Shareholders and stakeholders
- Held the 2023 AGM as a physical meeting. Shareholders had the opportunity to pre-submit questions as well as ask them during the meeting
- Held Board and employee engagement meetings, to understand employee views, as part of October strategy meetings

Compliance
- Reviewed and approved governance matters, such as the Schedule of Matters Reserved for the Board, Committee terms of reference, Directors' conflicts of interest and compliance with the Code and best practice
- Kept abreast of upcoming changes in the UK corporate governance and regulatory framework
- Approved Reckitt's 2022 Modern Slavery and Human Trafficking Statement, as recommended by the CRSEC Committee

Our activities during the year

FEBRUARY MEETING
- Approval and publication of Full Year Results
- Approval and publication of Annual Report 2022
- Consideration of Full year dividend proposal

MAY MEETING
- Review of Sustainability Strategy
- Approval of Modern Slavery Act Statement

AGM
- In person engagements with shareholders and Q&A
- AGM resolutions proposed to shareholders

JULY MEETING
- Approval and publication of Half Year Results
- Consideration of Interim dividend proposal

Board Leadership and Company Purpose continued

Stakeholders

Customers People Partners Communities Government and industry associations Consumers Shareholders

ESG

- Reviewed the Group's sustainability strategy and approach, including progress against the delivery of our Sustainability Ambitions
- Received updates on sustainability activities and initiatives

Risk Management and Internal Controls

Principal and Emerging Risks

- Conducted an annual review of Reckitt's principal and emerging risks and consideration of risk management approach
- Reviewing the appropriateness and effectiveness of the system of internal control and risk management

Financial

Reporting

- Reviewed and approved Reckitt's Annual Report and Financial Statements including compliance with reporting requirements
- Reviewed and approved Reckitt's full-year, half-year and quarterly results
- Provided results presentations to investors and employees during the year

Going concern

- Reviewed long term going concern and liquidity considerations
- Considered and approved the 2023 Annual Report Viability Statement upon recommendation of the Audit Committee

Financial resources

- Reviewed the Company's financial position, Group debt and funding arrangements and capital allocation
- Approved bond issuance
- Approved initiation of share buyback programme
- Interim and final dividend payments
- Approved the final 2022 and interim 2023 dividend payments

Treasury policies

- Reviewed and approved the Group's Treasury policies

Our activities during the year

OCTOBER MEETING

- Board three-day strategy sessions
- Board and employee engagement sessions

SITE VISIT

- Board visit to R&D facility and review of R&D functional strategy

NOVEMBER MEETING

- 2024 Plan agreed
- Board performance review

LISTENING SESSIONS

- Conducted listening session on the intersectionality of Health and Climate

Board Leadership and Company Purpose continued

SECTION 172 STATEMENT

This statement shows how our Directors have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole during 2023, having regard to stakeholders, including matters under Section 172(1)(a)-(f) of the Companies Act 2006.

Understanding the needs and expectations of our stakeholders is fundamental to our Purpose: to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world. In making decisions, the Directors consider what is most likely to promote the success of the Company for its shareholders in the long term, as well as the interests of the Group's other stakeholders.

Our stakeholders

We recognise that our business can only grow and prosper by acting in the long-term interests of our key stakeholders, namely our people, our consumers and customers, our shareholders, investors and partners, the communities in which we operate and the environment. Further information on our key stakeholders can be found on pages 37 to 40.

The Board considers our key stakeholders and the matters set out under Section 172 of the CA 2006 in its discussions and decision-making. The following table sets out examples of how the Board has considered matters under section 172 during the year in performing its duties.

CASE STUDY

CEO appointment

In appointing Kris Licht as CEO, following an extensive search which considered both internal and external candidates, the Board took account of the need to build on the strong momentum in the business over the past three years, Kris' strong strategic and operational leadership experience, as well as his in-depth knowledge of Reckitt's business, culture, customers and other stakeholders, as well as of the consumer goods sector generally.

How the Board engaged with stakeholders:	Page
Consumers	37
Customers	38
People	38
Suppliers & partners	39
Investors	39
Communities	40
Governments, NGOs, Industry & Academia	40

CASE STUDY

Shareholder returns

The Board recognises the importance of shareholder returns and, during the year, increased both the 2022 final dividend and the 2023 interim dividend by 5%. In October, the Board also announced a £1 billion share buyback programme. In announcing this enhanced shareholder returns programme, the Board took account of the Group's strong free cash flow generation, the views of shareholders, and that capacity existed to return excess capital to shareholders without impacting the successful delivery of the business plan or the Group's capital allocation priorities.

Board Leadership and Company Purpose continued

(a) Considering long-term consequences

The Board strives to act in the long-term interests of its key stakeholders, and this frames its oversight of corporate strategy, which is founded on creating long-term shareholder value. Our Sustainability Ambitions frame decision-making, and provide important interim milestones to 2030. These parameters, set by the Board, are reflected within strategy work and objectives, which extends to: capital investment; Group budgets; dividend plans; and future resourcing requirements. Reckitt's risk management framework, including the Group's Principal Risks, further underpin the Board's long-term approach. The Board and its Committees are responsible for risk governance, and oversight is achieved through several mechanisms including strategy reviews, Committee meetings and deep dives into selected risk areas.

Relevant s172(a) disclosures	
Our Strategy	08-11
Board activities and governance	71-75
Focus on risk management	78

(b, c) Fostering stakeholder relationships

Constructive two-way dialogue with Reckitt's key stakeholders, including employees, customers and consumers, investors, suppliers and partners, governments and regulators, tracks priorities and helps identify issues as they arise. Strategic engagement with stakeholders reflects the structure of our business as one Group with three autonomous business units with decision-making authority. The Board creates the right conditions for this approach by setting Reckitt's long-term direction, overarching decision-making framework and culture. This is in-line with the Board's own experience and understanding of stakeholder needs, Reckitt's Sustainability Ambitions and engagement on the future of the retail and consumer goods industry.

Relevant s172(b, c) disclosures	
Reckitt's decision-making framework	72
Stakeholder engagement and actions	37-40

(d) Protecting communities and the environment

We understand as a business the effects our operations have on the environment and the need to embed sustainability to create positive impacts both for communities and the wider society in which we operate, as well as for our business. Our Sustainability Ambitions to 2030 focus on our impact through our purpose-led brands and innovative products; sustaining a healthier planet through our work on climate change, natural resources and biodiversity; and enabling a fairer society through our activity in our own business and across our value chain. The Board oversees and reviews performance against Reckitt's Sustainability Ambitions and delegates regular oversight of sustainability to the CRSEC Committee.

Relevant s172(d) disclosures	
Sustainability Ambitions Progress Overview and Performance Review	14 47-54
Audit Committee report	88-95
CRSEC Committee report	96-99
Climate-related Financial Disclosures	218-222

(e, f) Setting culture and conduct

The Board is responsible for monitoring Reckitt's culture and values, and the delivery of our strategy can only be achieved with the highest standards of business conduct. All Directors must act with integrity, lead by example, and promote the Company's culture and values. We aim to create the space and opportunities to help our employees make a difference and do the right thing, always. The CRSEC Committee reports to the Board after each of its meetings, to provide an update on Reckitt's ethics and compliance priorities, including the Group's Speak Up programme.

Relevant s172(e, f) disclosures	
Board oversight/focus on culture and ethical conduct	96-99
Reckitt's approach to DE&I, health, safety and wellbeing	19-21 112-114

Board Leadership and Company Purpose continued

FOCUS ON RISK MANAGEMENT

Risk Appetite

The Board is responsible for compliance with the Code and the Financial Reporting Council's (FRC) Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The sectors and environment within which Reckitt operates are dynamic and fast-moving, and in some areas, highly regulated, and so controls are kept under review. The system is designed to assess and manage, rather than eliminate, risks to our business objectives. The Board relies on these controls insofar as they are able to provide reasonable, but not absolute, assurance against material misstatement or loss. The Group's principal and emerging risks and mitigating actions are detailed on pages 55 to 60.

As part of our risk management process, we regularly evaluate risks to achieving objectives, and the likelihood of such risks materialising and impacting the ability of the Group to cope with the circumstances should they occur. In doing so, we are inherently considering our risk appetite through the actions taken, controls implemented and processes followed to reduce the likelihood of risk events taking place, mitigating the potential impact and ensuring that the cost of doing so is proportionate to the benefit gain.

Principal risks

Reckitt is committed to maintaining strong internal controls and further enhancing these. Further information on internal control activities during the year can be found on page 94 of the Audit Committee Report.

Functional and operational management meet to discuss performance measured against strategic aims and goals, with risks and risk controls incorporated into the discussions. During the year, the Directors undertook a robust assessment of the principal and emerging risks facing the Group, including those that could threaten our business model, future performance, solvency and liquidity. Each principal and emerging risk is overseen by the Board, or a designated Committee of the Board, and is subject to formal deep-dive reviews as appropriate at Board, GEC and GBU meetings. More details on the Group's principal strategic risks and uncertainties can be found in the Strategic Report on pages 55 to 60.

Risk management and internal controls

The Audit Committee, on behalf of the Board, oversees the Group's overall Risk Management Framework, the effectiveness of internal controls and monitors Reckitt's compliance with the requirements of the Code in respect of risk management and internal controls. The Audit Committee monitored the key elements of the Group's internal controls framework throughout the year and conducted an annual review of the effectiveness of Reckitt's system of risk management and internal control in respect of 2023, which covered all material controls, including financial, operational and compliance controls. The Audit Committee's annual review was supported by a report prepared by the Internal Audit function on the Group's risk management and internal controls.

On an ongoing basis, the Board reviews the effectiveness of the Group's risk management and internal control system, including through monitoring reports from management on their assessment of risks and internal control systems, assurance received from management regarding compliance with relevant policies, and assurance received on the effectiveness of the Company's internal control environment. In addition, the Board reviews reports from the Audit Committee, the Internal Audit function and the External Auditor, the Company's response to incidents and threats, including those relating to cybersecurity and safety. The Board reviewed information gathered from the Company's formal Speak Up programme including the results of an investigation conducted in two Middle Eastern markets (see page 93). It also considers the External Auditor's observations on the financial control environment.

In particular, the Audit Committee monitored progress against Reckitt's ongoing controls transformation programme to strengthen internal control over financial reporting. The Group's financial controls transformation programme is intended to increase the overall level of control environment maturity and improve consistency across the Group. During 2023, it reviewed the results of testing performed by the internal controls and Internal Audit teams to confirm the effective operation of key financial controls across the Group, in particularly following the launch of the Group's revised financial control framework during the year. More details on the financial control framework can be found in the Audit Committee Report on page 94. The Audit Committee also continues to monitor progress in relation to IT General Controls and technology security and control initiatives, with regular updates from the Chief Information and Digitisation Officer and on the related assurance programmes.

Where areas for improvement are identified, the Audit Committee is updated regularly with respect to progress on those remediation activities as well as reviewing ongoing control improvements identified. It is recognised that improvements will be ongoing through 2024 and the Audit Committee will continue to support management and review the remediation activities to monitor that management have the appropriate resources and an appropriate remediation timeline is in place.

Climate-related risk and environmental, social and governance (ESG) matters

The Board oversees, considers and reviews the Group's ESG strategy and has oversight of climate-related risks and opportunities. As part of the Board's annual review of our principal and emerging risks, sustainability was considered. The Board's focus included, both ESG performance and reporting. More information on our Sustainability Ambitions can be found on pages 47 to 54. Our Climate Related Financial Disclosures can be found on pages 218–222.

The CRSEC Committee supports the Board in reviewing, monitoring, and assessing our approach to sustainability, which includes climate change. The CRSEC Committee reports to the Board regularly at Board meetings, providing an update on sustainability objectives and progress against our targets. Further details on the activities of the CRSEC Committee can be found on pages 96 to 99.

Board Leadership and Company Purpose continued

FOCUS ON CULTURE

Reckitt is rooted in a culture that is purpose driven, innovative and entrepreneurial. Our leadership behaviours unite us through a shared ambition to Own, to Create, to Deliver and, above all, to Care about the outcomes we deliver. Doing the right thing, always, is at the centre of our Compass, which guides our business and the leadership behaviours that drive our success. Our people are what makes Reckitt unique. They believe in and are inspired by our Purpose. During the last four years, we have established deep cultural foundations that empower our people as the key value drivers of our business. We redefined our leadership behaviours to place a greater emphasis on care as we serve the needs of all our stakeholders. We elevated the importance of teamwork in delivering outcomes and protecting against the pursuit of results at any cost. More information on our culture can be found on pages 19 to 21 of the Strategic Report.

How the Board monitors culture

A key focus of the Board is to monitor culture and ensure alignment between our Purpose, values, and behaviours. Our culture and values at Reckitt are defined by the Board and the GEC. Regular interactions with employees help the Board monitor culture and are detailed in the table opposite.

How we monitor culture	Board interactions and engagement to monitor culture throughout the year
Connecting directly with employees	Board members meet with employees regularly. As part of this year's October Board meeting schedule, Board members met informally with senior leadership from the US and hosted employee engagement sessions. The Board reviewed feedback from the round-table discussions. In her role as Designated NED for Engagement with the Company's Workforce, Mary Harris attended meetings where employees were able to speak directly with Mary. The Board received feedback from Mary on these discussions. Further information on Mary's role as Designed NED for Engagement with the Company's Workforce can be found on pages 38 and 80.
Monitoring employee perceptions	Regular global all-employee surveys include questions to gauge employees' perceptions and understanding of leadership, inclusion and wellbeing at Reckitt, and identify areas which require greater attention. This year's survey highlighted that employees would recommend Reckitt as a place to work; believe in and are inspired by our Purpose to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world; are proud to work for Reckitt; and agreed that we are achievers. Similar to last year, responses from the survey also identified areas that need further improvement, such as: removing barriers that slow down work; transparency on equal opportunities and career progression; and investing in and developing people. The Board will continue to monitor progress against these areas.
Creating a forum for employees to be heard	Employee Resource Groups (ERGs) are employee networks that aim to raise the visibility of underrepresented communities. They provide a space for colleagues to connect and support each other and are also represented on the Global Inclusion Board. In addition, throughout the year, Mary Harris, the Designated NED for Engagement with the Company's Workforce, has maintained regular engagement with various employee groups, including the ERGs.
Ensuring employees are informed	Quarterly all-employee global live-streaming results broadcasts were held by the CEO, CFO and GBU leaders to present our results and employees are invited to ask questions and interact directly with presenters.
Staying informed of legal and compliance matters	At each Board meeting, the CRSEC Committee reports to the Board on legal compliance and ethics matters, including the Group's Speak Up programme, which provides safe communication channels for employees wishing to raise concerns on potential violations of regulations, internal policies or any misconduct observed at Reckitt.
Maintaining open communications	Following the Q3 2023 results announcement, a CEO chat was broadcast to update Reckitt employees on the continued strategic direction beyond Q3 and provided employees with an opportunity to ask questions.

Division of Responsibilities

HOW WE ARE GOVERNED

Board roles and responsibilities

To ensure the Board performs effectively, there is a clear division of responsibilities, set out in writing and agreed by the Board, between the leadership of the Board and the executive leadership of the business. The key roles are defined in greater detail on the following pages.

A full description of the roles and responsibilities of the Chair, CEO and Senior Independent Director can be found on our website: www.reckitt.com.

Managing time commitment and 'overboarding'

On appointment, Non-Executive Directors are made aware of the need to, and are required to confirm that they will, allocate sufficient time to their role to discharge their responsibilities effectively. They are also required to seek agreement from the Chair before taking on additional commitments, and to declare any actual or potential conflicts of interest. Non-Executive Directors are engaged under the terms of a letter of appointment. Initial terms of appointment are for three years with three months' notice, with all Directors standing for election or re-election at every AGM. The Board has reviewed the length of service of each Director and considers that each Non-Executive Director standing for re-election or election at this year's AGM is independent. In particular, in relation to the reappointment of Mary Harris as Chair of the Remuneration Committee for a fixed term between the

Non-Executive

The Chair

- Leading the Board and taking responsibility for the Board's overall effectiveness in directing the Company
- Upholding the highest standards of integrity and ethical leadership, leading by example and promoting a culture of openness and debate, based on mutual respect, both in and outside the boardroom and in line with our Purpose, values, strategy and culture
- Chairing Board, Nomination Committee and shareholder meetings and setting Board agendas
- Encouraging constructive challenge and facilitating effective communication between the Board, management, shareholders and wider stakeholders, while promoting a culture of openness and constructive debate
- Ensuring an appropriate balance is maintained between the interests of shareholders and other stakeholders
- Leading the annual performance review process for the Board and its Committees and addressing any subsequent actions
- Promoting the highest standards of corporate governance
- Building a well-balanced, diverse and highly effective Board
- Ensuring Directors receive accurate, timely and clear information
- Ensuring there are appropriate induction and development programmes for all Board members
- Ensuring the long-term sustainability of the Company

The Senior Independent Director

- Acting as a sounding board for the Chair on Board-related matters
- Acting as an intermediary for other Directors as necessary
- Evaluating the Chair's performance on an annual basis
- Chairing Board and Nomination Committee meetings in the absence of the Chair
- Being available to shareholders and stakeholders to address any concerns that they have been unable to resolve through normal channels
- Leading the search and appointment process for a new Chair, when necessary

Non-Executive Directors

- Providing independent input into Board decisions through constructive challenge and debate, strategic guidance and specialist advice
- Setting and approving the Company's long-term strategic, financial and operational goals
- Examining the day-to-day management of the business against the performance targets and objectives set, ensuring that management is held to account
- Reviewing financial information and ensuring it is complete, accurate and transparent
- Ensuring there are effective systems of internal control and risk management and that these are continually monitored and reviewed
- Setting appropriate levels of remuneration for Executive Directors and ensuring performance targets are closely aligned with shareholder interests
- Development of succession planning and the appointment and removal of senior management
- Taking into account and responding to shareholders' views

Designated Non-Executive Director for Engagement with the Company's Workforce

- Overseeing the Board's engagement with the Company's workforce together with management, to understand more about engagement and the culture of the Company
- Developing and implementing employee engagement initiatives
- Providing an employee voice in the boardroom and reporting on matters relating to Company culture, purpose and improvements

Division of Responsibilities continued

Company's 2024 and 2025 AGMs, see page 64. The Board considers all Non-Executive Directors who served during the year to be independent. Whilst both Chris Sinclair and Pam Kirby will have served nine years in February 2024, the 2024 AGM represents a natural point for them to stand down, and enables smooth succession of their roles. The period from February to the AGM is considered sufficiently short not to impair their independence.

The Board and Directors are confident that each Director individually has the expertise and relevant experience required to perform the role of a Director of a listed company and to contribute effectively to the Board and Committees to which they are appointed. The Company recognises the developmental advantages of an external non-executive role on a non-competitor board and Executive Directors are permitted to seek such a role, provided that they do not take on more than one non-executive directorship in, nor become the Chair of, a FTSE 100 company.

Nicandro Durante, who was an Executive Director until the end of the year, was Chair of TIM Participações S.A. and Jeff Carr is currently a Non-Executive Director of Kingfisher plc and Chair of its Audit Committee.

Board support

The General Counsel & Company Secretary is responsible for organising Board meetings, as well as collating any papers for the Board to review and consider. Board and Committee papers are accessible to all Directors through a secure and confidential electronic document storage facility. This facility is maintained by Reckitt's Secretariat function and additionally holds other information which the Chair, the CEO or the General Counsel & Company Secretary may deem useful to the Directors, such as press releases and pertinent company information.

All Directors have individual access to advice from the General Counsel & Company Secretary and a procedure exists for Directors to take independent professional advice at the Company's expense in furtherance of their duties.

Executive

The Chief Executive Officer

- Principally responsible for the day-to-day management of Reckitt, in line with the strategic, financial and operational objectives set by the Board
- Chair of the GEC, consisting of the CEO, the CFO and senior management executives, who together are responsible for execution of the Company's strategy and achieving its commercial aims
- Effective development and implementation of strategy and commercial objectives as agreed by the Board
- Maintaining relationships with investors and advising the Board accordingly
- Managing Reckitt's risk profile and establishing effective internal controls
- Ensuring there are effective communication flows to the Board and the Chair, and that they are regularly updated on key matters, including progress on delivering strategic objectives
- Regularly reviewing the organisation structure, developing a Group Executive team and planning for succession
- Providing clear leadership to promote the desired culture, values and behaviours to inspire and support the Company's workforce
- Ensuring the long-term sustainability of the business

The Chief Financial Officer

- Supporting the CEO in developing and implementing the Company's strategy
- Leading the global finance function, and developing key talent and planning for succession
- Responsible for establishing and maintaining adequate internal controls over financial reporting and for the preparation and integrity of financial reporting
- Ensuring the Board receives accurate, timely and clear information in respect of the Group's financial performance and position
- Developing and recommending the long-term strategic and financial plan

The Company Secretary

- Providing advice and support to the Chair and all Directors
- Advising and keeping the Board up to date on all relevant legal and governance requirements and ensuring the Company is compliant
- Ensuring the Board receives high quality, timely information in advance of Board meetings to ensure effective discussion
- Facilitating an induction programme for all Board members
- Ensuring there are policies and processes in place to help the Board function efficiently and effectively
- Keeping abreast of shareholders' views

Composition, Succession and Evaluation

BOARD PERFORMANCE REVIEW AND EFFECTIVENESS

Board Performance review process 2023
The Board undertakes an annual review of its own and its Committees' performance and effectiveness, with a formal externally facilitated performance review of the Board conducted at least every three years. In 2020, we engaged Lintstock to facilitate a three-year Board Development Programme, which was extended for an extra year in 2023. In this final year, the review consisted of both an online questionnaire and interviews with the Directors.

The 2023 Board performance review considered the effectiveness of the Board, as well as that of each Board Committee and the individual Directors. The areas of focus included Board composition and succession planning, quality of information received, Board dynamics and support, management and focus of meetings, Board Committees, strategic oversight, risk management and mitigation, internal control, advancement of diversity and inclusion, oversight of sustainability disclosures and board relations. A report, with action points and recommendations for the Board to consider, was distributed to Directors and the results of the review were subsequently discussed by the Board at its November meeting.

Key themes identified through the performance review included the need to focus in 2024 on Board succession, risk management and providing the Board with more opportunities to engage with the business (for example, by holding meetings in proximity to key sites).

In addition, the Chair's performance was considered by the Senior Independent Director with input from his fellow Non-Executive Directors and discussed following the November Board meeting without the Chair present. The discussion concluded that the Chair continued to devote sufficient time to his role and continued to lead the Board constructively, demonstrating objective judgement and encouraging a culture of openness and debate.

Lintstock is independent of and has no other links with the Company or its Directors in connection with the performance review.

Actions taken to address the findings of the 2022 review are also outlined in the table opposite.

2022 recommendations	Action taken during 2023
Board succession Whilst Board composition was rated highly, it was noted that ensuring appropriate geographical representation, gender diversity and recruiting Non-Executive Directors with IT & Digital and marketing experience would be beneficial to the Board.	Through the Nomination Committee, the Board maintained a strong focus on Board renewal during 2023. The appointment of Tamara Ingram in February 2023, Marybeth Hays in February 2024 and Fiona Dawson in June 2024, brings material leadership and marketing, retail and omni-channel experience to the Board.
Talent and succession planning Chair and CEO succession were identified as key priorities for 2023.	As detailed in the Nomination Committee Report, successful exercises have been undertaken during 2023 resulting in the appointment of Sir Jeremy Darroch as Chair, Kris Licht as CEO and Shannon Eisenhardt as CFO.
Execution and delivery To ensure appropriate oversight of execution and delivery, risk management, investment in the capabilities and systems to deliver the strategy, with a particular focus on Supply, IT & Digital and Cyber Security.	The Board has during the year maintained a specific focus on these areas, receiving detailed briefing on Supply, IT & Digital and Cyber Security as part of its Board, Audit Committee and CRSEC Committee agendas.

NOMINATION COMMITTEE REPORT

Member	Scheduled meetings attended
Chris Sinclair (Chair) Chair and member for the whole year	2/2
Andrew Bonfield Member for the whole year	2/2
Alan Stewart Member for the whole year	2/2
Pam Kirby Member for the whole year	2/2
Sir Jeremy Darroch Member for the whole year	2/2

"This year the Committee's focus was on succession planning, ensuring that the right people are in place to enable Reckitt to execute its strategic aims."

Chris Sinclair
Chair of the Nomination Committee

Committee priorities in 2023

- The selection and appointment of our new Chief Executive Officer (CEO), Kris Licht, who was appointed as CEO Designate in May and formally became CEO on 1 October
- The selection and appointment of our new Chief Financial Officer (CFO) Shannon Eisenhardt, who was appointed as CFO Designate on 17 October, and will succeed Jeff Carr in March 2024
- Chair succession planning. In November, we announced that Sir Jeremy Darroch, currently the Senior Independent Director (SID), would succeed Chris Sinclair as Chair of the Board, from the conclusion of the 2024 Annual General Meeting (AGM), and that Andrew Bonfield will take on the role of SID from the conclusion of the 2024 AGM

Key objectives for 2024

- Support a smooth Chair transition for Sir Jeremy Darroch
- Support the smooth transition of the Executive Directors, onboarding of the new Non-Executive Directors and transition of Remuneration Committee Chair
- Continue succession planning for the Board and senior management roles and to keep Committee memberships under review

Committee membership

Members of the Committee are appointed by the Board. Membership currently comprises the Chair, the SID and the Chairs of each of the Board's Committees. In accordance with the principles of the Code, the Committee is made up of a majority of independent Non-Executive Directors. The General Counsel & Company Secretary acted as Secretary to the Committee during the year.

The membership of the Committee is reviewed annually by the Chair as part of the annual performance review of the Committee. All Directors are required to seek election or re-election each year at the AGM. Biographical details of the Directors, including their skills and experience, can be found on pages 65 to 68.

Role and responsibilities

The role of the Committee, as set out in the Committee's terms of reference, is to ensure that there is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board and to lead the process for Board appointments. The Nomination Committee has principal responsibility for making recommendations to the Board on new appointments and on the composition of the Board and its Committees. The Committee also assists the Board in succession planning for senior management.

The role of the Committee includes, but is not limited to, the following matters:

- Reviewing the composition (including skills, experience, independence, knowledge and diversity) of the Board and making recommendations to the Board with regards to any changes deemed necessary, taking into account the length of service of the Board as a whole and the need to regularly refresh membership
- Reviewing the composition of each of the Board Committees and evaluating the performance and effectiveness of each Director
- Keeping under review the leadership capabilities of the Company, covering both executive, non-executive and senior management positions, ensuring plans are in place for orderly succession, with a view

Nomination Committee Report continued

to ensuring the continued ability of the Company to compete effectively in the markets in which it operates. Management succession planning is considered to be so important that it is also reviewed by the full Board

- Ensuring that all newly appointed Directors undertake an appropriate induction programme to ensure that they are fully informed about the strategic and commercial issues affecting the Company and the markets in which it operates, as well as their duties and responsibilities as a Director of the Board and member of one or more Board Committees
- Keeping under annual review and monitoring potential conflicts of interest, and, if appropriate, authorising situational conflicts of interest, whilst ensuring the risk of unacceptable influence resulting from any conflict of interest is minimised

Further details on the Committee's role and responsibilities can be found in its terms of reference, available at www.reckitt.com.

Board composition

The Committee regularly reviews the composition of the Board and its Committees, considering the balance of skills and experience, diversity and how effectively Directors work together to achieve Reckitt's objectives.

Non-Executive Directors are initially appointed for a three-year term and generally continue to serve one or more further terms. All Directors are nominated for appointment by the Committee, which is subsequently approved by the Board.

In January 2024, we announced the appointment of Marybeth Hays as a new Non-Executive Director, effective from 1 February 2024. Marybeth brings over 25 years of experience in retail, healthcare and consumer goods and we are delighted she has joined the Board. Biographical details for Marybeth can be found on page 68.

In February 2024, we announced the appointment of Fiona Dawson CBE as a Non-Executive Director and as Chair Designate of the Remuneration Committee. Fiona will join the Board on 1 June.

In accordance with the Code, all existing Directors will stand for election or re-election at the AGM, with the exception of Chris Sinclair, Pam Kirby and Alan Stewart who have each already notified their intention not to stand for re-election at the AGM, Chris and Pam having reached the end of their nine-year term.

The Committee recommends that all existing Board members have their appointments renewed. Resolutions to this effect will be proposed to shareholders for approval at the forthcoming AGM.

Details of the specific contributions each Director makes to Reckitt's long-term success are set out in the Notice of AGM, available at www.reckitt.com/investors/annual-general-meetings.

Key activities during 2023

Meetings of the Committee are held as needed but are required to take place at least once a year. In 2023, the Committee held two scheduled meetings and three additional meetings. Meetings take place ahead of Board meetings and the Chair of the Committee reports formally to the Board on its proceedings.

FEBRUARY

Succession planning
CEO succession and senior management succession planning

APRIL

Succession planning
The Committee met to review the CEO succession and then approved its recommendation to the Board to appoint Kris Licht as CEO

JULY

Succession planning
The Committee considered senior management succession planning, including for the role of CFO. The Committee also conducted a review of the current composition of the Board Committees and succession planning for Committee Chair roles

AUGUST

Succession planning
CFO succession planning and recommendation of appointment of CFO

NOVEMBER

Succession planning
Update on succession planning generally

Recommendation of appointment of Chair and Senior Independent Director positions

Governance matters
Annual review of Committee terms of reference

Annual review of potential conflicts of interest

Committee performance review

Nomination Committee Report continued

Succession planning

The Committee regularly reviews and monitors the Board's structure, size and composition, including the balance of skills, experience, independence, knowledge and diversity required and makes recommendations to the Board of any changes deemed necessary. Consideration is given to the length of service of the Board as a whole and Directors individually. In addition, the Committee keeps the leadership needs of the Company under review, including senior management positions, ensuring plans are in place for orderly succession and so that the Company can continue to compete effectively in the markets in which it operates.

The Committee considers Board renewal on an ongoing basis, and makes recommendations to the Board regarding proposed appointments. The Committee is also responsible for making recommendations from the Non-Executive Directors for the role of SID and proposes the membership and the role of Chair for each of the Board Committees.

Induction programmes

New Directors receive a tailored induction programme on appointment to the Board. The induction programme generally includes meetings with the other Directors, the General Counsel & Company Secretary and GEC members on a 1:1 basis, relevant Committee Chairs (depending on proposed Committee memberships), the Presidents of the GBUs and senior representatives from our advisors such as our lawyers and External Auditor. The meetings are usually held in person, virtually or a mix of both.

New Directors may also carry out market visits and attend key Reckitt sites.

Chief Executive Officer search, selection and induction process

In September 2022, we announced that Nicandro Durante, who was at the time the SID, would undertake the role of CEO while the Committee identified the best long-term candidate to take Reckitt on the next phase of its journey.

Following an extensive search, which considered both internal and external candidates, we were pleased to announce in April that Kris Licht had been selected to become Reckitt's new CEO.

Further details on the stakeholder considerations the Board had in mind whilst selecting the new CEO can be found in our Section 172 Statement, on page 76.

STEP 1

The Committee considered and identified the skills, experience and expertise required for the role of CEO, taking into account the long-term strategic priorities of the business.

STEP 2

The Committee outlined a role specification and engaged Egon Zehnder, an independent search agency, to conduct a search for potential candidates, while also considering potential internal candidates with relevant skills, experience and expertise. Egon Zehnder's search focused on 'best in class' CEOs with consumer goods experience. Following conclusion of their search, Egon Zehnder drew up a long list of candidates for the Committee to review. Potential internal candidates were also reviewed.

STEP 3

The Committee evaluated the potential candidates and identified a shortlist of candidates who were invited for meetings and interviews.

STEP 4

Following the conclusion of the interviews, the Committee met to review and provide feedback on both potential external and internal candidates. This resulted in the Committee's recommendation to the Board to appoint Kris Licht as Reckitt's new CEO.

STEP 5

After the Board approved the Committee's recommendation, the appointment was announced and a formal induction process commenced, including a handover from Nicandro Durante.

Nomination Committee Report continued

Chief Financial Officer search, selection and induction

During the year, a search commenced for a successor for the Chief Financial Officer (CFO) position. MWM Consulting Limited (MWM), an external search firm, were instructed to conduct a search for external candidates who met the required criteria. From the individuals identified, interviews were held with the CEO and CEO Designate, Chair and the SID. Feedback was provided to the Committee at its meeting in July. Following conclusion of the interview process, the Committee made a recommendation to the Board to appoint Shannon Eisenhardt.

Chair succession

During the year a process was undertaken to identify my successor as Chair. This exercise was undertaken by the Nomination Committee (excluding me and Jeremy Darroch) and led by Andrew Bonfield. Based on discussions with Board members and a thorough market review, Jeremy Darroch was identified as the best successor to me as Chair, and his appointment was recommended by the Nomination Committee and approved by the Board.

Board Directors ongoing training and development

The Chair has overall responsibility for ensuring that all the Directors receive suitable training to enable them to carry out their duties. As part of their role, Directors are also expected to personally identify any additional training requirements they feel would benefit them in performing their duties. We arrange ongoing training including on legal and financial regulatory developments relevant to the Company and the Directors.

Training is also provided by way of briefing papers or presentations at scheduled Board meetings, as well as meetings with senior executives or external sources. The Directors may, at the Company's expense, take independent professional advice and are encouraged to continually update their professional skills and knowledge of the business and wider industry.

During the year, training materials have been made available for Board members to view, on ongoing UK corporate governance reforms. We also aim to have one Board strategy meeting held at an off-site business location each year. This gives new Directors an opportunity to engage directly with employees and key personnel in other jurisdictions and be immersed in our business.

Group Executive Committee (GEC) changes

The GEC changes during the year reflect the Committee's focus on succession planning and the alignment of our functional leaders with Reckitt's strategic priorities and growth opportunities.

In July, Susan Sholtis joined the GEC on her appointment as President of the Nutrition GBU. Shannon Eisenhardt became a GEC member on her appointment as CFO Designate in October.

Nicandro Durante, who was CEO up until October and then remained an Executive Director, resigned from the Board and as a GEC member at the end of 2023.

Biographical details of GEC members can be found on pages 69 to 70.

Committee performance review

A performance review of the Committee was conducted as part of the broader Board performance review (see page 82). All areas received positive ratings overall, with succession planning for the Chair scoring the highest.

As part of the Board's annual performance review, the Committee reviews the Board's composition, diversity and how effectively members work together to achieve objectives. Directors are evaluated both collectively and individually, to demonstrate whether each Director continues to contribute effectively. Following conclusion of the performance review, the Committee reports to the Board on the outcomes of the review that have or will influence its composition and whether each Director is committing sufficient time to fulfil their duties.

The Board, having had sight of the results of the Committee's performance review, considers the Committee to continue to operate effectively.

Diversity and inclusion

The Board and Committee fully recognise the importance of diversity, including gender and ethnicity, at Board and senior management levels in compliance with the Code. Inclusion is core to Reckitt's Purpose to 'protect, heal and nurture in the relentless pursuit of a cleaner and healthier world'. We recognise that it is critical for us to have a diverse employee population and a Board and senior management team that is reflective of the markets we operate in and the consumers we serve.

We are committed to equality of opportunity in all areas of employment and business, regardless of personal characteristics. We always recruit the best and most suitable candidates for any role, and we strive for a well-balanced representation of backgrounds, nationalities, cultures, skills and experiences at all levels across the Group. Ultimate responsibility for and sponsorship of this policy rests with the GEC. Senior management is accountable and all Reckitt employees are responsible for ensuring that our diversity policies and programmes are actively implemented and followed.

Nomination Committee Report continued

Although we do not have a written Board diversity policy, the Committee and the Board are committed to recruit members of the Board on the strict criteria of merit, skill, experience and cultural fit of any potential candidates, and to seek diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. This commitment is demonstrated through our Board composition which comprises eight nationalities and seven women as at the date of this Report. Our Board consists of one member from an ethnic minority, in line with the Parker Review recommendation and the Financial Conduct Authority (FCA) Policy on Diversity and Inclusion on Company Boards and Executive Management.

Our GEC, comprising the most senior management level in the business, represents seven different nationalities from across the globe, embodying our truly multinational focus. The Company's wider global leadership community holds over 49 nationalities between them, representing a broad background of collective skills, cultures and experience. This widens our understanding of our consumers, who themselves come from the broadest possible backgrounds allowing us to be best placed in serving their needs.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	12	80%	100%	9	76%
Mixed/Multiple Ethnic Groups	–	–	–	1	8%
Asian/Asian British	1	7%	–	1	8%
Black/African/ Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	1	8%
Not specified/ prefer not to say	2	13%	–	–	–

Representation of women at Board and senior management levels

As at 31 December 2023, 40% of our Board members are women and we have achieved the 40% target as outlined in the FTSE Women Leaders Review (formerly the Hampton-Alexander Review). In addition, we will comply with the FCA's Policy on Diversity and Inclusion on Company Boards and Executive Management, which requires that at least one of the senior Board roles should be held by a woman, with the appointment of Shannon Eisenhardt as CFO in March 2024.

As at 31 December 2023, representation of women within the GEC was 33%, and within the GEC and their direct reports was 29%. We are cognisant of the gap in performance towards the 40% for women in leadership within the GEC as detailed in the FTSE Women Leaders Review (and in Provision 23 of the Code).

We recognise that representation of women at our most senior levels needs improvement, and the Committee continues to make a commitment to increase women's representation at this level.

As at 31 December 2023, women employees accounted for 45% of our global workforce and make up 51% of our manager population.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	9	60%	100%	8	67%
Women	6	40%	–[1]	4	33%
Not specified/ prefer not to say	–	–	–	–	–

1. Shannon Eisenhardt was appointed as CFO Designate on 17 October 2023 and will take on the role of CFO in March 2024

We continue to put diversity and inclusion at the centre of everything we do. Further details can be found at pages 19 to 21 and in our Fairer Society section on page 51.

AUDIT COMMITTEE REPORT

Member	Meetings attended
Andrew Bonfield (Chair) Chair and member for the whole year	4/4
Pam Kirby Member for the whole year	4/4
Margherita Della Valle Member for the whole year	3/4
Elane Stock Member for the whole year	4/4
Tamara Ingram Member from February 2023	4/4

"The focus this year remained on oversight of Reckitt's internal controls and risk management framework in the context of the upcoming revisions to the Corporate Governance Code."

Andrew Bonfield
Chair of the Audit Committee

On behalf of the Board, I am pleased to present the Audit Committee Report for the financial year ended 31 December 2023.

This report details how the Committee has discharged its role, duties and performance during the year under review in relation to internal control, financial and other reporting, risk management, the internal audit function and our relationship and interaction with the External Auditor.

Committee priorities in 2024

- Maintaining oversight and providing assurance to the Board on Reckitt's risk management and internal control procedures, including monitoring key areas in the context of risk and control
- Sustaining a strong culture of risk management and embedding and strengthening internal controls across the Group
- Monitoring potential legislative and regulatory changes which may affect the work of the Committee
- Reviewing cyber security risks and controls

Committee membership and experience

Name	Recent and relevant financial experience	Sectoral experience relevant to Reckitt's operations
Andrew Bonfield (Chair)	– Financial expert – Chartered Accountant – Currently CFO of a global US Fortune 100 company – Multiple CFO roles at other large companies, including in the consumer goods sector	– Consumer goods – Pharmaceuticals/healthcare
Pam Kirby	– Sits on another FTSE 100 company's Audit Committee	– Pharmaceuticals/healthcare – Technology
Margherita Della Valle	– Financial expert – Holds a Master's degree in Economics – Previously held Group CFO and senior finance roles	– Consumer goods – Technology
Elane Stock	– Holds Master's degrees in Finance – Previously member of the audit committee of two US listed entities	– Consumer goods – Emerging markets
Tamara Ingram	– Member of the Audit Committee of a US-listed company	– Consumer goods – Digital strategy

Audit Committee Report continued

All Committee members are independent Non-Executive Directors who have financial, economics and/or business management expertise in large companies.

As Chair of the CRSEC Committee, Pam Kirby's membership of the Audit Committee ensures that relevant issues, such as risk, whistle-blowing and compliance, are shared and coordinated between the two Committees.

Committee members are expected in particular to have an understanding of:

- The Group's operations, policies and internal control environment
- The principles of, and recent developments in, financial reporting
- Relevant legislation, regulatory requirements and ethical codes of practice
- The role of internal and external audit and risk management

The Board is satisfied that, in compliance with the Code, Committee members as a whole have competence relevant to the Company's sector (consumer goods).

Committee appointments are generally made for a three-year period. Members of the Committee are appointed by the Board on the recommendation of the Nomination Committee.

On joining the Committee and during their tenure, members receive additional training tailored to their individual requirements. Committee members also meet with management covering internal audit, risk management, legal, tax, treasury and financial matters, as well as meetings with the External Auditor.

During the year, members of the Committee received regular briefings from management on matters covering governance and legislative developments, accounting policies and practices, and tax and treasury.

During the year, the Head of Secretariat acted as Secretary to the Committee.

Meetings

During 2023, the Committee held four scheduled meetings at times aligned to the Company's reporting cycle. In addition, one non-scheduled meeting was held via videoconference, as permitted by the Company's articles of association and the Committee's terms of reference.

Committee meetings usually take place ahead of Board meetings and the Committee Chair provides an update to the Board on the key issues discussed at each meeting. Committee papers are provided to all Directors in advance of each meeting, including a copy of the Committee minutes.

Meetings are attended by senior representatives of the External Auditor and by the Group Head of Audit, CFO, CFO Designate and SVP Corporate Controller. The Chair of the Board and the CEO are also invited to attend. Other management attend when deemed appropriate by the Committee.

Time is allocated at the end of each meeting for private discussion with internal audit and the External Auditors, without other invitees being present, as well as a private session of the Committee members.

Committee members' meeting attendance during the year is set out on the first page of this Audit Committee Report.

Committee performance review

A performance review of the Committee was conducted as part of the Board's external performance review, conducted by Lintstock.

The performance review of the Committee utilised a bespoke questionnaire sent to Committee members followed by an interview. Matters evaluated by Committee members included meeting management and composition, Committee support, Committee relationships, quality of information and the work of the Committee and its review of controls and reporting. All areas received positive ratings overall, with management of Committee meetings scoring the highest.

The Board, having had sight of the results of the Committee's performance review, considers the Committee to be operating effectively.

Audit Committee Report continued

Fair, balanced and understandable

The Committee reviewed the 2023 Annual Report and Financial Statements to confirm that it is fair, balanced and understandable and provides sufficient information to shareholders to assess the Group's position, performance, business model and strategy.

The Committee relies upon the following assurance framework in making its assessment of fair, balanced and understandable:

- All sections of the 2023 Annual Report and Financial Statements were prepared in accordance with the Standard Operating Procedures (SOPs) as approved by the Disclosure Committee
- A detailed review of the 2023 Annual Report and Financial Statements was undertaken by senior management and the Disclosure Committee to ensure consistency in messaging and appropriate balance
- A comprehensive review by the Directors and the senior management team of the form, content and consistency of narrative, the disclosures contained in the Financial Statements and the underlying processes and controls supporting the preparation of the 2023 Annual Report and Financial Statements
- The comprehensive verification process, supporting any facts, figures and statements included in the 2023 Annual Report and Financial Statements

The Committee and the Board received confirmation from management that the Annual Report and Financial Statements had been prepared in accordance with the assurance framework and that appropriate verification had been undertaken.

In addition, the Committee also reviewed KPMG's audit findings report, draft audit opinion and draft management representation letter.

Following the Committee's review, the Committee was satisfied that the 2023 Annual Report and Financial Statements, taken as a whole, met its objectives and accordingly recommended to the Board that the 2023 Annual Report and Financial Statements be approved and that the Board make its statement on page 137.

Role and responsibilities

The Committee is part of the Group's governance framework and supports the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Group's financial reporting, internal controls and overall risk management process, and relationship with the Company's External Auditor.

Financial reporting

- Monitor the integrity of the financial statements of the Company including interim and annual financial statements
- Review the appropriateness of significant accounting policies and practices
- Review significant financial judgements and estimates, taking into account the External Auditor's view on the financial judgements and estimates
- Advise the Board on whether, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy

Risk management systems and internal controls

- Review and monitor the effectiveness of the management of risk and overall system of Internal Control
- Review the framework and analysis to support both the Going Concern and the long-term Viability Statement

Whistle-blowing, fraud and compliance

- In conjunction with the CRSEC Committee, review the Company's arrangements for its workforce to raise concerns about possible wrongdoings in financial reporting and other matters; review the Company's procedures for detecting fraud; and its systems and controls for ethical behaviours and the prevention of bribery

External audit

- Make recommendations to the Board on the appointment, removal, remuneration and terms of engagement of the External Auditor
- Review and assess the External Auditor's independence and objectivity taking into account relevant UK law, professional and regulatory requirements
- Develop, recommend and implement the Group's policy in relation to the provision of non-audit services
- Review and approve the annual audit plan and assess the effectiveness of the audit process

Internal audit

- Review and approve the annual internal audit plan and monitor and review its effectiveness
- Review and monitor the effectiveness of the internal audit function, ensuring the necessary resources are in place for it to perform effectively

There were no significant changes to the Committee's role and responsibilities during the year.

The Committee's role and responsibilities are set out in its terms of reference, which are available at www.reckitt.com.

Audit Committee Report continued

Key activities during the year

FEBRUARY

- Review of the 2022 preliminary results announcement, including the Financial Statements and recommend for approval by the Board
- Review of the 2022 Annual Report and Financial Statements, the going concern basis of preparation and Viability Statement, including whether the Committee could recommend that the Board approve the 2022 Annual Report and Financial Statements
- KPMG's 2022 audit findings report, observations on Reckitt's internal controls for the 2022 financial year, management representation letter and report on the 2022 Annual Report and Financial Statements
- KPMG's final non-audit fees for 2022
- Annual review of risk management and internal controls including review of risks across Group functions and of the integrated risk management framework

MAY

- Approval of KPMG's 2023 audit fees and terms of engagement
- Conduct assessment of External Auditor independence and ethics
- KPMG's strategy for the 2023 audit
- Conclude on audit quality delivery and assess External Auditor effectiveness
- Work undertaken in respect of the 2023 internal audit plan and monitoring the 2023 internal audit plan
- Review of whistle-blowing procedures
- Consider legal matters, including provisioning and compliance risk and compliance controls
- Consider tax and treasury matters, including provisioning for uncertain tax positions and compliance with statutory reporting obligations
- Review of risk management and business continuity
- Review of the Company's IT controls, with a focus on cyber risk

JULY

- Review of the 2023 half-year results announcement, including the going concern basis of preparation and recommendation for approval by the Board
- KPMG's half-year review report findings to 30 June 2023 and management representation letter
- KPMG's assessment of its objectivity and independence
- Review internal audit findings and responsiveness of management

NOVEMBER

- Review of the Committee's 2024 standing agenda and terms of reference
- Results of the performance review of the Committee
- Monitor legislative and governance changes regarding proposed audit reform and changes to the Code
- Review of the Company's IT controls with a focus on cyber risk
- KPMG's interim IT control findings relating to the 2023 audit cycle
- Annual review and approval of Group Treasury policies
- Review KPMG's non-audit fees for 2023 and review of independence
- Review of internal controls and the Company's controls transformation programme

Audit Committee Report continued

Significant and key financial reporting matters

The key matters reviewed and evaluated by the Committee during the year were as follows.

The Committee is responsible for reviewing and approving the appropriateness of the interim and annual Financial Statements and related announcements, including:

- Recommending that, in the Committee's view, the Financial Statements are fair, balanced and understandable. In addition to the detailed preparation and verification procedures in place for the 2023 Annual Report and Financial Statements, management continued its focus on narrative reporting with clear written and visual messaging to communicate the Group's strategy
- Reviewing the appropriateness of the accounting policies, judgements and estimates used as set out from pages 160 to 200 and concluding that the judgements and assumptions used are reasonable
- Reviewing the Group's policy relating to, and disclosure of, alternative performance measures (APMs)

Areas of significant financial judgement

The areas of significant financial judgement in relation to the 2023 Group Financial Statements considered by the Committee, together with a summary of the actions taken, were as follows.

Recoverability of goodwill and other intangible assets

Under International Financial Reporting Standards (IFRS), goodwill and indefinite-life assets must be tested for impairment on at least an annual basis. Impairment testing is inherently judgemental and requires management to make multiple estimates, on future performance, for example around future price and volume growth, future margins, terminal growth rates and discount rates. The Group's impairment testing utilised cash flow projections included within one-year budgets and five-year strategic plans. Cash flows beyond the five-year period were projected using terminal growth rates.

As a result of impairment testing performed in 2023, management determined that an impairment charge of £810 million relating to its IFCN cash-generating unit (CGU) was required at 31 December 2023 (2022: impairment charge of £152 million relating to the Biofreeze CGU and £15 million relating to other CGUs).

In November 2023, the Committee reviewed the detailed results of the impairment testing for the Group's CGUs, with a particular focus on the Biofreeze CGU, as no headroom existed between the Biofreeze recoverable amount and carrying value following impairment in 2022. The Committee challenged the key assumptions which underpinned the Biofreeze recoverable amount, including anticipated category growth, market share improvement, the commercial success of new product launches and international market expansion. The Committee confirmed the key judgements and estimates made by management including market expansion and discount rate, and reviewed the sensitivity of the Biofreeze impairment model to changes in key assumptions. Subsequent to the impairment review the Committee reviewed the transfer of Biofreeze goodwill (£160 million) to the Health CGU, the transfer occurring due to the completion of the integration of Biofreeze into Health in 2023, and considered it to be appropriate.

In February 2024, following management's considerations of the external auditor's observations, the Committee reviewed the detailed results of the impairment testing in relation to the IFCN CGU and challenged the key assumptions which underpinned the IFCN recoverable amount at 31 December 2023. This included the effect of changes to the regulatory environment, the level at which US market share stabilises, net revenue growth rates, the commercial success of new product launches and the expansion of speciality nutrition. The evolving regulatory environment has increased the judgemental nature of estimating the future cash flows, thereby resulting in increased scrutiny and focus by the Committee and challenge to management. This challenge resulted in refinement of the assumptions underpinning management's estimate of the recoverable amount of the IFCN CGU.

The Committee also reviewed the discount rate used by management to calculate the value in use of IFCN, in particular the increase in the discount rate in 2023 due to a higher risk free-rate.

The Committee confirmed the key judgements and estimates made by management and reviewed the sensitivities of the impairment model to reasonable changes in key assumptions.

The Committee reviewed management's disclosures in relation to goodwill, other intangible assets and related impairment reviews included within Note 9 and considered them appropriate.

Forward purchase of shares held by non-controlling interests

On 25 May the Group entered into an agreement pursuant to which it will proceed to acquire the remaining interests associated with the Company's majority owned activities in mainland China and Hong Kong (RB Manon) from its existing minority shareholders. The transaction will be implemented through the purchase, in multiple stages, of the non-controlling shareholdings held by the minority shareholders.

Amounts payable under the agreement are dependent on the revenue and profits of RB Manon in future periods. Management's estimate of the present value of amounts payable at the date of the agreement is £298 million. The key assumptions underpinning this estimate relate to future revenue and profit growth of Reckitt's business in China, and the discount rate used to determine the present value of future cash flows. The Committee reviewed these assumptions and considered them to be reasonable.

As the agreement to acquire the non-controlling interest has multiple elements, judgement is required to allocate the total amount payable under the agreement to each element. Management determined that the main elements in the agreement related to (1) a forward contract for the purchase of a non-controlling interest in RB Manon, with £167 million allocated to this element charged to shareholders equity, and (2) services provided by the minority shareholders in relation to the transition of leadership and shares in RB Manon, with the residual amount of £131 million allocated to this element, which will be charged to the income statement over the performance period for these services.

The Committee reviewed the identification and allocation of consideration to each element in the agreement, and the disclosures included in Note 30, and considers them appropriate.

Tax provisioning

From time to time, the Group may be involved in disputes in relation to ongoing tax matters in a number of jurisdictions around the world where the approach of the local authorities is particularly

Audit Committee Report continued

difficult to predict. The amount of uncertain tax position liabilities recorded in relation to these investigations is an area where management and tax judgement are important. The Committee reviewed the key judgements made with management, including relevant professional advice that may have been received in each case, and considered the level of recognised uncertain tax position liabilities to be appropriate.

As required under IFRS, management has included disclosure in the Financial Statements outlining the amount of uncertain tax position liabilities, the methodology by which they have been recognised and the sources of estimation uncertainty in relation to these uncertain tax position liabilities or the rationale for why sensitivity disclosure is not meaningful and has not been provided in the Financial Statements. The Committee has reviewed these disclosures, included within Notes 1 and 22, and considers them appropriate.

Legal liability provisioning

At 31 December 2023 a provision of £137 million (2022: £221 million) was held on the Group's Balance Sheet in relation to regulatory, civil and criminal investigations as well as litigation proceedings.

The Committee has reviewed the status of potential legal and constructive liabilities during the year, and at the year end, including the South Korea Humidifier Sanitiser (HS) issue, Necrotizing Enterocolitis (NEC), Phenylephrine (PE) and other significant matters. The Committee challenged management on the judgements made in determining the level of provisions recognised and was satisfied with the level of provisioning and associated disclosure for the HS issue, NEC, PE and other significant matters (see note 20). The Committee was also briefed on the implications of the recent NEC state court jury award in Belleville, Illinois (see note 33) and challenged management on their exercise of judgements described in the disclosure.

Other key financial reporting matters

Other key matters reviewed and evaluated in relation to the 2023 Group Financial Statements considered by the Committee, together with a summary of the actions taken, are set out below.

Investigation in the Middle East

As part of the Group's ongoing compliance procedures, an investigation was conducted in two Middle Eastern markets in late 2023 and early 2024. The investigation was led by the Group's Ethics and Compliance function, supported by external legal counsel, internal audit and corporate controllership. The Committee was kept updated as the investigation progressed and discussed the findings of the investigation ahead of the release of the 2023 preliminary results announcement and finalisation of the 2023 Annual Report. An understatement of trade spend, which related to the fourth quarter and prior quarters of 2023, was identified and incorporated into the 2023 financial statements. The Committee reviewed the investigation reports and related accounting adjustments. The Committee will continue to monitor the actions and internal control enhancements taken by management in response through 2024.

Going concern and Viability Statement

A Viability Review was undertaken by management, encompassing its going concern review. The Committee reviewed and challenged the key assumptions used by management in its Viability Review and going concern assessment, as well as the scenarios applied and risks considered.

Based on its review, the Committee considers that the application of the going concern basis for the preparation of the Financial Statements was appropriate and confirmed the suitability of the Viability Statement covering a five-year period, as set out on page 61. The use of a five-year period for the Viability Review is the period of the Group's long-term forecasting process and covers the various business cycles.

Internal audit

Role of internal auditor

The Committee is responsible for reviewing and monitoring the effectiveness of the internal audit function. The Group Head of Audit is accountable to the Chair of the Committee, although for administrative matters reports to the CFO. The function operates independently of the business, with no responsibility for operational management. The independence of the Group Head of Audit and the internal audit function is considered as part of the annual internal audit effectiveness review. Further details can be found on page 94.

The function is responsible for providing independent and objective assurance on the adequacy and effectiveness of Reckitt's risk management and internal control systems. Its mandate is set out in a written charter, approved by the Committee, and it uses a formal internal audit methodology consistent with the Institute of Internal Auditors internationally recognised standards.

Prior to the start of each financial year the Committee reviews and approves the annual audit plan and assesses the adequacy of the function's budget and resources. The function brings in specialist skills from external service providers, as necessary. The strengthening of the finance second line will allow the function in future periods to transition away from an agreed rotation and scope policy to a more risk-based approach.

The risk-based audit plan focuses on areas deemed critical to achieving our business objectives and covers Reckitt's commercial businesses, manufacturing facilities, information systems, programmes and higher risk areas and processes. Following each audit, control weaknesses are reported to senior management, together with recommendations and updates. Resulting management actions are tracked until they are satisfactorily closed. Audits that identified significant weaknesses in the control environment normally receive a follow-up audit within 12 to 18 months as appropriate.

At each Committee meeting the Group Head of Audit presents an update which includes an assessment of the control environment together with any material issues, the performance of the internal audit function, and any other topics as required. A private session with the Committee is also held at every meeting.

Risk management

The Committee supports the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Group's financial reporting (including the Annual Report and Financial Statements), system of risk management and internal control, and the relationship with the External Auditor. The Committee makes recommendations to the Board in relation to approval of the Annual Report and Financial Statements.

The Committee regularly monitors our system of risk management and internal control (including internal financial controls). The finance function, headed by the CFO, has implemented policies, processes, and controls to enable the Company to review and comply with changes in accounting standards and relevant financial regulations. These policies, processes and controls are kept under review on an ongoing

Audit Committee Report continued

basis to ensure both internal and external developments are reviewed and acted upon.

In monitoring the integrity of financial reporting and any other risks falling within its remit, the Committee receives regular reports from the SVP Corporate Controller, Group Chief Ethics & Compliance Officer, Group Head of Tax and Group Head of Treasury on material developments in the legislative, regulatory, and fiscal landscape in which the Group operates. It also receives reports on IT and cybersecurity risks and controls, and on the Group's whistle-blowing arrangements.

The Committee reported to the Board in February 2024 that it considers the internal control framework to be functioning appropriately, to enable the Board to meet its obligations under section 4 of the Code, to maintain sound risk management and internal control systems, and to report to shareholders on these in the Annual Report (see page 137).

Reckitt's ongoing controls transformation programme in preparation for internal controls changes arising from the revisions to the Code has identified certain control improvement opportunities that management is currently undertaking.

The basis for the preparation of the Group Financial Statements is set out on page 160 under Accounting Policies.

The External Auditor's report, setting out its work and reporting responsibilities, can be found on pages 138 to 155. The terms, areas of responsibility and scope of the External Auditor's work are agreed by the Committee and set out in the External Auditor's engagement letter.

More information on the Group's principal and emerging risks and strategy for growth and achieving targeted goals is detailed in the Strategic Report, which can be found on pages 55 to 60.

The Viability Statement can be found on page 61.

The Statement of Directors' Responsibilities on page 137 details the Directors' responsibility for the Financial Statements, for disclosing relevant audit information to the External Auditor and for ensuring that the Annual Report is fair, balanced and understandable.

Internal controls framework

Internal control processes are implemented through clearly defined roles and responsibilities, supported by clear policies and procedures, delegated to the GEC and senior management. Reckitt operates a 'three lines of defence' model in monitoring internal control systems and managing risk.

1. Management in the first line ensures that controls, policies and procedures are followed in dealing with risks in day-to-day activities. Such risks are mitigated at source with controls embedded into relevant systems and processes. Supervisory controls, either at management level or through delegation, ensure appropriate checks and verifications take place, with any failures dealt with promptly. Throughout Reckitt, a key responsibility for any line manager is to ensure the achievement of business objectives with appropriate risk management and internal control systems.

2. Each function and GBU has its own management which acts as a second line of oversight. This second line sets the local level policies and procedures, specific to its own business environment, subject to Group policy and authorisation. The second line further acts in an oversight capacity over the implementation of controls in the first line.

   The financial performance of each function and GBU is monitored against pre-approved budgets and forecasts ultimately overseen by the executive management and the Board. As part of the second line, the corporate control team identifies financial risks and mitigates these with appropriate internal controls, set out through minimum expected financial control requirements. The effectiveness of the global financial control framework is reviewed annually. Further, the Group's compliance controls include the operation of an independent and anonymous 'Speak Up' whistle-blowing hotline, annual management reviews and the provision of training specific to individual needs within the business.

3. The third line of defence is provided by the internal audit function which provides independent and objective assurance to management and the Committee on the adequacy and effectiveness of risk management systems and internal controls operated by the first and second lines of defence. Internal audit also facilitates the risk management process.

Reckitt's internal control framework provides assurance that business objectives are achieved, that business is conducted in an orderly manner and in compliance with local laws, that records are accurate, reliable and free from material misstatement, and that risks are understood and managed.

The corporate control team is accountable for managing global financial control policies and frameworks and for monitoring the effectiveness of the Group's internal financial control environment. Corporate control is responsible for reporting and monitoring controls at local, GBU and global levels, working with markets to improve risk and controls capability and to support the development of remediation plans and corrective actions for financial control weaknesses.

To improve the maturity of the control environment and meet upcoming changes to the Code, the Company has established a multi-year controls transformation programme. In 2023, the controls transformation programme launched an updated, standardised and risk-focused controls framework for financial and IT general controls, including new evidence standards to enable consistent documentation of the operating effectiveness of financial and IT general controls. Following launch, the second line of defence team, supported by external advisors, conducted a comprehensive fit-gap assessment to determine the required uplift to comply with the new framework and evidence standards. As anticipated, gaps versus the framework and standard have been identified in relation to the retention of evidence and the formality and consistency of control operation. Where required, plans have been developed and remediation activity is underway in markets, IT and group. In 2023, the effectiveness of the global financial control framework has been assessed through analysis of the results from the fit-gap assessment and subsequent remediation, alongside consideration of findings on the internal control environment from internal audits conducted in 2023.

At each meeting, the Committee reviews a report outlining the status of the controls transformation programme, the results of the fit-gap assessment and remediation progress, and other notable controls activity since the previous meeting. In 2024, assurance over

Audit Committee Report continued

the operating effectiveness of controls in the revised framework will be provided by testing conducted by the second line of defence team.

Internal auditor effectiveness review

The Committee monitors the effectiveness of the internal audit function throughout the year through the Group Head of Audit's attendance at Committee meetings, review of work presented throughout the course of the year and the annual internal audit effectiveness review. The annual review involves the solicitation of feedback through a survey circulated to internal stakeholders including Committee members, GEC, GBU, functional and operational leadership teams.

The survey assessed the skills and experience, audit quality, audit scope, audit cost, audit communication, independence, and change catalyst of the internal audit function. The survey reported strong, positive feedback with management viewing the function as comprised of high quality and skilled individuals who demonstrate a high level of integrity, independence, and objectivity.

The Committee has considered the conclusions of the effectiveness review and the work performed by the function during the year and remains satisfied that the resourcing, quality, experience and expertise of the function is appropriate for the Company and that the function was objective and performed its role effectively.

External Auditor

The Committee is responsible for maintaining the relationship with the External Auditor on behalf of the Board. The Company's External Auditor is KPMG LLP (KPMG). Following a competitive tender undertaken in 2017, KPMG was formally appointed as the Group's External Auditor by shareholders in 2018. The Company will be required to conduct its next external audit tender no later than 2027.

For the year ended 31 December 2023, the Company has complied with the Competition and Markets Authority Order: The Statutory Services for Large Companies Market Investigation (Mandatory use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

The Committee considers and makes a recommendation to the Board in relation to the appointment, reappointment and removal of the External Auditor, taking into account independence, effectiveness, lead audit partner rotation and any other relevant factors, and oversees the tendering of the external audit contract.

The Committee approves the External Auditor's terms of engagement and remuneration and reviews the strategy and scope of the audit and the work plan.

The Committee also monitors the rotation of the lead audit partner every five years in accordance with the FRC's Ethical Standard. The current lead audit partner, Andrew Bradshaw, has completed his second year as lead audit partner.

External auditor effectiveness review

The annual evaluation of the External Auditor was carried out in early 2023 and the results reported to the Committee in May. The assessment of the External Auditor was conducted using a survey circulated to the Board, GEC, GBU, finance and other functional leadership and local finance management. The survey covered the four competency areas in the FRC's Guidance on Audit Quality: practice aid for Audit Committees (published in December 2019): Judgement; Quality Control; Skills and Knowledge; and Mindset and Culture.

Besides the annual evaluation of the External Auditor, the Committee continually reviews the External Auditor's effectiveness through means such as the monitoring of its progress against the agreed audit plan and scope. KPMG reports to the Committee annually with an audit quality scorecard, providing a holistic view of, and their investment in, audit quality and how they measure their audit quality progress.

External Audit fees and non-audit services

The Committee reviews the nature and level of non-audit services undertaken by the External Auditor during the year to satisfy itself that there is no impact on its independence. The Committee is required to approve all non-audit services. The Board recognises that in certain circumstances the nature of the service required may make it timelier and more cost-effective to appoint an auditor that already has a good understanding of Reckitt.

The total fees paid to KPMG for the year ended 31 December 2023 were £20.7 million, of which £1.3 million related to non-audit and audit-related work (to which KPMG was appointed principally for the above reasons). The Group's internal policy on non-audit fees (effective 1 January 2017) states that, on an annual basis, non-audit fees should not exceed 50% of the Group's external audit and audit-related fees for the year. The Board confirms that, for the year ended 31 December 2023, non-audit and audit-related fees were 6.7% of the audit fees.

Details of services provided by the External Auditor are set out in Note 4 on page 169.

Independence and reappointment

Reckitt has a formal policy in place to safeguard the External Auditor's independence. In addition, as part of its audit strategy presentation to the Committee in May, KPMG identified its own safeguards in place to protect its independence and confirmed its independence in February to the Committee.

The Group has a policy that restricts the recruitment or secondment of individuals employed by the External Auditor into positions that provide financial reporting oversight where they could exercise influence over the financial or regulatory statements of the Group or the level of audit and non-audit fees. Other than the provision of advisory services to a Director in their personal capacity, KPMG had no connection with the Directors during the financial year.

The External Auditor is a key stakeholder in helping the Committee fulfil its oversight role for the Board. The Committee remains satisfied with the External Auditor's independence and effectiveness and believes KPMG is best placed to conduct the Company's audit for the 2024 financial year. KPMG has expressed a willingness to continue as External Auditor of the Company. Following a recommendation by the Committee, the Board concluded, on the Committee's recommendation, that it was in the best interests of shareholders to appoint KPMG as the Company's External Auditor for the financial year ending 31 December 2024. The Committee and Board's recommendation was free from third party influence and there was no contractual term of the kind mentioned under Regulation (EU) No 537/2014 imposed on the Company.

In accordance with Section 489 of CA 2006, resolutions to propose the reappointment of KPMG as the Company's External Auditor and to authorise the Committee to fix its remuneration will be put to shareholders at the AGM on 2 May 2024.

Andrew Bonfield
Chair of the Audit Committee
Reckitt Benckiser Group plc

21 March 2024

CORPORATE RESPONSIBILITY, SUSTAINABILITY, ETHICS AND COMPLIANCE COMMITTEE REPORT

Member	Meetings attended
Pam Kirby (Chair) Chair and member for the whole year	4/4
Mehmood Khan Member for the whole year	4/4
Chris Sinclair Member for the whole year	4/4
Olivier Bohuon Member for the whole year	3/4
Kris Licht Member from 1 June 2023	2/2

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The Committee receives regular briefings from key functional teams to enable it to discharge its oversight responsibilities and works with the Audit Committee on areas of crossover, as needed."

Pam Kirby
Chair of the Corporate Responsibility, Sustainability, Ethics and Compliance Committee

Committee areas of focus

Area of focus	Further detail	Pages
Legal compliance and ethics	Risk Management	55-60
	Section 172 Statement	76-77
	Audit Committee Report	88 -95
Sustainability	Sustainability Performance Dashboard	14
	Sustainability Performance Review	47-54
Product safety and quality	Our Supply Chain	25-27
	Our Stakeholders	37-40
	Sustainability Performance Review	47-54
R&D and regulatory compliance	Scientific Innovation	22-24
	Nutrition – Market Opportunities	34-36
External affairs	Our Stakeholders	37-40
	Section 172 Statement	76-77

Corporate Responsibility, Sustainability, Ethics and Compliance Committee Report continued

On behalf of the Board, I am pleased to present the Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee Report for the financial year ended 31 December 2023.

This report details how the Committee has discharged its role and responsibilities during the year in relation to monitoring and assessing our approach to responsible, sustainable, ethical and compliant corporate conduct in accordance with our Purpose and Compass, and our broader societal responsibility.

Committee membership

Members of the Committee are appointed by the Board on the recommendation of the Nomination Committee, which reviews membership in terms of skills, knowledge, diversity and experience.

On joining the Committee and during their tenure, members receive additional briefings and training tailored to their individual requirements. This includes meetings with internal management covering CRSEC matters. All members of the Committee receive regular briefings from senior executives on matters covering governance, regulatory and legislative developments, product safety and corporate responsibility, sustainability and ethics-related matters, and Reckitt's practices and policies in these areas.

During the year, the Deputy Company Secretary acted as Secretary to the Committee.

Meetings

In 2023, the Committee held four meetings. Meetings usually take place ahead of Board meetings and the Chair of the Committee reports formally to the Board on the Committee's proceedings. The CEO, CFO, Chief R&D Officer, Group Head of Audit, General Counsel & Company Secretary, Chief Supply Officer, Group Chief Ethics and Compliance Officer, Chief Marketing, Sustainability and Corporate Affairs Officer, Global Head of External Communications & Affairs, Group Head of Sustainability, Chief Safety Officer, SVP Head of Global Quality and the Global Director of Health & Safety, Quality and Compliance and Corporate Security regularly attend meetings. Other Directors are invited to attend all meetings. Other senior management attend when deemed appropriate by the Committee.

Time is allocated at each meeting for private discussion with the Chief R&D Officer, Group Chief Ethics and Compliance Officer, Chief Supply Officer, Chief Marketing, Sustainability and Corporate Affairs Officer, Global Head of External Communications & Affairs, Group Head of Sustainability and Group Head of Audit without other invitees being present, as necessary, as well as a private meeting of the Committee members. All Board members are provided with copies of Committee papers and minutes.

In addition to reviewing matters at Committee meetings, the Committee Chair held regular meetings with our CEO, Chief R&D Officer, Chief Supply Officer, Chief Marketing, Sustainability and Corporate Affairs Officer, Global Head of External Communications & Affairs, Group Head of Sustainability and Group Chief Ethics and Compliance Officer, to review progress against the strategy and to represent the Board in supporting the efforts in these critical areas.

Committee performance review

This year, a performance review of the Committee was conducted as part of the Board's external performance review (see page 82). All areas received positive ratings overall, with Committee oversight of legal compliance and ethics scoring the highest. The Board, having had sight of the results of the Committee's performance review, considers the Committee to be operating effectively.

Role and responsibilities of the Committee

The Committee is part of the Group's governance framework and supports the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Group's corporate responsibility and sustainability, ethics and compliance policies, programmes and activities. Its role and responsibilities are set out in its terms of reference, which can be found at www.reckitt.com. We review our terms of reference annually. During the year, the Committee's terms of reference were reviewed and considered to be appropriate.

The Audit Committee has a monitoring function in respect of risk management and internal control systems, which also includes the assurance framework established by management to identify and monitor risks identified by the CRSEC Committee. The Committee liaises with the Audit Committee and the Chair of the CRSEC Committee is a member of the Audit Committee.

Standing agenda items reviewed by the Committee throughout the year

The Committee has several standing agenda items which it considers in-line with its terms of reference and in the context of the Group's Principal Risks:

- Assessment and recommendations on policies, processes and procedures for corporate responsibility, sustainability, compliance and ethical conduct
- Overseeing the Group's conduct with regard to its corporate and societal obligations as a responsible global citizen on behalf of all its stakeholders
- Reviewing and monitoring implementation and compliance with our Speak Up Policy and review of insights and trends from reports
- In conjunction with the Audit Committee, reviewing the Company's whistle-blowing, fraud and compliance arrangements, including the adequacy and security for the workforce to raise concerns, and the systems and controls for the prevention of bribery and modern slavery
- Monitoring and reviewing processes for risk assessment for corporate responsibility, sustainability, and compliance and ethical conduct
- Monitoring targets for corporate responsibility, sustainability and compliance and ethical conduct. Reviewing internal and external reports on progress towards those targets and KPIs
- Receiving reports from management committees in respect of corporate responsibility, sustainability, ethics, and compliance and investigating and taking action in relation to issues raised or reported

Corporate Responsibility, Sustainability, Ethics and Compliance Committee Report continued

Key activities during 2023

FEBRUARY

Legal compliance & ethics
- Report on data privacy controls and maturity assessment

ESG Transition
- Monitoring sustainability targets
- Deep dive on post-consumer recycled plastics (PCR)

Quality
- Monitoring quality performance and ongoing activities

Changes to Product Regulations
- Product Lifecycle Management (PLM)
- Report on developments in regulatory environment

Product Safety & Supply
- Product safety performance

Employee Health & Safety
- Performance monitoring

External affairs
- Humanitarian responses
- Social impact and gender pay gap reporting
- Partnerships and thought leadership, including WiNFund

MAY

Legal compliance & ethics
- Third party due diligence

ESG Transition
- Sustainability matters and target tracking
- Modern Slavery and Human Trafficking Statement

Quality
- Monitoring quality performance and ongoing activities

Changes to Product Regulations
- REACH regulations
- Review of ongoing regulatory matters

Product Safety & Supply
- Ingredient Steering Group

Employee Health & Safety
- Deep dive on corporate security

External affairs
- Humanitarian responses
- UN Water Conference
- IFCN and marketing practices

JULY

Legal compliance & ethics
- Third party due diligence reviews
- Annual compliance training and Code of Conduct

ESG Transition
- Sustainability matters and target tracking

Quality
- Monitoring quality performance and ongoing activities
- Deep dive on consumer safety evolution and maturity

Changes to Product Regulations
- PLM
- Report on developments in regulatory environment

Product Safety & Supply
- Market access and maintenance of products, including raw material sourcing

Employee Health & Safety
- Performance monitoring

External Affairs
- External affairs activity, including public policy and advocacy
- COP28

NOVEMBER

Legal compliance & ethics
- Deep dive on legal and compliance programme and risks

ESG Transition
- Review of performance against sustainability targets

Quality
- Monitoring quality performance and ongoing activities

Changes to Product Regulations
- Report on developments in regulatory environment

Product Safety & Supply
- PLM

Employee Health & Safety
- Employee health and safety performance and risks

External Affairs
- COP28
- Board Listening Session and intersectionality between Climate and Health

Governance
- Review of Committee terms of reference
- Committee performance review

Corporate Responsibility, Sustainability, Ethics and Compliance Committee Report continued

Spotlight on: Legal Compliance & Ethics function – Risks and Mitigations

In November, the Committee received an update on the Legal Compliance & Ethics function's ongoing programme and activities.

An annual Ethics & Compliance plan is developed around key themes, including enabling responsible business, sustaining ethical and compliant business as usual processes, monitoring and training programmes, data protection governance and the updating and rollout of policies.

A number of activities were detailed and their status discussed, including updates to various global policies and processes, a revised Code of Conduct, updates to the annual compliance training programmes and the launch of a new Speak Up whistleblowing campaign.

Recent work in collaborating with IT & Digital on the creation of an Artificial Intelligence Tools Policy and on enhancing Reckitt's responsible data programme were also considered.

Committee priorities for 2024

- Review the remit and activities of the Committee within the broader Reckitt governance framework
- Monitor and prepare for future developments in corporate governance and non-financial reporting requirements and review internal processes, policies and procedures, to ensure compliance
- Continually review and update the Board on Reckitt's quality, safety and regulatory responsibilities
- Assist the Board to review our sustainability objectives and chart progress against our targets, including overseeing the Group's conduct with regard to its corporate and societal obligations as a responsible global citizen on behalf of all stakeholders
- Monitor and review the processes for risk assessment of key Principal Risks including in relation to ESG Transition, Quality, Legal and Compliance, and Product Regulation
- Maintain responsiveness to global events impacting consumers, where Reckitt can provide support and assistance
- Keep abreast of market access conditions and maintenance of products, given the current UK political and wider economic landscapes

Pam Kirby
Chair of the Corporate Responsibility, Sustainability, Ethics and Compliance Committee
Reckitt Benckiser Group plc

21 March 2024

DIRECTORS' REMUNERATION REPORT

Member	Meetings attended
Alan Stewart (Chair) Chair and member for the whole year	5/5
Olivier Bohuon Member for the whole year	4/5
Jeremy Darroch Member for the whole year	5/5
Mary Harris Member for the whole year	5/5
Chris Sinclair Member for the whole year	5/5

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Central to our remuneration philosophy are the principles of pay for performance and shareholder, as well as strategic, alignment."

Alan Stewart
Chair of the Remuneration Committee

Contents of Directors' Remuneration Report

LETTER FROM THE CHAIR

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the financial year ended 31 December 2023.

I would like to thank shareholders for their support of our 2022 Annual Report on Remuneration at our AGM on 3 May 2023, which received a strong vote in favour of 93%.

Changes to the Board

During 2023, we announced several changes to the Board.

Kris Licht was appointed CEO to succeed Nicandro Durante. Kris was appointed CEO Designate on 1 May 2023 and to the Board as Executive Director effective 1 June 2023, before assuming the role of CEO on 1 October 2023. Nicandro Durante remained an employee of the Company and on the Board until 31 December 2023 to ensure a smooth transition. Kris was appointed CEO Designate on a salary of £900,000, which increased to £1,100,000 upon taking the role of CEO, in line with the salary paid to Nicandro.

Shannon Eisenhardt was appointed CFO Designate on 17 October 2023 and will succeed Jeff Carr as CFO by 31 March 2024. Shannon was appointed to the Board as Executive Director upon joining the Company. Shannon previously served as CFO of Nike Consumer, Brand and Marketplace. Shannon was appointed on a salary of £760,000 in line with the salary paid to Jeff.

Ongoing incentive opportunities and LTIP award levels for Kris and Shannon are in line with the outgoing individuals. Both Kris and Shannon did not receive a salary increase on 1 January 2024.

In addition, Sir Jeremy Darroch, currently Senior Independent Director, will succeed Chris Sinclair as Chair of the Group Board of Directors in May following the 2024 AGM. Chris will retire as Chair and step down from the Board at the same time. Sir Jeremy will be appointed on the same terms and fees as Chris. Andrew Bonfield will succeed Sir Jeremy as Senior Independent Director upon Sir Jeremy's appointment as Chair with effect from the 2024 AGM. I would like to extend the Board's and my thanks to Chris for his membership of the Remuneration Committee and his time as Board Chair.

As previously announced, I will retire from the Board at the 2024 AGM. Fiona Dawson CBE will be appointed to the Board as Non-Executive Director and Chair Designate to the Remuneration Committee effective 1 June 2024. In order to ensure continuity and effective succession, Mary Harris, former Chair of the Company's Remuneration Committee, will be reappointed as Chair of the Remuneration Committee from the conclusion of the 2024 AGM until the conclusion of the Company's 2025 AGM, upon which Fiona Dawson will take over. On behalf of the Committee, I would like to thank Mary and welcome Fiona.

Directors' Remuneration Report continued

The remuneration arrangements for both the outgoing and incoming Directors are in line with the Remuneration Policy approved by shareholders with details for Kris and Shannon also published on announcement. Further details are set out in the Annual Report on Remuneration.

Performance for the year under review

2023 was a challenging year for many companies including Reckitt, with continued economic shocks and geopolitical uncertainties across the world. Despite these, Reckitt continued to make progress in 2023, with like-for-like net revenue (LFL NR) growth of +3.5%, led by growth across the Hygiene and Health businesses, while Nutrition began rebasing and held market leadership in the US. We delivered growth through premiumisation, household penetration and category creation. Gross margins returned to historic strength with adjusted operating profit margin at 23.1% and adjusted EPS at 323.4p. We also increased investment in brands and innovation, and launched a fixed cost optimisation programme. In 2023 we generated strong free cash flow and significantly increased cash returns to shareholders, enhanced by our new, sustainable share buyback programme announced in October 2023. We have also proposed a 5% increase in our annual dividend, for the second year in a row, in line with our policy to deliver sustainable dividend growth.

During the year, we have built strong winning teams and strengthened our culture, to harness the things that are special about Reckitt: our entrepreneurial spirit, passion for performance, and action orientation. We have gained real credibility on sustainability and become a significantly more inclusive and diverse company, which sets us up well as we continue to drive these through the business.

Performance outcomes for 2023

The Committee carried out a thorough evaluation of the performance of both the Group and the Executive Directors in the round, having regard to broader circumstances to assess whether the formulaic incentive outturns are appropriate and justified. Based on the assessment, the Committee determined that the level of annual bonus payout and the total vesting level of the LTIP set out below are appropriate and justified in this context and that no discretion would be applied. The framework and the assessment against performance which the Committee used are set out in detail on page 110.

Annual bonus

Reckitt operates an annual bonus plan that is strongly aligned to performance, measured against targets of NR and adjusted profit before income tax, with a downward modifier based on net working capital (NWC) added from 2023.

NR growth of 3.5% exceeded the initial guidance and market expectations at the beginning of 2023. The Health and Hygiene GBUs both delivered LFL NR growth at the upper end of the medium-term goal of mid-single-digit growth. The Nutrition GBU declined in the year as our US business lapped high and unsustainable comparatives due to a competitor supply issue from the prior year, but still performed above initial expectations. This Group performance resulted in a multiplier towards the upper end of the NR growth target range. Profit has exceeded the target range, driven by our NR performance and strong gross margin expansion. However, NWC at -7.7% in the year whilst being industry leading was below targets set and resulted in a downward modifier of 0.89x being applied to the outcome. This resulted in an overall payout of 82% of the maximum. This is in line with all other employees on the same Group-wide measures.

The bonus for Kris and Shannon in respect of Executive Director services is pro-rated for the period as an Executive Director. One-third of bonus payments to Executive Directors are deferred into Reckitt shares for three years in line with the Policy. More details are set out on page 115 of the Annual Report.

2021–2023 LTIP

The Reckitt LTIP is designed to align participants with shareholders through making awards with stretching performance conditions denominated in both performance share options and performance share awards. Vesting of awards under the 2021 LTIP was dependent on LFL NR growth, EPS and ROCE targets. As set out in the 2021 Directors' Remuneration Report, targets were adjusted for the disposal of IFCN China, given the size of that transaction, to ensure that the new targets were no harder or easier to achieve than the original targets.

As a result of good performance over the three years, NR growth was at 4.8% p.a.. This was close to maximum of the target range and resulted in a vesting of 98% of this element. EPS performance based on both actual and constant FX was between threshold and maximum, resulting in vesting of 59% and 46% of maximum for each element respectively. ROCE performance was also between threshold and maximum, resulting in a vesting of 62% of maximum. As set out on page 116, the overall resultant outcome is that 78% of the total award vests. This outturn follows two years of zero vesting in 2020 and 2021, 21.5% vesting in 2022 and 100% vesting in 2023.

In line with our Policy, there is a further two-year holding period attached to Kris' and Jeff's LTIP awards. Nicandro and Shannon did not participate in the 2021 LTIP.

2024 remuneration

Salaries for 2024 for the CEO and CFO are unchanged from 2023 at £1,100,000 and £760,000, respectively. The 2024 salary increase budget for the wider UK employee population was 5.5% to 6% depending on location.

There are no changes to the bonus opportunity for the CEO and CFO, remaining at 120% and 100% of salary at target, respectively. Performance measures and weightings for the 2024 annual bonus will be the same as for 2023, being NR and adjusted profit before tax, with a downward modifier based on NWC.

In line with prior years, the Committee has set the performance targets at a stretching level having considered the internal business plan and external expectations. As in prior years, the Committee will carry out a thorough assessment of performance in the round taking into account a wide range of factors before determining bonus payouts.

There are no changes to the 2024 LTIP awards including performance measures and weightings. Performance will continue to be assessed based on NR growth, ROCE, relative TSR, and ESG measures, which have been reviewed in light of share price performance, Group performance and individual performance. Kris' 2024 LTIP award will consist of 150,000 performance share options and 75,000 performance shares and Shannon's award will be 80,000 performance share options and 40,000 performance shares. These awards will be made in early March 2024 following the full-year results announcement. Jeff will not receive a 2024 LTIP award.

Directors' Remuneration Report continued

During the year, the Chair and Non-Executive Director (NED) fees have been reviewed with regard to increases given to the wider workforce and market practice. Taking into account the increased time commitment and responsibilities of the roles over the last few years, and the knowledge and skills required to undertake the roles, the fee for the Chair will increase to £680,000 and the basic NED fee will increase to £110,000, with effect from 1 January 2024. The additional fee for the Senior Independent Director (SID) will also increase to £35,000. There are no changes to fees for Committee Chair, Committee member or Designated Non-Executive Director for Engagement with Company's Workforce. 25% of the Chair fee and basic NED fee continues to be paid in shares. We will continue to review NED fees to ensure they are appropriate and competitive against the market.

Context for remuneration of the wider workforce

Reckitt is committed to fair and consistent reward policies for its employees, aligned with our Compass, remuneration philosophy and our culture. The Remuneration Committee reviews various aspects of workforce remuneration and related policies regularly. In 2023, Reckitt has made significant developments and demonstrated further commitment to support sustainable livelihoods, ensure pay equity and gender pay gaps are addressed, build an inclusive culture and facilitate employee development. The annual employee survey shows high levels of satisfaction and pride among Reckitt's employees and we are recognised as Top Employers in several markets. For more information, please refer to pages 120-122.

Remuneration Policy review

In line with the normal three-year cycle, our Remuneration Policy is due for renewal at the 2025 AGM. Over the course of 2024 we will undertake a full review of the Policy and its implementation, with a view to ensuring that our remuneration arrangements continue to appropriately incentivise the delivery of the strategy and the creation of long-term, sustainable shareholder value. This will include review of our incentive structures throughout the organisation. We will consult with our shareholders as part of this process.

Conclusion

On behalf of the Committee, I would like to thank shareholders for their continued support and engagement during the year. We welcome any comments you may have on this report and I look forward to your support at the upcoming AGM on 2 May 2024.

Finally, I would also like to thank my fellow Committee members during my tenure as Chair for their insight and commitment and shareholders for their invaluable feedback and support.

Alan Stewart
Chair of the Remuneration Committee
Reckitt Benckiser Group plc

21 March 2024

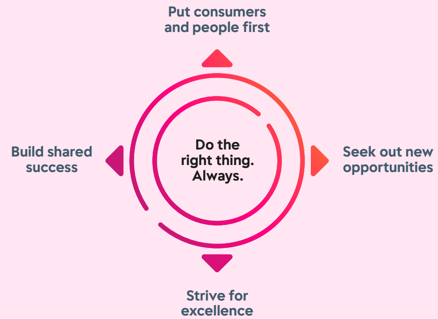
RECKITT'S REMUNERATION AT A GLANCE

Reckitt strives for leading global performance. Our management team is multinational and we compete for talent globally. Central to our remuneration philosophy are the principles of pay for performance and shareholder, as well as strategic, alignment. Combined with our Compass and business model, these principles define how decisions are made, how people act and how we reward them.

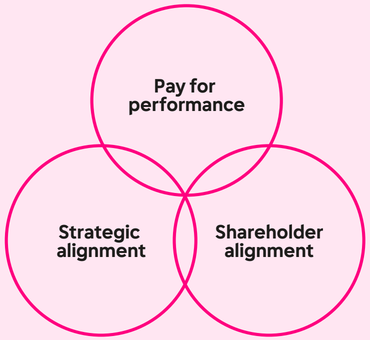
To reinforce our philosophy, the majority of the Executive Directors' remuneration packages are made up of variable at-risk pay, linked to stretching targets that align with our strategy and shareholder value creation, and are largely delivered in Reckitt shares. In addition, we have market-leading shareholding requirements for Executives. This approach is cascaded throughout our senior leadership.

Context for remuneration at Reckitt

Reckitt's Compass



Reckitt's remuneration philosophy



Reckitt's strategy

- Purpose and culture fit for the future
- Excellent brand portfolio for value creation
- Scaled global footprint
- Enhanced returns to shareholders

See pages 8-11 for more details of our Company strategy.

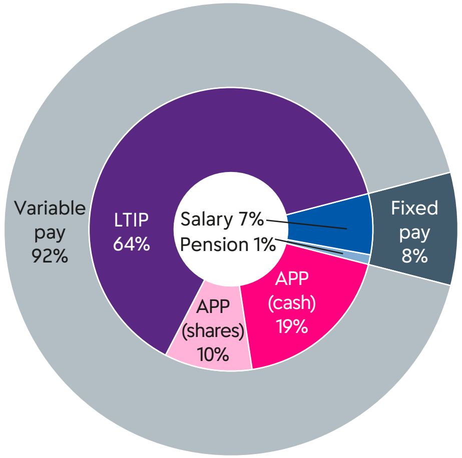
Directors' Remuneration Report continued

The tables below illustrate the remuneration principles at Reckitt, which are driven by our Compass, strategy and the remuneration philosophy

1

High proportion of variable pay

Maximum CEO pay under the Remuneration Policy



Note: Value of the CEO's maximum 2024 package. This illustrates fixed remuneration plus full payout of the annual bonus (APP) and full vesting of the LTIP awards including 50% share price growth

2

Market-leading share ownership policy

In-employment shareholding requirement

	Number of shares	Value of shares (£)[1]	% of 2023 annual salary
CEO	200,000	11,112,000	1,010%
CFO	100,000	5,556,000	731%

Post-employment shareholding requirement[2]

	Number of shares	Value of shares (£)[1]	% of 2023 annual salary
CEO	100,000	5,556,000	505%
CFO	50,000	2,778,000	366%

1. Based on the average closing share price in Q4 2023 of £55.56
2. Reflecting 50% of the in-employment shareholding requirement

3

Attract and retain the best global talent

- Engage highly performance-driven individuals
- Reflect global competitive practice across our industry peer group

4

Ensure alignment with strategy across the business

- Alignment of performance metrics with strategy
- Alignment across the business of metrics and ownership

Summary of our Remuneration Policy

The table below summarises the current Directors' Remuneration Policy which can be found on pages 160-167 of the 2021 Annual Report and is also available on our website in the Corporate Governance section. The Committee is of the view that the current remuneration framework remains fit for purpose and therefore no changes to the Policy were proposed for 2024.

	Year 1	Year 2	Year 3	Year 4	Year 5	Up to Year 10
Fixed pay	Salary, benefits and pension					
Annual bonus (APP)	One-year performance period	Two-thirds paid in cash; one-third in Reckitt shares deferred for three years No further performance conditions				
LTIP	Performance shares and performance share options Three-year performance period			Two-year holding period No further performance conditions		
				Ten-year life for options from grant		
Shareholding requirements	Period of eight years from appointment to achieve requirements Two-year shareholding requirement post-departure					

Directors' Remuneration Report continued

Purpose and culture fit for the future
Excellent brand portfolio for value creation
Scaled global footprint
Enhanced returns to shareholders

Element	Key features of operation of policy	How will we implement for 2024	Link to strategy
Salary, benefits and pension	– Salary increases and pension contribution set in context of wider workforce – Salaries and benefits set competitively against peers	– Zero salary increase for CEO and CFO – CEO and CFO pension contribution of 10% of salary in line with the wider workforce in the UK	– To enable the total package to support recruitment and retention
Annual bonus (APP)	– Target bonus of 120% of salary for CEO and 100% for CFO – One-third deferred into awards over Reckitt shares for three years – Malus and clawback provisions apply (in circumstances including material misstatement of financial results, gross misconduct and corporate failure)	– Targets set for NR and adjusted profit before income tax – NWC target to act as a downward modifier – Threshold performance results in zero payout, with maximum of 3.57x target for truly exceptional performance on all three metrics – Remuneration Committee assessment of performance in the round	– To drive strong performance, with significant reward for overachievement of annual targets linked to Reckitt's strategic priorities – Use of deferral for longer-term shareholder alignment
LTIP Performance shares and performance share options	– Three-year performance period and two-year holding period – Malus and clawback provisions apply (in circumstances including material misstatement of financial results, gross misconduct, and corporate failure) until two years after vesting – Options have approximately seven years to exercise post vesting	– Targets set for LFL NR growth (40% weighting); ROCE (25% weighting); relative TSR (25% weighting); and ESG (10% weighting, split equally between two metrics) – Performance conditions are applied to both performance share options and performance shares – Remuneration Committee assessment of performance in the round	– To incentivise and reward long-term performance and align the interests of Executive Directors with those of shareholders – Two-year holding period for longer-term shareholder alignment
Shareholding requirements	– CEO: 200,000 shares – CFO: 100,000 shares	– Period of eight years from appointment to achieve requirements – Two-year shareholding requirement post-departure	– Promotes long-term alignment with shareholders – Promotes focus on management of corporate risks

Directors' Remuneration Report continued

Summary of performance and payout

Annual performance plan

The performance outcome for the annual bonus was 82% of maximum. A third of the bonus is deferred, by way of an award over Reckitt shares.

Performance measure	Threshold (zero bonus)	Actual/Achieved	Maximum (3.57x target)	Multiplier
Like-for-like Net Revenue	£14.07bn	Actual £14.86bn	£14.93bn	1.74x
Adjusted profit before income tax at constant rates	£2.85bn	Actual £3.23bn	£3.19bn	1.89x
Average NWC	-7.4%	Actual -7.7%	-9.6%	0.89x
Total				**2.93x**

● Achieved

	2023 base salary (£)	Target bonus opportunity (% of salary)	Multiplier achieved	Bonus payout (% of salary)	Value delivered in cash (£)	Value deferred into shares (£)
Kris Licht	575,000[1]	100%/120%[2]	2.93x	293%/352%[2]	1,230,600	615,300
Shannon Eisenhardt	158,333[1]	100%	2.93x	293%	309,278	154,639
Jeff Carr	760,000	100%	2.93x	293%	1,484,533	742,267
Nicandro Durante	1,100,000	120%	2.93x	352%	2,578,400	1,289,200

1. The 2023 base salary for Kris Licht and Shannon Eisenhardt are pro-rated for the period served as Executive Directors
2. Kris' target bonus opportunity as CEO Designate was 100% of salary, which increased to 120% of salary on his appointment as CEO

LTIP

The 2021 LTIP vested at 78% of maximum, against the performance conditions over the three-year period.

Performance measure	Threshold (20% vesting)	Achieved	Maximum (100% vesting)	Vesting (% of total award)
LFL NR growth (3-year CAGR) (50% weighting)	0.9% p.a.	Actual 4.8% p.a.	4.9% p.a.	98%
EPS (final year) on an actual foreign exchange basis (12.5% weighting)	289p	Actual 323.4p	360p	59%
EPS (final year) on a constant FX basis (12.5% weighting)	308p	Actual 332.4p	382p	46%
ROCE (final year) (25% weighting)	13.7%	Actual 14.6%	15.4%	62%
Total vesting				**78%**

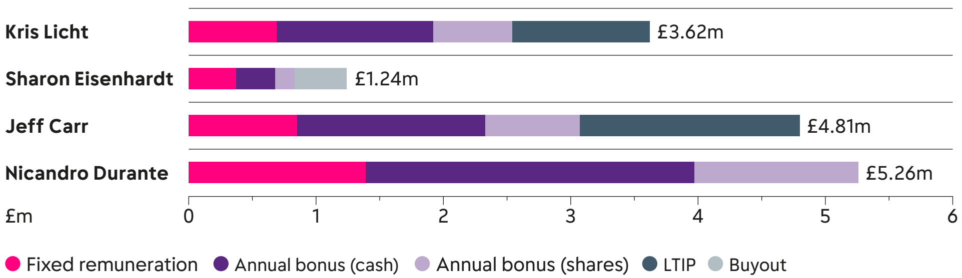
● Achieved

	Performance share options granted	Performance shares granted	Total vesting %	Performance share options vesting	Performance shares vesting	Total value of award vesting (£)[3]
Kris Licht[2]	50,000	25,000	78%	39,000	19,500	1,083,420
Jeff Carr	80,000	40,000	78%	62,400	31,200	1,733,472

1. Nicandro and Shannon did not participate in the 2021 LTIP
2. Kris' LTIP award was granted in relation to his previous role which did not sit on the Board, however, the full value of the award has been shown for transparency
3. Based on the average closing share price in Q4 2023 of £55.56

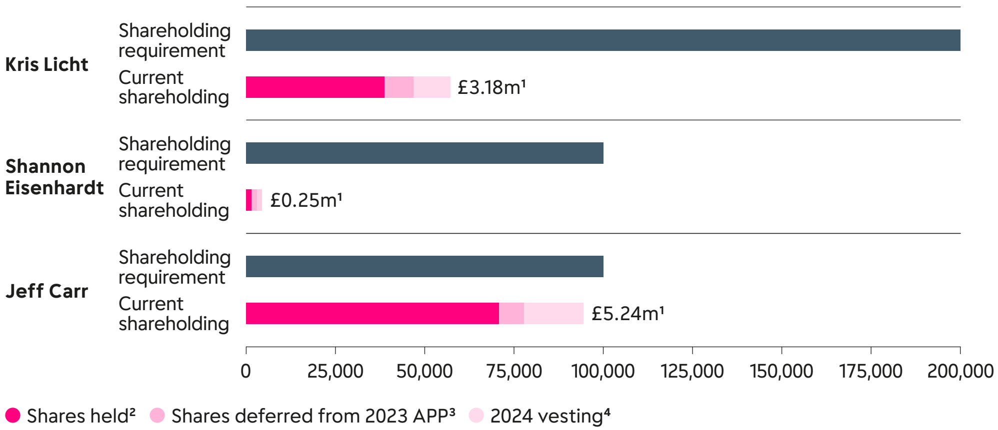
Directors' Remuneration Report continued

2023 single figure



Executive Director shareholding

Reckitt operates a market-leading shareholding requirement with an eight-year timeframe for achievement and a two-year post-employment holding period. The chart below illustrates the progress towards this for the Executive Directors.



1. Current shareholding value based on the average closing share price in Q4 2023 of £55.56
2. Includes shares owned outright and shares subject to post-vesting holding restrictions
3. This is the estimated number of shares awarded, after tax under the Deferred Bonus Plan, including those to be deferred from the 2023 APP
4. For Kris and Jeff this is the number of shares vesting in May 2024 under the 2021 LTIP, after tax. For Shannon this also includes the restricted shares from buyout awards vesting in December 2024

Remuneration Committee governance

Committee membership and meeting attendance

The Remuneration Committee is made up entirely of NEDs who are appointed by the Board on the recommendation of the Nomination Committee. Membership and meeting attendance of the Remuneration Committee during the year were as follows:

Member	Member since	Meetings attended
Alan Stewart, Committee Chair	February 2022	5/5
Olivier Bohuon	January 2021	4/5
Jeremy Darroch	November 2022	5/5
Mary Harris	May 2017	5/5
Chris Sinclair	March 2016	5/5

The Chief Human Resources Officer was Secretary to the Committee throughout the year. Meetings were also attended by the CEO, CFO and SVP Reward by invitation. Deloitte was the appointed advisor to the Committee throughout the year. Members of the Remuneration Committee and any person attending its meetings do not participate in any discussion or decision on their own remuneration.

Directors' Remuneration Report continued

The Committee's role and key activities during the year

The Committee's purpose is to assist the Board of Directors in fulfilling its oversight responsibility by ensuring that the Remuneration Policy and practices reward fairly and responsibly, are designed to support the strategy and long-term success of the Company and take account of the generally accepted principles of good governance.

The key activities and decisions made by the Committee during the year are set out below:

Changes to the Board and GEC

Approved the leaving arrangements for Nicandro Durante and Jeff Carr and the remuneration arrangements for Kris Licht and Shannon Eisenhardt.

Approved remuneration arrangements for appointments to the GEC.

Wider workforce

Reviewed wider workforce remuneration and related policies.

Reviewed changes to the all-employee share plan launch dates.

Reviewed current shareholdings for senior employees with share ownership requirements.

Performance outcomes and target setting

Reviewed and approved performance outcomes to 2022 annual bonus and 2020–2022 LTIP, taking into account wider performance of the Company and Executive Directors.

Approved 2024 annual bonus measures and targets and 2024 LTIP award and performance measures. Approved 2023 LTIP performance targets.

Determined 2024 remuneration packages for the Executive Directors and GEC members.

Regularly reviewed performance for inflight bonus and LTIP awards.

Internal and external governance

Reviewed 2023 AGM voting, wider market trends, shareholder guidelines and corporate governance updates.

Reviewed Remuneration Committee terms of reference.

Reviewed Remuneration Committee effectiveness.

Reckitt's Remuneration Policy and the Corporate Governance Code

Reckitt's Remuneration Policy and practices reflect the philosophy of pay for performance, shareholder alignment and strategic alignment over the short, medium and long term. When determining the current Policy and its implementations, Provision 40 of the UK Corporate Governance Code was taken into account as follows:

Clarity	Arrangements are transparent and reflect shareholder alignment and Reckitt's strategic priorities, thereby effectively engaging with the wider workforce and shareholders. The Committee consulted with shareholders as part of the design phase of the Policy and communicated to the wider workforce details of how Executive pay is set, its alignment with the Company's approach to the wider pay policy and how decisions are made by the Committee. It also gave employees the opportunity to ask any questions on these topics.
Simplicity	The Policy is simple and clear, comprising fixed pay, such as salary and benefits, pension schemes that are offered to most of the workforce, plus variable pay which incorporates the annual bonus, LTIP (performance share options and performance share awards) and a clear Share Ownership Policy for senior members of the business. Variable pay is set against financial targets to incentivise short- and long-term financial performance and alignment with shareholders.
Risk	The malus and clawback provisions which apply to annual bonus and LTIP awards act as a safeguard to the Company and are one mechanism used to help encourage the right behaviours, which lead to long-term shareholder alignment and sustained value creation. The Committee has discretion to adjust the formulaic bonus and LTIP outcomes both upwards and downwards.
Predictability	The total of fixed pay and variable pay (target and maximum) illustrated in the scenarios of total remuneration in our Policy provide an estimate of the potential future remuneration of the Executive Directors, including the total remuneration if a 50% share price growth is achieved.
Proportionality	There is a clear link between pay for performance and business strategy, with stretching financial targets applied to annual bonus payouts and LTIP vesting.
Alignment to culture	Financial targets apply to the annual bonus and LTIP awards across the wider workforce to drive business performance. These targets are reviewed on an annual basis. Malus and clawback provisions apply to annual bonus and LTIP, and together with deferred annual bonus, holding periods and share ownership for the Executive Directors (and any other relevant senior employees), drive the right behaviours expected within Reckitt. The remuneration arrangements of the wider workforce reinforce employee engagement.

Directors' Remuneration Report continued

ANNUAL REPORT ON REMUNERATION

The rest of this report sets out how we have implemented our Remuneration Policy in 2023, and how we intend to implement the Policy in 2024.

Remuneration arrangements for the new CEO and CFO

CEO

Kris was appointed as CEO Designate on 1 May 2023 and to the Board as Executive Director effective 1 June 2023 before assuming the role of CEO on 1 October 2023. His remuneration was fully disclosed upon the announcement of his appointment on 26 April 2023 and in line with the approved Policy.

As CEO Designate Kris received a salary of £900,000 per annum, which increased to £1,100,000 after taking up the role of CEO, in line with his predecessor. He did not have a salary increase on 1 January 2024. Kris receives a pension allowance of 10% of salary in line with the wider Reckitt workforce in the UK and other benefits including relocation in line with Reckitt's benefits and international mobility policies.

As CEO Designate, Kris had a target APP of 100% of salary, which increased to 120% of salary as CEO, with a maximum multiplier of 3.57x. In line with the Policy, one-third of any bonus will be deferred into Reckitt shares for a period of three years. Kris will be eligible for an LTIP grant to be made in 2024 of 75,000 performance shares and 150,000 performance share options for the three-year performance period 2024 to 2026, followed by a two-year holding period. Share awards granted to Kris prior to his appointment as CEO Designate in respect of his previous role will continue on their original terms. These LTIP awards are subject to the same performance measures and targets as the LTIP awards granted to Executive Directors, full details of which will be provided in the relevant Directors' Remuneration Report when they vest.

The share ownership requirement as CEO is 200,000 shares and he will be subject to the post-employment shareholding requirement. There are no buyout awards associated with his appointment.

CFO

Shannon was appointed as CFO Designate on 17 October 2023, joining the Board as an Executive Director on the same day, and received a salary of £760,000 per annum, in line with her predecessor. Shannon receives a pension allowance of 10% of salary in line with the wider Reckitt workforce in the UK and other benefits including relocation in line with Reckitt's benefits and international mobility policies.

Shannon has a target APP opportunity of 100% of salary with a maximum of 3.57 times, with one-third of any bonus awarded deferred into Reckitt shares for a period of three years. Her 2023 annual bonus has been pro-rated based on the portion of the year employed. Shannon received an initial 2023-2025 LTIP grant of 29,453 performance shares and 58,905 performance share options, for the three-year performance period 2023 to 2025. This has been calculated as a pro-rata award of the CFO's annual LTIP award of 40,000 performance shares and 80,000 performance share options, based on the period employed during the performance period. All LTIP awards will be subject to a two-year holding period.

The share ownership requirement for Shannon will be 100,000 shares and she will be subject to the post-employment shareholding requirement.

Shannon has also been granted replacement awards to compensate for remuneration arrangements forfeited on leaving her previous employer. The terms of the buyout awards substantively replicated the rules of the Company's LTIP approved by shareholders at the 2015 AGM and are in line with the current Policy approved at the 2022 AGM. The structure takes into account shareholder guidance and market practice and they remain subject to performance conditions where appropriate and mirror the time horizons of forfeited awards. As Shannon is participating in the 2023 Reckitt LTIP, she will not be compensated for any 2023 LTIP awards made by her previous employer. Details of these awards were disclosed at the time of the grant and are detailed below. Dividend equivalents will accrue on the awards and vest at the same time as the relevant award, delivered in shares.

Performance share awards

Performance share awards lapsing due to Shannon's leaving her previous employer have been replaced by awards of Reckitt performance shares of equivalent value as follows:

- An award of 3,526 performance shares granted in relation to the long-term incentive award over Nike shares granted to Shannon in August 2021 and vesting based on Nike's performance over the three-year period to 31 May 2024 as to be disclosed in Nike's 2024 Proxy Statement. Any shares which vest following assessment of performance will be released in August 2024 to mirror the time horizons of forfeited awards
- An award of 5,248 performance shares granted in relation to the long-term incentive award over Nike shares granted to Shannon in August 2022. Since Shannon had served less than half of the three-year Nike performance period, to further align her with Reckitt's performance this award will be subject to the same performance conditions and targets as the Reckitt 2022 LTIP award. Any shares which vest following assessment of performance will be released in August 2025 to mirror the time horizons of forfeited awards

The vesting of these awards will be disclosed in the Annual Report on Remuneration for the relevant year and included in the single figure table for that year.

Directors' Remuneration Report continued

Restricted share awards
An award of 5,564 restricted shares were also granted to replace the Nike restricted shares granted in December 2021, which lapsed upon Shannon's leaving. The first tranche of 2,782 restricted shares vested on 10 December 2023 and the second tranche will vest in December 2024. The value of these awards is included in the 2023 single figure table on page 117.

Bonus replacement award
The Nike FY24 bonus for the period from 1 June 2023 to 16 October 2023, being the date before Shannon joined Reckitt, has also been bought out. The value of this will be based on the average annual bonus outturn (in % of maximum terms) for the Named Executive Officers excluding the CEO in the Nike 2024 Proxy Statement, pro-rated for time and delivered in cash in line with the original terms of the award. The value of the FY24 Nike annual bonus will be determined and paid as soon as practicable following the publication of the Nike 2024 Proxy Statement. An estimated bonus replacement award value based on the FY24 Nike target performance is included in the single figure table on page 117.

Shannon also forfeited market value option awards upon leaving her previous employer. These have not been bought out and replaced at Reckitt as they were underwater when she joined.

Remuneration arrangements for the departing CEO and CFO

CEO

Nicandro Durante stepped down as CEO in October 2023 and remained on the Board as an Executive Director until 31 December 2023 to ensure a smooth transition, at which time he left the Group. Nicandro was paid salary and benefits until his departure date. There is no payment in lieu of notice.

Nicandro is considered a 'good leaver' and his incentives have been treated accordingly. Nicandro was paid an annual bonus in respect of 2023, with two-thirds delivered in cash and one-third is awarded as Reckitt shares deferred for three years. Any outstanding deferred bonus awards will vest in line with normal timescales.

Nicandro's 2022 and 2023 LTIP awards remain subject to performance against the original performance conditions over the respective three-year performance periods. Both of these awards will be reduced on a pro-rata basis to reflect the proportion of the performance period employed as an Executive Director. These will also be subject to a two-year holding period following the end of the respective performance periods. Nicandro remains subject to the post-employment shareholding requirement.

CFO

Jeff Carr will remain on the Board as an Executive Director until 31 March 2024 to ensure a smooth transition, at which time he will leave the Group. He will be paid salary, benefits and pension contributions which are unchanged from 2023, until his departure date. There is no payment in lieu of notice. Jeff will receive a capped contribution of £8,000 plus VAT towards legal fees incurred in connection with his departure.

Jeff is considered a 'good leaver' and his incentives have been treated accordingly. Jeff was paid an annual bonus in respect of 2023, with two-thirds delivered in cash and one-third in Reckitt shares deferred for three years. He remains eligible for an annual bonus in respect of 2024 which will be based on the same performance measures and targets as for the other Executive Directors and pro-rated based on the portion of the performance year employed. Any bonus awarded will be delivered at the original dates, with two-thirds in cash and one-third deferred into Reckitt shares for three years. Any outstanding deferred bonus awards will vest in line with normal timescales.

Jeff's 2021 LTIP award will vest in May 2024 and be subject to a two-year holding period and is not subject to time pro-rating as he was employed for the full performance period. The 2022 and 2023 LTIP awards will be pro-rated based on the proportion of the relevant performance period employed and remain subject to the original performance and time horizons. He will not receive a 2024 LTIP award.

Jeff remains subject to the post-employment shareholding requirement.

2023 performance and remuneration outcomes

In reviewing Executive Director remuneration, the Remuneration Committee took into account remuneration decisions for the wider workforce and individual performance of the Directors. The Committee also reviewed market practice, primarily against the FTSE 30 (excluding financial services companies) and considered an international remuneration peer group which Reckitt competes with for talent and is subject to similar market forces. Operationally, the international peer group is representative of the three Reckitt product categories of Hygiene, Health and Nutrition. This comprises 22 companies as follows: Abbott Laboratories, Bayer, Campbell Soup, Church and Dwight, Clorox, Coca-Cola, Colgate, Danone, GSK, Haleon, Henkel, Johnson & Johnson, Kellogg, Kimberly-Clark, Kraft Heinz, Nestlé, Novartis, PepsiCo, Pfizer, Procter & Gamble, Sanofi and Unilever. This peer group is also used to benchmark remuneration for the GEC.

Directors' Remuneration Report continued

Assessment of incentive outcomes

The Committee thoroughly evaluates the performance of both the Company and the Executive Directors in the round to assess whether the formulaic level of annual bonus payout and long-term incentive vesting are appropriate and justified. The Committee has formalised its approach to this assessment and the framework which is applied is illustrated below.

What is the formulaic outcome?
Committee to consider year-on-year change, whether this reflects performance trend and impact on the single figure outcome.

Consider the quality of earnings
Committee to review the results to ensure they reflect the underlying performance and also consider any exceptional items.

Compare outcome against the shareholder experience
Committee to consider absolute and relative shareholder return over the relevant periods, the dividend payment(s) and the likely shareholder response to results based on broker feedback.

Compare outcome with overall Company performance
For example, market share, competitor benchmarking, sustainability, people and culture, strategic progress, wider stakeholder experience and analyst feedback.

Consider any events and other input
For example, reputation/risk related, any change of accounting standards etc.
Draw on input from CRSEC Committee, Audit Committee and management functions and consider the impact of any external head or tailwinds.

Compare with historical use of discretion
In addition, consider whether bonus and LTIP outcomes are consistent.

Final APP and LTIP outcomes
Committee to agree whether adjustments are required to formulaic results and determine the final outcomes for APP payouts and LTIP vesting.

Annual bonus in respect of 2023 performance

Executive Director 2023 bonus opportunity

In line with the Remuneration Policy, the CEO and the CFO target bonus opportunities are 120% of salary and 100% of salary, respectively. Kris Licht's target bonus opportunity as CEO Designate was 100% of salary. The bonus outcome and payout are calculated as follows:

- For each performance measure a target range is set
- A performance multiplier is calculated for each measure, calculated by the extent to which the performance for that measure is achieved. These multipliers can be up to 1.89x for outperformance of the stretching range set by the Committee. Net working capital is a downward modifier only and the multiplier is capped at 1.00x target
- Three individual multipliers are then multiplied together

Net revenue multiplier (up to 1.89x) X Adjusted profit before tax multiplier (up to 1.89x) X NWC modifier (up to 1.00x) = Performance multiplier (Threshold = 0x; target = 1.0x; max = 3.57x)

- The total performance multiplier can range from zero for performance at threshold or below, to 3.57 for truly exceptional performance. The 3.57 multiplier will only be awarded if maximum performance is achieved on all metrics (i.e. 1.89 x 1.89 x 1.00)
- This total performance multiplier is then applied to the target bonus opportunity to calculate the overall formulaic bonus outcome. This is different to usual UK market practice whereby performance measures are assessed independently and payment under one metric may result in payout regardless of performance in other metrics. In Reckitt, the three measures combine to give the resultant payout

Base salary X Target bonus = Final bonus outcome ▶ Cash 2/3 + Shares 1/3

- The effect of the multiplicative approach means that a high-performance multiplier can only be achieved for outperformance on both top-line and bottom-line performance, with excellent management of working capital
- Similarly, underperformance in one of the performance metrics will reduce the overall bonus payout, even in the case of outperformance of the rest
- For example, if we grow NR above the stretching requirement for maximum performance and maintain an excellent level of NWC, but fail to meet the profit threshold, the bonus payout will be zero (i.e. 1.89 x 0 x 1.00)
- One-third of any APP is deferred into an award over Reckitt shares, to strengthen alignment with shareholders

Directors' Remuneration Report continued

2023 performance targets

The Remuneration Committee set targets for the Executive Directors prior to the 2023 financial year. These were based on NR and adjusted profit before income tax, both measured in GBP at a constant FX. NWC is also used as a downward modifier on both measures. All targets were based on the business plan at the time, with reference also being made to external expectations of performance and market practice of companies in a similar stage of the business cycle to Reckitt.

At the time the Committee finalised the targets, consensus expectation was 2.6% for LFL NR growth. In setting the targets, the Committee also had regard to competitor performance.

2023 financial performance against APP targets

As stated earlier in the annual report, 2023 marked a year of continued progress, with strong mid-single-digit growth for our Health & Hygiene GBUs and the expected rebasing of our US Nutrition business as it maintains market leadership and delivered strong performance, but laps the prior year competitor supply issue.

LFL NR growth was 3.5% resulting in the bonus metric of £14.86 billion (on a constant FX basis), significantly exceeding the market expectations when the targets were set.

For 2023, operating margin was 23.1%, in line with guidance, resulting in the bonus metric of adjusted profit before income tax (on a constant FX basis) of £3.23 billion which outperformed target range set by the Committee at the start of the year.

During 2023, NWC was -7.7%. The NWC metric for APP purposes is an Operating NWC and is calculated as a 12-month average.

The chart below illustrates performance compared to the targets:

Performance measure	Threshold (zero bonus)	Actual/Achieved	Maximum (3.57x target)	Multiplier
Like-for-like Net Revenue	£14.07bn	Actual £14.86bn	£14.93bn	1.74x
Adjusted profit before income tax at constant rates	£2.85bn	Actual £3.23bn	£3.19bn	1.89x
Average NWC	-7.4%	Actual -7.7%	-9.6%	0.89x
Total				**2.93x**

● Achieved

As illustrated above, 2023 NR was at the upper end of the performance range, and adjusted profit before income tax exceeded the maximum of the performance range set for the 2023 annual bonus. With a 0.89x modifier on NWC, the overall formulaic bonus multiplier was 2.93x of target (82% of maximum).

These results reflect continued progress in 2023, delivering a four year growth CAGR at the top end of our peer group during a period of significant market volatility and supply challenges. Total adjusted diluted EPS was 323.4p in 2023, with FCF increased by 11% to £2.3 billion. Reckitt is well positioned today to continue to deliver mid-single-digit growth in the medium term. We have an excellent portfolio of market-leading, high margin brands in growth categories. With the proposed 5% increase in our annual dividend, we continue to deliver returns to shareholder in line with our capital allocation policy.

Directors' Remuneration Report continued

Overall Group performance taken into consideration

As it does every year, the Committee thoroughly evaluated the performance of both the Group and the Executive Directors in the round to assess whether the level of annual bonus payout is both appropriate and justified. The framework that the Committee applies is set out on page 110 and more details including progress on delivery of the strategy, wider people, culture and sustainability is provided below:

Strategic delivery

Purpose and culture fit for the future

- Invested in our people and the values we want to define them, creating a culture that is purposeful, entrepreneurial and caring
- Transformed our capabilities to innovate great products and extend categories. We have deepened our consumer value proposition and set new standards in customer service excellence
- High levels of endorsement from our people as revealed by the annual employee survey

Excellent brand portfolio for value creation

- Over The Counter products grew by 11% on a LFL NR CAGR basis compared to 2019
- More than 70% of the brands occupy market-leading positions in their categories on a NR basis
- Launched breakthrough products such as Lysol Air Sanitiser and extended categories through excellence in innovation

Scaled global footprint

- Scaled global footprint spans in developed and emerging markets in long-term growth categories
- 7.5% 4-year LFL NR CAGR versus 2019 for developed markets and 6.6% 4-year LFL NR CAGR versus 2019 for emerging markets
- 260bps increase in share of markets recognised as top tier by retail partners

Enhanced returns to shareholders

- Delivered LFL NR growth of 3.5% ahead of ingoing expectations
- Superior industry-leading gross margins with adjusted operating margin at 23.1%
- Reduced leverage and grew FCF by 11% to £2.3 billion
- Launched new share buyback programme in October with a goal of buying back £1 billion of our shares over the following 12 months
- Proposed 5% increase in annual dividend, for the second year in a row, with a total return of £1.5 billion to shareholders

Sustainability

Purpose-led brands

- 29.6% NR from more sustainable products, improved from 24.4% in 2022, driven by innovation programme
- 5% PCR plastic inclusion rate with additional financial commitment to increase this further
- Continued progress in reducing the use of virgin plastic

Healthier planet

- 67% reduction in Scope 1 and Scope 2 emissions compared to our 2015 baseline
- 100% renewable electricity purchased for manufacturing. Overall 94% of electricity used across all sites is renewable
- 7% reduction in water use and 4% reduction in energy use
- Revisions in the water stress mapping confirmed 17 sites in 2023. Our Hosur site in India became our first water positive site in 2022 and we're advancing similar projects near Mysore and in Mexico and Pakistan
- 18% in waste reduction from manufacturing versus 2015; all manufacturing sites have now achieved zero waste to landfill

Fairer society

- 23% Group Leadership team, 34% Senior Management team and 51% managers are women
- £31.4 million Fight for Access social impact investment

Directors' Remuneration Report continued

Wider stakeholder experience

Suppliers and external partners

- Partnered with the Fair Rubber Association and Earthworm Foundation to improve the livelihoods of smallholder latex farmers in Thailand and protect the ecosystem
- Continued to engage palm oil suppliers through our partnership with Earthworm Foundation and Action for Sustainable Derivatives; funded two landscape programmes in Malaysia and Indonesia as a means of addressing risks and investing in a more sustainable palm supply chain from farm level onwards
- Engaged our third-party manufacturers through Manufacture 2030 to help them reduce their environmental footprint through innovative projects and behavioural changes. This included the launch of the 'FMCG Vertical' campaign with peer companies which promoted shared data provision and action planning
- Continued to partner with Oxford University's NbI team to develop the analytic framework for assessing carbon, biodiversity and social impacts in our priority supply chains of latex, palm oil and fragrances
- Continued to run programmes focusing on diversity and Human Rights with our suppliers and external manufacturers
- Continued our programmes of risk-based supplier audits, helping to strengthen labour standards in our supply chain

Customers and communities

- Drove customer collaboration with our top Global customers to deliver Supply Chain value, improving cost to serve and deliver improved instock and reliability of service, which were recognised by top customers with awards
- Partnered with customers on sustainable logistics projects; focused on reducing carbon footprint and increasing productivity and efficiency
- Continued sales partnerships to improve efficiency, customer service and logistics and meet customer demands
- Supported women entrepreneurs and innovation via projects such as the WIN Fund and Climate Gender Equity Fund

People and culture

Pay, recognition and benefits

Our January 2023 global pay review budget was 70% higher than that of the previous year. In January 2024, our budget remained at a broadly similar level to 2023 in line with our goal to ensure all our colleagues are paid competitively and fairly, albeit slightly lower given falling inflation.

We continue to be an accredited Living Wage Employer and paying at least the Living Wage to all our UK employees and contractors.

In line with our 2030 Sustainability Ambitions, our Sustainable Livelihood Framework has been developed to promote a working environment supporting health and wellbeing, equality, employment rights, financial security and skills development.

In 2022, we formed a partnership with the Fair Wage Network and conducted analysis across c.70% of our workforce in our top 10 markets. In 2023, we extended this to cover all of our workforce. We are proud to confirm that all our employees are paid at least the living wage in their location. We are also embedding this in our new hire and annual pay review processes.

In 2023, extensive work has been underway to prepare for the future of pay equity reporting in Europe with the intention to expand scope in future years. We already analyse pay equity data on a mandatory basis in countries including Australia, Canada, the US and South Africa.

People development

Continued focus on embedding and cascading the Leadership Behaviours of Own, Create, Deliver and Care and celebrated role models in excellence of living our Leadership Behaviours and Compass through the Global Compass Awards.

We have transformed our offering in this area, with the introduction of several initiatives:

- LinkedIn Learning Library: Introduced in April 2023, we have c.9,500 unique users with c.15,000 hours of combined learning time across Reckitt
- Functional learning academies: 10 academies across Reckitt offering technical and professional qualifications
- myDevelopment – Learning: A new platform offering personalised development options
- Mentor and coaching programmes: Thriving programmes, including initiatives for specific groups such as Accelerate for women and Global Commercial Future Leadership Potential programmes to spot and develop high-potential senior leaders

Directors' Remuneration Report continued

Diversity and Inclusion

In 2023, we sharpened our Inclusion strategy to focus on three key areas – people, brands and procurement.

We undertook and achieved the Global Equality Standard (GES), a global D&I certification. The GES uses an assessment framework developed in partnership with the UK Government and public and private sector organisations. We have subsequently achieved local GES accreditation in Brazil and India.

Our Global ERGs continue to be critical in policy changes and development programmes, advocating conscious inclusion and shaping our innovation process. The ERGs together have over 50 market chapters enabling us to respond to local needs and issues that matter.

Over 10,000 people have taken part in our Conscious Inclusion programme that promotes the role we all play in creating a more inclusive workplace. Events on allyship and neurodiversity and the introduction of new ERGs, including an LGBTQ+ group in India, underline our commitment to conscious inclusion.

In 2023, our final score for the Human Rights Campaign Corporate Equality Index (HRC CEI) is 100 (out of 100). HRC's CEI rates companies' levels of LGBTQ+ inclusion.

We are now recognised as a top Global employer and top 100 employer in the UK for LGBTQ+ Inclusion by Stonewall. Durex won Brand Ally of the Year at the Pink News Awards in 2023 and we achieved a Disability Confident Level 1 ranking in the UK

See Our People Report
for more information on inclusion at Reckitt.

Employee engagement and wellbeing

We continued with our annual employee survey in August 2023 with an overall 87% response rate.

Some key highlights from this were:

- 80% of our colleagues stated they 'believe in and are inspired by our Purpose to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world';
- 82% of us are 'proud to work at Reckitt'; and
- 82% also agreed 'we are achievers'.

With high engagement from employees, we have seen reduced overall voluntary attrition rate especially for high potential employees compared to last year. We are proud to be named a Top Employer in 15 countries – Bahrain, Canada, China, Germany, Hungary, Italy, Netherlands, Portugal, Romania, Saudi Arabia, South Africa, Spain, UAE, UK and USA, by the Top Employers Institute which has been reinforced by our annual employee survey feedback in which 78% of our colleagues would 'recommend Reckitt as an employer' (3% higher than external benchmarks).

We have also been named one of The Best Workplaces for Women 2023 in Australia and New Zealand, through the trust index survey, ensuring women feel safe, heard, challenged and valued. Reckitt was also named a LinkedIn Top Company in 2023 in the UK and Netherlands.

Our Global Wellbeing Policy recognises mental health, supported by Employee Assistance Programmes, webinars and events such as our Global Steps challenge and Mental Health month.

We continue to host monthly Better Life webinars to help our people maintain a healthy lifestyle and work-life balance. A people leader coaching programme, Coach-On-Demand, in partnership with HINTSA is now accessible for everyone, everywhere. Monitoring the gender pay gap remains a priority and Reckitt voluntarily discloses the gender pay gap for our 10 largest markets, covering approximately 70% of our global permanent workforce.

Directors' Remuneration Report continued

Decision on 2023 bonus outcomes

Reckitt's performance showed progress in 2023 despite complex external market conditions. We exceeded our ingoing NR guidance and worked hard to strengthen our earnings model. We brought our gross margin back to its historical strength, which in turn enabled us to increase BEI investment (+13%) behind our brands and support our innovation launches. We generated strong free cash flows and significantly increased returns to shareholders through our dividend and the start of our new and ongoing share buyback programme. Given this performance and wider assessment as described above and in the Remuneration Chair's letter, the Committee concluded that the formulaic APP payout based on performance against targets is justified and no discretion will be applied.

Under the Remuneration Policy, one-third of the annual bonus will be delivered by way of an award over Reckitt shares and deferred for a three-year period. Kris' and Shannon's 2023 APP awards were pro-rated for the period they served as Executive Directors.

	Base salary (£) X	Target bonus X	Performance multiplier =	Total bonus (£) =	Cash (£)	Deferred into shares (£)
Kris Licht	575,000[1]	100%/120%[2]	2.93x	1,845,900	1,230,600	615,300
Shannon Eisenhardt	158,333[1]	100%	2.93x	463,917	309,278	154,639
Jeff Carr	760,000	100%	2.93x	2,226,800	1,484,533	742,267
Nicandro Durante	1,100,000	120%	2.93x	3,867,600	2,578,400	1,289,200

1. The 2023 base salary for Kris Licht and Shannon Eisenhardt are pro-rated for the period served as Executive Directors
2. Kris' target bonus opportunity as CEO Designate was 100% of salary, which increased to 120% of salary on his appointment as CEO

Vesting of the 2021 LTIP

The Reckitt LTIP is designed to align participants with shareholders through making awards with stretching performance conditions denominated in both performance share options and performance share awards. Kris Licht's award under his previous role and Jeff Carr's award were granted under the previous Remuneration Policy on 28 May 2021. Neither Nicandro nor Shannon participated in the 2021 LTIP as both they were not employees of the Company at the time of grant.

2021 performance targets

Vesting of awards under the 2021 LTIP was dependent on the performance conditions set out in the table below. The targets were adjusted for the disposal of IFCN China during 2022 and were disclosed in detail in the 2021 Directors' Remuneration Report.

Assessment of performance versus targets

The chart below illustrates performance compared to the targets. As set out below, performance against performance measures over the three-year performance period results in an overall 78% vesting of the 2021 LTIP award. In 2023 an impairment was made in respect of IFCN goodwill, reflecting higher interest rates and changes in the regulatory environment. For measuring ROCE for LTIP purpose, capital employed was not adjusted in order to ensure Management will not benefit from the impairment.

Performance measure	Threshold (20% vesting)	Achieved	Maximum (100% vesting)	Vesting (% of total award)
LFL NR growth (3-year CAGR) (50% weighting)	0.9% p.a.	Actual 4.8% p.a.	4.9% p.a.	98%
EPS (final year) on an actual foreign exchange basis (12.5% weighting)	289p	Actual 323.4p	360p	59%
EPS (final year) on a constant FX basis (12.5% weighting)	308p	Actual 332.4p	382p	46%
ROCE (final year) (25% weighting)	13.7%	Actual 14.6%	15.4%	62%
Total vesting				**78%**

● Achieved

Directors' Remuneration Report continued

Overall Group performance taken into consideration

As it does every year, the Committee thoroughly evaluated the performance of both the Group and the Executive Directors in the round to assess whether the level of vesting under the LTIP is both appropriate and justified. The framework that the Committee applies is set out on page 110. The Committee took into account the progress on delivery of the strategy and wider people, culture and sustainability in 2023 as disclosed on pages 112-114 of this report and over the performance period of the 2021 LTIP, as disclosed in previous Annual Reports, as well as the shareholder experience over this period.

Decision on 2021 LTIP vesting outcome

The Committee is satisfied that this outcome is aligned with the shareholder experience and the wider assessment of performance over the last three years and concluded that the overall vesting level is justified and appropriate in this context and that no discretion will be applied.

Vesting of the LTIP for the Executive Directors over the last five years is shown below:

2017–2019	2018–2020	2019–2021	2020–2022	**2021–2023**
0%	0%	21.5%	100%	**78%**

Based on the performance assessment above, the 2021 LTIP award to Kris and Jeff will vest as detailed below. Kris' LTIP award was granted in relation to his previous role which did not sit on the Board. However, the full value of the award has been included for transparency. As mentioned previously, neither Shannon nor Nicandro participated in the 2021 LTIP award.

	Interests held	Exercise price	Vesting %	Interests vesting	Share price (£)[1]	Estimated value (£)
Kris Licht						
Performance shares	25,000	n/a	78%	19,500	55.56	1,083,420
Performance share options	50,000	£64.67	78%	39,000	55.56	0
Jeff Carr						
Performance shares	40,000	n/a	78%	31,200	55.56	1,733,472
Performance share options	80,000	£64.67	78%	62,400	55.56	0

1. As the share price on the date of vesting is unknown at the time of reporting, the value is estimated using the average market value over Q4 2023 of £55.56. The actual value at vesting will be disclosed in the 2024 Annual Report

There is a further two-year holding period attached to the 2021 LTIP award for Kris and Jeff, which means that vested performance shares (net of tax withholding) will not be released until 1 January 2026, and the resultant shares (net of any tax withholding and the exercise cost as appropriate) from the exercise of any vested performance share options will not be released until 1 January 2026.

Directors' Remuneration Report continued

Single total figure of remuneration for Executive Directors (audited)

The table below sets out a single figure for the total remuneration received by each Executive Director for the year ended 31 December 2023, based on the information set out in the previous sections. This is compared to the prior year figure:

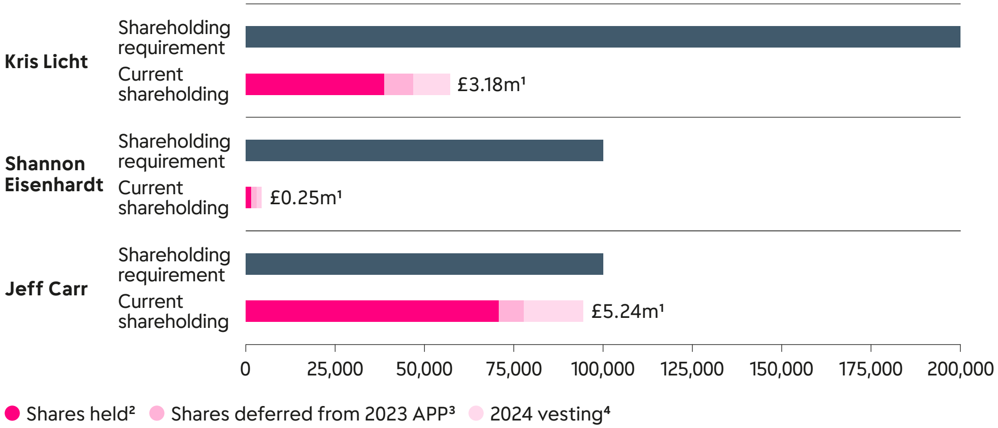
	Current Executive Directors						Former Executive Director	
	Kris Licht[1]		Shannon Eisenhardt[2]		Jeff Carr		Nicandro Durante[3]	
	2023 £	2022 £	**2023 £**	2022 £	**2023 £**	2022 £	**2023 £**	2022 £
Base salary	**575,000**	–	**158,333**	–	**760,000**	721,000	**1,100,000**	363,044
Taxable benefits[4]	**57,553**	–	**192,775**	–	**16,884**	16,817	**292,130**	199,346
Pension benefit[5]	**57,500**	–	**15,833**	–	**76,000**	72,100	**–**	–
Annual bonus[6]	**1,845,900**	–	**463,917**	–	**2,226,800**	2,573,970	**3,867,600**	1,555,279
LTIP[7,8]	**1,083,420**	–	**–**	–	**1,733,472**	2,516,000	**–**	–
Buyout awards[9]	**–**	–	**411,971**	–	**–**	–	**–**	–
Fixed remuneration	**690,053**	–	**366,942**	–	**852,884**	809,917	**1,392,130**	562,390
Variable remuneration	**2,929,320**	–	**875,888**	–	**3,960,272**	5,089,970	**3,867,600**	1,555,279
Total	**3,619,373**	–	**1,242,830**	–	**4,813,156**	5,899,887	**5,259,730**	2,117,669

1. Kris Licht received an annual salary of £900,000 as CEO Designate on the Board between 1 June 2023 and 30 September 2023. This increased to £1,100,000 upon taking the role of CEO from 1 October 2023. His salary was pro-rated for the period served as an Executive Director. Kris Licht's salary in respect of his employment as President Health and Chief Customer Officer, a role which did not sit on the Board, is not included
2. Shannon Eisenhardt received an annual salary of £760,000 for the period from 17 October 2023 (when she joined Reckitt and the Board) to the end of the year (2.5 months of the year). Her salary was pro-rated for the period since joining the Company
3. Nicandro Durante stepped down as CEO in October 2023 and from the Board on 31 December 2023. Nicandro's remuneration shown for 2022 relates to services as an Executive Director only
4. Benefits for Kris Licht in 2023 primarily consist of one-off relocation costs, the use of a car, healthcare and tax support. For Shannon Eisenhardt, the benefits include one-off relocation costs including temporary accommodation, the use of a car, home leave flights, healthcare and tax support. For Jeff Carr, the benefits include a car allowance and healthcare. For Nicandro Durante, this includes mainly one-off relocation costs, the use of a car, healthcare and tax support. Where relevant the costs above include a gross-up for tax
5. The Company paid all current Executive Directors a cash allowance in respect of pension provision to the value shown in the table above. These payments reflect the full pension provision outlined in the Policy Table. Directors are only entitled to pension on a defined contribution (or cash allowance) basis, with no defined benefit accrual. Nicandro Durante did not receive a pension allowance
6. Annual bonus reflects financial performance at 82% of the maximum level of the performance range set for the 2023 bonus; the Committee's assessment of performance of both the Company and the Executive Directors in the round, and the Committee's determination of the level of annual bonus payout at 82% of the maximum level in line with the formulaic outcome is appropriate as set out on pages 110-115. One-third of this is deferred into share awards for three years and will vest subject to continued employment. Kris Licht's annual bonus has been pro-rated for time served as both CEO Designate (annual bonus target of 100% of salary) and CEO (annual bonus target of 120% of salary). Kris Licht's annual bonus in respect of his employment as President Health and Chief Customer Officer, a role which did not sit on the Board, is not included. Shannon Eisenhardt's annual bonus has been pro-rated for time served as CFO Designate
7. Reflects the estimated value of LTIP performance share options and performance shares granted to Kris Licht and Jeff Carr in May 2021, which are due to vest in May 2024 at 78% of maximum. Valued using an average share price over Q4 2023 of £55.56. See the relevant section on page 116 for more details. None of this value is attributable to share price growth over the vesting period. The Committee did not apply discretion in determining the remuneration resulting from the 2021 LTIP vesting. Kris Licht's LTIP award was granted in relation to his previous role which did not sit on the Board, however, the full value of the award has been included for transparency. Neither Shannon Eisenhardt nor Nicandro Durante participated in the 2021 LTIP awards
8. The value of the 2022 LTIP vesting for Jeff Carr has been restated from last year, which used an average share price of £58.22 over Q4 2022 to estimate the value of the vesting. The actual value shown above is based on the share price on the date of vesting of £62.90 on 30 May 2023. As the share price at the date of vesting was lower than the share price at the date of the award, none of the value is attributable to share price growth
9. As part of Shannon Eisenhardt's recruitment package, she received buyout awards in respect of awards forfeited on leaving her former employer. The value shown in the table relates to both an award of restricted shares (£305,352) and the FY24 Nike annual bonus award (£106,619). The restricted share awards vest in equal tranches. The first tranche that vested in December 2023 has been valued based on the closing share price of £53.82 at the date of vesting, and the second tranche vesting in December 2024 has been estimated based on the share price at the date of grant, being £55.94. The payment in respect of the FY24 Nike annual bonus is based on Shannon's target bonus opportunity, pro-rated for the period 1 June to 16 October 2023, for the portion of Nike's performance year elapsed until Shannon joined Reckitt, assuming a target payout. As part of this calculation, Shannon's Nike salary has been converted into pounds sterling using an average Q4 2023 USD:GBP FX of 1:0.806. Shannon was also granted performance shares awards as part of her buyout – the value of these will be included in the single figure table for the financial period in which the relevant performance period ends

Directors' Remuneration Report continued

Shareholding of Executive Directors compared to requirements

The bar chart below illustrates the Executive Directors' shareholding compared to the Company's shareholding requirements. Executives have a period of eight years from appointment to achieve the requirements of 200,000 shares for the CEO and 100,000 for the CFO. All current Executive Directors are showing expected progress towards meeting these requirements as reflected below:



1. Current shareholding value based on the average closing share price in Q4 2023 of £55.56
2. Includes shares owned outright and shares subject to post-vesting holding restrictions
3. This is the estimated number of shares under the Deferred Bonus Plan, after tax, including those to be deferred from the 2023 APP
4. For Kris Licht and Jeff Carr, this is an estimate of the number of shares vesting in May 2024 under the 2021 LTIP, after tax. For Shannon, this also includes the restricted shares from buyout awards vesting in December 2024

Executive Directors' shareholding requirements (audited)

Executive Directors are expected to acquire significant numbers of shares over eight years and retain these until retirement from the Board, with a portion required to be retained post-employment as described below.

These shareholding requirements (200,000 shares for the current CEO and 100,000 shares for the current CFO) are the most demanding in the market and are equivalent to c.1,010% and c.731% of salary for the CEO and CFO, respectively, based on a share price of £55.56. These requirements are also more than double the current annual LTIP award using a Black-Scholes valuation of 10% for the performance share options.

We also have post-employment shareholding requirements for a further two years. The post-employment shareholding requirement is enforced through a restriction on Executive Directors' vested shares, held by our external share plan administrator, which requires Company permission before these shares can be sold. This restriction excludes shares purchased by the Executive Directors.

The two-year post-employment shareholding requirement is 50% of the shareholding requirement or actual shareholding on leaving if lower. This represents more than c.505% of salary for the CEO and c.366% for the CFO and is more stretching than the majority of other UK companies' in-employment shareholding requirements; it is also greater than the current annual LTIP award.

The table below shows the current shareholding of each Executive Director against their respective shareholding requirements as of 31 December 2023:

	Shareholding requirement (number of shares)	Total beneficial interests (number of shares)[1]	Shares awarded under the Deferred Bonus Plan[2]	Shares subject to time vesting only[3]	Performance shares		Options held		
					To vest in 2024[4]	Unvested, subject to performance[5]	Vested but not exercised	To vest in 2024	Unvested, subject to performance
Kris Licht	200,000	25,995	20,856	10,000	10,335	80,000	50,000	39,000	160,000
Shannon Eisenhardt	100,000	1,471	1,474	1,474	–	38,227	–		58,905
Jeff Carr	100,000	51,069	26,697	–	16,536	80,000	80,000	62,400	160,000
Nicandro Durante[6]	200,000	1,105	17,011	–	–	58,333	–	–	116,666

1. 'Total beneficial interests' includes shares owned outright and shares subject to post-vesting holding restrictions
2. 'Shares awarded under the Deferred Bonus Plan' shows the estimated number of shares awarded under the Deferred Bonus Plan, after tax, including an estimate of those to be deferred from the 2023 annual bonus
3. For Shannon Eisenhardt, this is the unvested restricted shares under buyout awards, after tax as detailed on page 109. For Kris Licht, includes the award under the Share Ownership Policy (SOP) granted before his appointment to the Board based on continued employment and the achievement of shareholding requirements
4. This is an estimate of the number of shares vesting to Kris Licht and Jeff Carr in May 2024 under the 2021 LTIP, as detailed on page 116, after tax
5. For Shannon Eisenhardt, this includes the performance shares granted under buyout awards
6. Nicandro Durante's shareholding immediately following cessation of employment on 31 December 2023. Since stepping down from the Board on 31 December 2023, Nicandro has been subject to the post-employment shareholding requirements of 100,000 shares (or his actual holding on leaving if lower) for two years following cessation of employment (to 31 December 2025). Shares purchased by Nicandro are not subject to the post-employment shareholding requirement

Directors' Remuneration Report continued

2023 LTIP awards and other awards granted in 2023 (audited)

The table below sets out the LTIP awards and other awards made to Kris Licht, Shannon Eisenhardt, Jeff Carr and Nicandro Durante during 2023. Dividend equivalents accrue on performance shares during the performance period, but will only pay out on vested performance shares. Vesting of these awards in full requires achievement of stretching performance conditions over the three-year period. In line with the Directors' Remuneration Policy, for Executive Directors there is a further two-year holding period for the 2023 LTIP commencing after the end of the three-year performance period. Both Nicandro and Jeff have been treated as a 'good leaver' and their 2023 LTIPs will be pro-rated for the performance period worked as Executive Directors, subject to the same performance conditions and vest according to the original timescales.

	Date of grant	Shares over which awards granted	Market price at date of award (£)[1]	Exercise price (£)[2]	Face value (£)[3]	Face value less exercise price (£)	Performance period	Exercise/vesting period	Holding period
Performance shares									
Kris Licht	21 Mar 2023	40,000	59.18	n/a	2,367,200	n/a	1 Jan 2023–31 Dec 2025	Mar 2026	1 Jan 2028
Shannon Eisenhardt	26 Oct 2023	29,453	55.94	n/a	1,647,601	n/a	1 Jan 2023–31 Dec 2025	Mar 2026	1 Jan 2028
Jeff Carr	21 Mar 2023	40,000	59.18	n/a	2,367,200	n/a	1 Jan 2023–31 Dec 2025	Mar 2026	1 Jan 2028
Nicandro Durante	21 Mar 2023	75,000	59.18	n/a	4,438,500	n/a	1 Jan 2023–31 Dec 2025	Mar 2026	1 Jan 2028
Performance share options									
Kris Licht	21 Mar 2023	80,000	59.18	58.28	4,734,400	72,000	1 Jan 2023–31 Dec 2025	Mar 2026–Mar 2033	1 Jan 2028
Shannon Eisenhardt	26 Oct 2023	58,905	55.94	58.87	3,295,146	0	1 Jan 2023–31 Dec 2025	Mar 2026–Mar 2033	1 Jan 2028
Jeff Carr	21 Mar 2023	80,000	59.18	58.28	4,734,400	72,000	1 Jan 2023–31 Dec 2025	Mar 2026–Mar 2033	1 Jan 2028
Nicandro Durante	21 Mar 2023	150,000	59.18	58.28	8,877,000	135,000	1 Jan 2023–31 Dec 2025	Mar 2026–Mar 2033	1 Jan 2028
Buyout awards[4]									
Shannon Eisenhardt	26 Oct 2023	2,782	55.94	n/a	155,625	n/a	n/a	Dec 2023	n/a
	26 Oct 2023	2,782	55.94	n/a	155,625	n/a	n/a	Dec 2024	n/a
	26 Oct 2023	3,526	55.94	n/a	197,244	n/a	1 Jun 2021–31 May 2024	Aug 2024	n/a
	26 Oct 2023	5,248	55.94	n/a	293,573	n/a	1 Jan 2022–31 Dec 2024	Aug 2025	n/a

1. The market price at date of award is the closing share price on the date of grant
2. The exercise price is based on the average closing share price over the five business days prior to the date of grant
3. For performance shares, the face value is based on the share price at the date of award and assumes the stretching performance criteria are met to achieve full vesting. For performance-based share options, the face value in the table above is calculated as the number of share options multiplied by the market price at date of award. However, the actual value to a participant at the time of exercise will be the difference between market price at that time and the exercise price for the number of share options vesting, after the assessment of performance against the stretching performance criteria set. It should be noted that the 'face value' shown above would therefore only be realised if the stretching performance conditions are met in full and the share price at the time of exercise is double the exercise price
4. These are buyout awards granted to Shannon in respect of legacy awards from her previous employer. The two awards of 2,782 shares are subject to continued employment, the award of 3,526 shares is subject to Nike performance and the award of 5,248 shares is subject to Reckitt performance

Unchanged from previous years, the Reckitt 2023 LTIP awards are based 40% on NR, 25% on ROCE, 25% on relative TSR and 10% on ESG measures.

NR continues to be measured as LFL growth over three years. ROCE is measured based on the final year of the performance period and is a measure of how efficient the Group is at converting its capital into earnings. For LTIP purposes ROCE is measured on a constant currency basis. In addition, LTIP targets include impairments prior to the start of the performance period, whereas in the calculation elsewhere in the Annual Report total assets have been adjusted to add back impairments of Goodwill, except where the impaired asset has been disposed or partially disposed. If there are any impairments during the performance period, the Committee will ensure that this does not lead to an increase in the vesting by adjusting the capital employed accordingly and to ensure a LFL comparison to the targets. Relative TSR is measured against a peer group comprising 20 relevant peer companies, with the addition of Haleon from the 2023 LTIP. The targets associated with the 2023 LTIP awards were disclosed in the 2022 Annual Report on Remuneration.

Directors' Remuneration Report continued

Wider workforce pay arrangements

Reckitt cascades its reward policy fairly and consistently throughout the organisation and the Remuneration Committee considers the arrangements for the wider workforce when setting Executive Directors' remuneration. During the year, the Committee considered workforce remuneration and related policies on several occasions, as well as the alignment of incentives and rewards with culture.

Information reviewed by the Remuneration Committee includes salary structures, bonus design and targets, the LTIP, share ownership, our global mobility policies, provision of benefits and Reckitt's all-employee share plans. The Committee is pleased to note from this review that the Company's remuneration policies continue to be aligned with those of the Executive Directors, with a cascade throughout the organisation.

We continued to ensure that all our employees are paid fairly by being an accredited Living Wage Employer and further developing the Sustainable Livelihood Framework in 2023. We also continued with various initiatives on Diversity and Inclusion, such as the Stronger Together conversations and our Conscious Inclusion programme. Focusing on further developing our people, we introduced several learning programmes such as functional learning academies and mentor and coaching programmes.

Employee wellbeing has also been a key area of focus in 2023. We continued to host monthly wellbeing webinars and introduced a Better Site Life programme for our factory-based colleagues. We also expanded our people leader coaching programme to everyone and introduced a new Caregivers Support programme in partnership with HINTSA as well as curated content for moments that matter.

Our annual employee survey gathered an impressive 87% response rate in 2023, revealing key highlights such as 80% believe in our Purpose, 82% have pride in working at Reckitt, and 82% are in agreement that 'we are achievers.' Reckitt was recognised by Top Employers Institute as a Top Employer 2023 in 15 countries, which, coupled with a 78% recommendation rate from our colleagues, demonstrates Reckitt's sustained commitment to its employees.

For more details please refer to the People and culture section on pages 113-114.

At Reckitt, we are proud of our people and their achievements, as well as our reward policies and practices that reflect our values and culture. We continue to focus on maintaining an open, transparent culture by promoting continuing dialogue across the Company. During 2023, Mary Harris's activity as the Designated Non-Executive Director for Engagement with Company's Workforce has allowed her to feed back the views of the workforce to the Remuneration Committee as well as the wider Board. Each year the Company holds several engagement sessions with employees and organises site visits during which townhall meetings and smaller group discussions with our people take place. Details of this engagement can be found in the Section 172 Statement, which can be found on pages 76-77.

The table on page 121 summarises the remuneration structure for the wider workforce.

Directors' Remuneration Report continued

Salary	Annual bonus	Long-term incentive	Pension	All employee shares	Share ownership	Benefits
Salary increases are based on individual performance ratings, talent ratings, and local market practices and conditions e.g. inflation. For 2024, the salary increase budget for the wider UK workforce was 5.5% to 6%. The average total pay across the Group in 2023 was £57,057. The median CEO pay ratio is 1:99 (page 123). Reckitt is accredited by the Living Wage Foundation and all our employees are paid at least the living wage in their location. This certifies our commitment to employees that they will receive a wage that not only exceeds the minimum wage but also recognises the actual cost of living in the UK.	Our APP is consistently implemented across the organisation with 16,000 participating employees. Target bonuses and maximum multipliers increase with progression and promotion. Bonus payouts, aligned with Executive Directors, are tied to Reckitt's financial performance. All employees are incentivised based on net revenue and a profit measure, varying by role. Most roles include a third measure, such as NWC. Additional bonus plans for specific areas like sales and factories are in operation.	Reckitt grants LTIP awards to the GEC, Group Leadership team and Senior Management team. Awards under our Middle Manager High Potential awards are made to selected employees below these levels to reward long-term performance and value creation. The 2024 awards use the same measures and performance period as for the Executive Directors. Awards are a fixed number of options and shares, based on employee level, performance and potential. In addition, participants below the GEC receive restricted shares awards. Managers can recommend additional awards to key employees.	A pension/gratuity scheme is offered to more than 80% of our global employees. Countries where pension provision is not prevalent in the local market and/or is provided by the state remain an exception to the above. In the UK, all Reckitt employees are eligible to receive a Company pension contribution of at least 10% of pensionable salary, irrespective of any personal contribution made.	We offer a global share plan for all employees to buy Reckitt shares at a discount over three years. This is offered to over 95% of our employees globally where local legislations permit, and is supported by a network of 120 local champions and communicated in 24 languages. At the end of 2023, around 14,000 Reckitt employees were participating in one of our three share plans, with just under a total of £76 million of employee savings in our all-employee share plans, or about £5,500 on average per participating employee. We allow and encourage a 12-month savings sabbatical for employees on maternity leave.	Reckitt is proud of our ownership culture. Our GEC and Group Leadership team have shareholding requirements with eight years within appointment to reach target. These are very demanding and reviewed annually by the Remuneration Committee. Amongst the GEC, the total shareholding requirement is around £56 million[1] and the average shareholding requirement among this group, excluding the CEO, is c.511% of salary. Aggregate actual holding for the GEC is £26 million[1], equivalent to an average of 297% of salary. Total shareholding requirement for all employees with requirements is £86 million[1], equivalent to an average of 401% of salary. Current actual holding is £56 million[1] and the actual average holding is 263% of salary.	We provide regularly reviewed, market-competitive and inclusive benefits for all our employees. Core benefits include: Life insurance for all employees at least 2x base salary. Global parental leave policy. At least 26 weeks paid maternity leave and four weeks paid paternity leave. Employee Assistance Programme in every country which has helped our employees during the pandemic and beyond. Health insurance for most employees, where the state does not cover it, with spouse and/or children also covered in some markets. Video GP access in the UK and the US. International Transfer Policy for global mobility and career development. Employees transfer on local terms basis. Additional benefits for some moves, such as international healthcare, pension, school fees, tax support and home leave.

Directors' Remuneration Report continued

Salary	Annual bonus	Long-term incentive	Pension	All employee shares	Share ownership	Benefits
Comparison with Executive Director remuneration						
Salary increases take into account the approach for the wider workforce. Salaries are also set competitively against peers in support of the recruitment and retention of Executive Directors. The CEO and CFO did not receive a salary increase for 2024.	For Executive Directors, bonuses are directly related to Reckitt's financial performance: NR, adjusted profit before income tax targets, as well as NWC which acts as a downward modifier only. APP operates on a multiplicative basis, in the same way as for the wider workforce. One-third of annual bonus payments for Executive Directors are subject to a three-year deferral into awards over Reckitt shares. We have malus and clawback and other safeguards in place to manage any potential risk that may arise from the use of the APP.	Executive Directors' LTIP grants comprise performance share options and performance share awards (based on a fixed number), which for the 2024 awards will vest subject to the achievement of LFL NR, ROCE, relative TSR and ESG performance targets. In addition to the LTIP's three-year performance period, Executive Directors are subject to an additional two-year holding period commencing at the end of the performance period.	Under the Policy, our Executive Directors are eligible to receive a Company pension contribution of 10% of salary, in line with the wider workforce in the UK. They are eligible to take this as a cash alternative.	Executive Directors are eligible to participate in the all-employee Sharesave Scheme on the same basis as all employees.	The Executive Directors have shareholding requirements of 200,000 shares for the CEO and 100,000 for the CFO, the most demanding requirements in the UK market[2]. These are equivalent to c.1,010% and c.731% of salary[1], respectively. Executive Directors are additionally subject to a post-employment shareholding requirement which is enforced through restrictions put in place by our share plan administrator. The table on page 118 sets out the progress of the Executive Directors towards their shareholding requirements.	Executive Directors receive benefits which consist primarily of the provision of a Company car/allowance, risk insurances and healthcare. In addition, Executive Directors are eligible for the benefits available to the wider UK workforce.

1. Based on the average closing share price in Q4 2023 of £55.56
2. Compared against constituents of the FTSE 30

Directors' Remuneration Report continued

Gender pay gap

The Board reviews the Company's gender pay gap and publishes an annual gender pay report that can be found on our website under the Fairer Society heading of Our Impact section. To increase transparency on this issue Reckitt voluntarily discloses the gender pay gap for our 10 largest markets by workforce size, including the UK, which together make up around 70% of our global permanent workforce.

As disclosed in Our People Report, Reckitt has set targets to increase the number of women in senior leadership positions and has a number of initiatives to increase this representation.

A summary of the gender pay statistics is also included below:

The gender pay gap in the UK as at 5 April 2023 is

Median **-10.6%**	Mean **3.7%**

The gender pay gap in the UK as at 5 April 2022 is

Median **-10.8%**	Mean **2.4%**

Further data and information on the initiatives Reckitt is taking on diversity and inclusion are set out in Our People Report.

CEO pay ratio

The table below provides pay ratios of the CEO's total remuneration to the remuneration of UK employees at the lower quartile, median and upper quartile. This is in line with UK reporting requirements.

For 2023, the total pay and benefits paid to both Nicandro Durante and Kris Licht whilst in the role of CEO have been combined to calculate the total CEO pay for 2023.

CEO	Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
	2023	Option A	1:136	1:99	1:57
	2022	Option A	1:82	1:61	1:34
	2021	Option A	1:170	1:121	1:78
	2020	Option A	1:244	1:177	1:100
	2019	Option A	1:158	1:115	1:70

The calculations reflect the application of Reckitt's reward policy across the organisation as set out in the section on wider workforce pay arrangements.

In particular, the Remuneration Committee believes the pay ratio is consistent with the Group's wider policies on employee pay, reward and progression. Reckitt ensures that employees are paid fairly for their role, based on the location they work in and their performance in role. As such, the base salary, annual bonus and benefits are based on the same principles for the identified employees as they are for the CEO. During 2023 Nicandro Durante was CEO until 30 September and Kris Licht was CEO from 1 October; in calculating the CEO pay ratio we have therefore used the aggregate of the amounts paid to each of them in respect of their service as CEO. The median pay ratio has increased from 2022 which reflects the fact that the CEO's remuneration fluctuates year-on-year as a significant proportion of the package is variable pay and in 2022 the annual bonus paid to the CEO was lower than 2023.

In calculating the ratio we have used Option A, in line with shareholder guidelines. The employees used in the calculations were selected on 5 March 2024 following the end of the financial year.

For identifying the three employees at the lower quartile, median and upper quartile, the following methodology has been used:

- All UK employees' total remuneration as at 31 December 2023 has been considered, excluding leavers and employees who were absent for more than 20 days during the financial year, as these would distort the ratio
- Full-time equivalent salary, variable pay, allowances and benefits (using the part-time values and converting these to full-time equivalent values) have been calculated. In order to calculate the value of taxable benefits we have taken the P11D value, due to ease of accessing data. Actual pension contributions have been used, and, where appropriate, converted to full-time equivalents

The table below summarises the identified employees in 2023:

	25th percentile (£)	Median pay (£)	75th percentile (£)
Total employee pay and benefits	39,069	53,506	93,980
Salary component	29,528	40,845	66,260

In addition, Note 5 to the Financial Statements sets out the total employment costs and average number of employees globally, during 2023. Based on these, the average global pay during 2023 was £57,057 and consequently the pay ratio between the CEO and average global employee was 1:93.

Directors' Remuneration Report continued

Implementation of Directors' Remuneration Policy in 2024

Salary

As set out earlier in this report, neither the CEO nor CFO received a salary increase for 2024. The budgeted average increase for the UK workforce was 5.5% to 6% depending on location. The CEO's salary for 2024 is £1,100,000 and the CFO's is £760,000.

Pension

The CEO and CFO are eligible to receive a pension contribution, or equivalent cash allowance, of 10% of salary, which is in line with the Company's level of contribution for all UK employees.

2024 Annual bonus

There are no changes to the bonus opportunity for the CEO and CFO, remaining at 120% and 100% of salary at target, respectively. Bonuses for 2024 will remain based on Reckitt's NR and adjusted profit before income tax targets, measured in GBP at a constant exchange rate, with the outcome under each of the measures combined multiplicatively to give a maximum bonus outcome of 3.57x the target bonus opportunity if both targets are met.

As with the 2023 bonus, the NWC metric will act as a downward modifier, applying on a multiplicative basis to the combined outcome of the NR and adjusted profit before income tax targets, with a maximum multiplier of 1x. One-third of any bonus earned will be deferred into Reckitt shares for three years.

As it does every year, the Committee will continue to evaluate the performance of both the Group and the Executive Directors in the round and with regard to broader circumstances to assess whether the level of annual bonus payout is appropriate and justified, before determining the final bonus payout.

We have not disclosed the performance target ranges for 2024 as we consider them to be commercially sensitive. However, we commit to retrospectively disclosing the performance ranges in the Directors' Remuneration Report for the year ending 31 December 2024.

2024 LTIP awards

Award levels

There are no changes to the LTIP award levels for the CEO or CFO for 2024. These have been reviewed in light of share price performance, Group performance and individual performance. Kris Licht's 2024 LTIP award will consist of 150,000 performance share options and 75,000 performance shares and Shannon Eisenhardt's award will be 80,000 performance share options and 40,000 performance shares. These awards are expected to be made in early March 2024, following the full-year results announcement. Jeff Carr will not receive a 2024 LTIP award.

Performance conditions

The LTIP performance metrics and their associated weightings are unchanged from the 2023 LTIP awards and are as follows:

- LFL NR growth (40% weighting)
- ROCE (25% weighting)
- Relative TSR (25% weighting)
- ESG (10% weighting)

The Committee went through a robust process when setting these targets, taking into account a number of factors and different reference points and the Committee considers that the targets set are very stretching. Awards granted in 2024 will vest in line with the descriptions below, which require significant outperformance of targets.

LFL NR growth

NR is measured as LFL growth over three years. At the time these targets were set the Committee took into account market consensus and our stated ambition for LFL NR growth is mid-single-digit in the medium term. In this context, the Remuneration Committee believes that the performance ranges are appropriately stretching and incentivise management to deliver outperformance. 20% of this element will vest for achieving 2.0% per annum growth increasing to full vesting for achieving 5.0% per annum growth.

ROCE

ROCE is measured in the final year of the performance period and is a measure of how efficient the Group is at converting its capital into earnings. For LTIP purposes, ROCE is measured on a constant currency basis. In addition, LTIP targets include impairments prior to the start of the performance period, whereas in the calculation elsewhere in the Annual Report total assets have been adjusted to add back impairments of Goodwill, except where the impaired asset has been disposed or partially disposed.

If there are any impairments during the performance period, the Committee will ensure that this does not lead to an increase in the vesting by adjusting the capital employed accordingly and to ensure a LFL comparison to the targets. 20% of this element will vest for achieving 14.9% increasing to full vesting for achieving 16.9%.

Relative TSR

Relative TSR directly aligns LTIP participants with the shareholder experience and will only reward for TSR outperformance against our peers.

As it does every year, the Committee reviewed the constituents of the peer group to ensure that they remain appropriate to assess performance against and also considers whether any additional peers should be added. The outcome of this review was that all of the current peer companies remain appropriate and that Kenvue (which was listed as an independent business in 2023) should be added to the peer group.

Directors' Remuneration Report continued

Therefore, the peer group for the 2024 LTIP awards comprises 21 companies with which we compete for capital and to which shareholders compare us and is also an appropriate group against which to incentivise LTIP participants to outperform. The peer companies are primarily drawn from the constituents of the MSCI World House and Personal Products Index, with others forming part of the broader 'FMCG' industry which are subject to similar industry dynamics and market challenges as Reckitt. The constituents will be reviewed on an annual basis and, in particular, as new comparators come to the market. The TSR peer group for the 2024 LTIP award is set out below:

Beiersdorf	Estée Lauder	Kimberly-Clark	Shiseido
Church & Dwight	Haleon	Lindt	Unicharm
Clorox	Henkel	L'Oréal	Unilever
Colgate Palmolive	JDE	Mondelēz	
Danone	Kao	Nestlé	
Essity	Kenvue	Procter & Gamble	

Under the relative TSR measure, 20% of the award will vest for TSR at the median of the peer group, increasing to full vesting for upper quartile performance or above.

ESG

ESG measures were introduced from the 2022 LTIP to align participants with, and incentivise delivery of, our 2030 Sustainability Ambitions. There are two equally weighted metrics for the 2024 LTIP award. The ESG targets are based on rigorous methodology, are independently assured and, in the case of our carbon emissions, support our delivery of externally validated SBTs on emissions reduction. Targets are based on achievement in the final year of the performance period and take into account the plans that we have to achieve the Sustainability Ambitions. The measures and targets are as follows:

i. **Percentage of net revenue from more sustainable products** – this has been an annual reporting KPI since 2012 and supports our ambition of 50% of NR being from more sustainable products by 2030. This is measured using our SIC. The calculator evaluates the sustainability impact of every new product versus existing products and established benchmarks. It helps measure carbon, water, plastics, ingredients and packaging footprints in new products for our global brands, targeting their reduction to enable more sustainable products in the future. It includes Scope 3 product emissions (including the carbon and water impact from consumer use), which is the most impactful lifecycle stage of our products. We achieved 29.6% of NR from more sustainable products in 2023 and have set the targets for this measure based on the Plan to 2030, such that 20% of this element will vest for achieving 43% of NR from more sustainable products increasing to full vesting for achieving 46% in 2026.

ii. **Percentage reduction in GHG emissions in operations** – this supports the delivery of our externally validated SBTs for 2030 to help maintain global warming at less than 1.5°C, including a 65% reduction in GHG emissions in operations against our 2015 baseline. For the purposes of reward outcomes, any offsetting activities will not count towards achievement of these targets. A total of 20% of this element will vest for achieving a 67% reduction in GHG emissions in operations by 2026, increasing to full vesting for achieving a 70% reduction. The threshold of a 67% reduction is above the goal that we set for ourselves by 2030, with the maximum target of a 70% reduction significantly beyond this, requiring us to exceed our 2030 SBT ahead of schedule. These targets are considered stretching taking into account internal forecasts.

Summary of 2024 LTIP targets

Performance will be assessed for each measure, at the end of the three-year performance period, on a sliding scale as set out below:

	Threshold (20% vesting)	Maximum (100% vesting)
LFL NR growth (3-year CAGR) (40% weighting)	2.0%	5.0%
ROCE (final year) on a constant foreign exchange basis (25% weighting)	14.9%	16.9%
Relative TSR (25% weighting)	Median	Upper quartile
ESG: % of NR from more sustainable products (final year) (5% weighting)	43%	46%
ESG: % reduction in GHG emissions in operations (final year) (5% weighting)	67%	70%

Directors' Remuneration Report continued

ADDITIONAL REMUNERATION DISCLOSURES

Percentage change in the remuneration of Directors

We are required to publish the annual percentage change in remuneration (salary or fees, benefits and annual bonus) for each Director compared to the annual average percentage change in remuneration for the employees (excluding Directors) of the Parent Company. Since the CEO and CFO are the sole employees of Reckitt Benckiser Group plc, this statutory disclosure is not possible. In the table below we are therefore voluntarily disclosing the percentage change in remuneration for all UK employees in order to provide a representative comparison. The Company considers UK employees to be an appropriate comparator group as the Executive Directors' remuneration arrangements are similar in structure to the majority of these employees and it reflects the economic environment where the Executive Directors are employed. The analysis is based on a consistent set of employees for each comparison, i.e. the same individuals or roles appear in the 2022/23 comparison, and similarly for previous year comparisons.

	2022/23			2021/22			2020/21			2019/20		
	Salary/fee	Benefits	Bonus	Salary/fee	Benefits	Bonus	Salary/fee	Benefits	Bonus	Salary/fee	Benefits	Bonus
All UK employees[1]	6.5%	1.6%[2]	6.1%	4.1%	2.1%[2]	15.6%	5.9%	6.2%[2]	-8.9%	4.5%	1.5%[2]	505.4%
Chris Sinclair (Chair of the Board)	5.3%	–	–	10.0%	–	–	3.6%	–	–	10.0%	–	–
Olivier Bohuon[3]	23.2%	–	–	2.6%	–	–	–	–	–	–	–	–
Andrew Bonfield[4]	-0.7%	–	–	6.2%	–	–	2.4%	–	–	4.1%	–	–
Jeff Carr (CFO)[5]	5.4%	0.4%	-13.5%	3.0%	0.4%	12.8%	41.5%	37.3%	29.3%	–	–	–
Jeremy Darroch[6]	516.2%	–	–	–	–	–	–	–	–	–	–	–
Nicandro Durante (former CEO)[7]	139.8%	46.5%	148.7%	178.0%	–	–	1.9%	–	–	14.1%	–	–
Shannon Eisenhardt (CFO Designate)[8]	–	–	–	–	–	–	–	–	–	–	–	–
Mary Harris	-1.6%	–	–	-3.8%	–	–	2.0%	–	–	14.4%	–	–
Tamara Ingram[9]	–	–	–	–	–	–	–	–	–	–	–	–
Mehmood Khan	3.4%	–	–	2.6%	–	–	2.7%	–	–	4.7%	–	–
Pam Kirby	2.6%	–	–	2.0%	–	–	2.0%	–	–	7.3%	–	–
Kris Licht (CEO)[10]	–	–	–	–	–	–	–	–	–	–	–	–
Alan Stewart[11]	17.2%	–	–	–	–	–	–	–	–	–	–	–
Elane Stock	3.4%	–	–	2.6%	–	–	2.7%	–	–	4.7%	–	–
Margherita Della Valle[12]	3.4%	–	–	2.6%	–	–	105.4%	–	–	–	–	–

1. The percentages for 'All UK employees' reflect the average percentage change in full-time equivalent salary, taxable benefits and allowances, and bonus for colleagues based in the UK between 2019/20, 2020/21, 2021/22 and 2022/23. It only includes colleagues employed in both years in the comparison
2. The percentage change in taxable benefits for all UK employees excludes international transfer benefits as this is volatile from year to year based on each individual's circumstances
3. Olivier Bohuon was appointed to the Board on 1 January 2021 and so no comparison is shown for 2020/21 and 2019/20
4. Andrew Bonfield held the role of Senior Independent Director on an interim basis from 1 September to 31 October 2022. The additional fees for this period are included above
5. Jeff Carr joined on 9 April 2020 as the CFO of the Company so no comparison is shown for 2019/20. The percentage change shown for 2020/21 reflects actual remuneration received during 2020 for service from Jeff Carr's appointment on 9 April 2020 to 31 December 2020
6. Jeremy Darroch was appointed to the Board on 1 November 2022 and so no comparisons are shown for 2021/22 and before. The comparison for 2022/23 reflects that the 2022 fee was only received for part of the year
7. Nicandro Durante stepped down as a NED on 1 September 2022 and became Executive Director from 2 September 2022. The percentage change figures for 2021/22 and 2022/23 reflect an aggregate of remuneration paid for both his Executive and Non-Executive roles during 2022
8. Shannon Eisenhardt joined on 17 October 2023 as the CFO Designate of the Company and so no comparison is shown
9. Tamara Ingram was appointed to the Board on 1 February 2023 so no comparison is shown
10. Kris Licht was appointed to the Board as an Executive Director on 1 June 2023 so no comparison is shown
11. Alan Stewart was appointed to the Board on 1 February 2022 and so no comparison is shown for 2021/22 and before. The percentage change figures for 2022/23 reflect that the 2022 fee was only received for part of the year
12. Margherita Della Valle joined on 1 July 2020 so no comparison is shown for 2019/20. The comparison for 2020/21 reflects that the 2020 fee was only received for part of the year

Directors' Remuneration Report continued

Relative importance of spend on pay

The table below shows shareholder distributions (i.e. dividends and share buybacks) and total employee pay expenditure for 2022 and 2023, along with the percentage change in both.

	2023 (£m)	2022 (£m)	% change 2022/23
Total shareholder distribution[1]	**1,546**	1,249	23.8%
Total employee expenditure[2]	**2,569**	2,408	6.7%

1. Details of shareholder distribution are set out in Notes 24 and 28 to the Financial Statements and are made up of dividends of £1,339 million and share buybacks of £207 million
2. Details of employee expenditure are set out in Note 5 to the Financial Statements

Exit payments made in the year (audited)

Details of Nicandro Durante's and Jeff Carr's leaving arrangements are provided earlier in this report.

Payments to past Directors (audited)

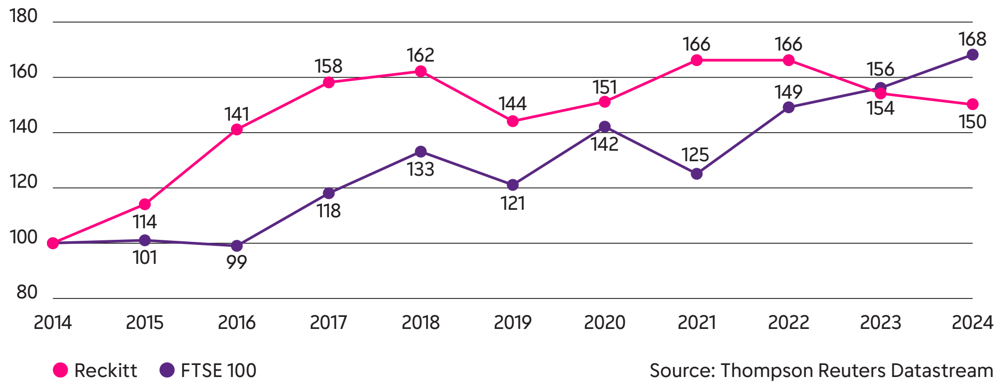
No other benefits or payments were delivered to former Directors in the year in excess of the minimum threshold of a pre-tax value of £15,000 set by the Remuneration Committee for this purpose.

Performance graph

The graph below shows the TSR of the Company and the UK FTSE 100 Index over the period since 1 January 2014. This shows the growth in the value of a hypothetical holding of £100 invested on 31 December 2013. The FTSE 100 Index was selected on the basis that it contains companies of a comparable size, in the absence of an appropriate industry peer group in the UK.

TSR since 1 January 2014

£ value of £100 invested at 1 January 2014



Source: Thompson Reuters Datastream

The table below sets out the single figure of total remuneration for the role of CEO over the last 10 years.

(£000) CEO single figure of remuneration	Kris Licht	Nicandro Durante	Laxman Narasimhan	Rakesh Kapoor	Annual bonus (as a percentage of maximum)	LTIP vesting (as a percentage of maximum)
2014				12,787	72%	40%
2015				25,527	100%	80%
2016				15,289	0%	50%
2017				8,999	0%	50%
2018				14,314	84%	65%
2019			4,599[1]	938	12%[2]	0%[3]
2020			8,434[1]		100%	0%[3]
2021			5,967		91%	21.5%
2022		2,118	918		100%[4]	100%[5]
2023	3,619[6]	5,260			82%	78%[7]

1. Includes buyouts in respect of legacy arrangements from previous employer
2. Zero for Rakesh Kapoor
3. Laxman Narasimhan was not with the Group at the time these awards were granted
4. Laxman Narasimhan was not eligible for a 2022 APP following his resignation as CEO
5. Nicandro Durante was a NED at the time these awards were granted and therefore did not receive an award and Laxman Narasimhan's award lapsed following his resignation as CEO
6. Includes the LTIP which was granted in relation to Kris Licht's previous role which did not sit on the Board
7. Nicandro Durante was not with the Group at the time these awards were granted. The awards for Kris Licht were in relation to his previous role which did not sit on the Board

Directors' Remuneration Report continued

Single total figure of 2023 remuneration for NEDs and implementation for 2024 (audited)

The following NED fee policy will apply from 1 January 2024. The table also sets out the fees that were in place for the year ended 31 December 2023.

	2024 fees		2023 fees	
	Cash fee (£)	Fee delivered in Reckitt shares (£)	Cash fee (£)	Fee delivered in Reckitt Shares (£)
Base fees				
Chair of the Board	**510,000**	**170,000**	495,000	165,000
Non-Executive Director	**82,500**	**27,500**	76,500	25,500
Additional fees				
Chair of Committee	**35,000**	**–**	35,000	–
Member of Committee	**20,000**	**–**	20,000	–
Designated Non-Executive Director for Engagement with Company's Workforce	**20,000**	**–**	20,000	–
Senior Independent Director	**35,000**	**–**	30,000	–

The fee for the Chair of the Board has been increased to £680,000, an increase of 3%. The base fee for NEDs has been increased to £110,000, an increase of 7.8%. This increase partly reflects the increased time commitment required to meet the scope and complexity of the NED role over the last few years. This represents a c. 5.1% to 6.6% increase in total fees, depending on responsibilities. The proportion delivered in Reckitt shares continues to be 25% of the base fee, being £170,000 for the Chair and £27,500 for the NEDs. We will continue to review NED fees to ensure they are appropriate and competitive against the market.

In addition, NEDs are eligible to receive support from the Company to complete a UK tax return, if required.

The table below sets out a single figure for the total remuneration received by each NED for the year ended 31 December 2023 and the prior year:

	2023 fees			2022 fees		
	Cash (£)	Shares (£)	Total (£)	Cash (£)	Shares (£)	Total (£)
Chris Sinclair	**495,000**	**165,000**	**660,000**	470,250	156,750	627,000
Olivier Bohuon	**119,833**	**25,500**	**145,333**	93,500	24,500	118,000
Andrew Bonfield[1]	**111,500**	**25,500**	**137,000**	113,500	24,500	138,000
Jeremy Darroch[2]	**126,500**	**25,500**	**152,000**	24,667	–	24,667
Mary Harris	**116,500**	**25,500**	**142,000**	119,750	24,500	144,250
Tamara Ingram[3]	**88,458**	**23,375**	**111,833**	–	–	–
Mehmood Khan	**96,500**	**25,500**	**122,000**	93,500	24,500	118,000
Pam Kirby	**131,500**	**25,500**	**157,000**	128,500	24,500	153,000
Alan Stewart[4]	**111,500**	**25,500**	**137,000**	94,458	22,458	116,916
Elane Stock	**96,500**	**25,500**	**122,000**	93,500	24,500	118,000
Margherita Della Valle	**96,500**	**25,500**	**122,000**	93,500	24,500	118,000

1. Andrew Bonfield held the role of Senior Independent Director on an interim basis from 1 September to 31 October 2022. The additional fees for this period are included above
2. Jeremy Darroch joined the Board on 1 November 2022. Fees shown for 2022 are paid from this date
3. Tamara Ingram joined the Board on 1 February 2023. Fees shown are paid from this date
4. Alan Stewart joined the Board on 1 February 2022. Fees shown for 2022 are paid from this date

Travel and expenses for NEDs are incurred in the normal course of business, for example, in relation to attendance at Board and Committee meetings. The costs associated with these are all met by the Company.

Directors' Remuneration Report continued

Summary of shareholder voting at the 2023 AGM

The following table shows the results of the voting on the 2022 Directors' Remuneration Report at the 2023 AGM and 2022 Directors' Remuneration Policy at the 2022 AGM:

	Votes for	For %	Votes against	Against %	Total	Votes withheld
Approve the 2022 Directors' Remuneration Report	513,944,128	93%	39,845,715	7%	553,789,843	1,961,573
Approve the Directors' Remuneration Policy	493,637,970	92%	45,472,574	8%	539,110,544	3,364,148

The Remuneration Committee had extensive dialogue with shareholders during 2021 on the 2022 Remuneration Policy, including engaging with shareholders representing more than 50% of our shareholder register. The majority of shareholders and advisory bodies providing input were supportive of the changes we made to our Remuneration Policy and this was demonstrated by the high levels of support received for both the Policy and Annual Report on Remuneration at the 2022 AGM. Following his appointment as Chair of the Remuneration Committee, Alan Stewart also met with a number of major shareholders in November 2022.

Directors' service contracts

NEDs have letters of engagement which set out their duties and time commitment expected. They are appointed for an initial three-year term, subject to election and annual re-election by shareholders. Appointments are renewable for subsequent three-year terms by mutual consent. Details are set out below:

		Length of service as of 31 December 2023	
	Date of appointment	Years	Months
Chris Sinclair	10 February 2015 (appointed Chair of the Board on 3 May 2018)	8	11
Olivier Bohuon	1 January 2021	3	0
Andrew Bonfield	1 July 2018	5	6
Jeremy Darroch	1 November 2022	1	2
Mary Harris	10 February 2015	8	11
Tamara Ingram	1 February 2023	0	11
Mehmood Khan	1 July 2018	5	6
Pam Kirby	10 February 2015	8	11
Alan Stewart	1 February 2022	1	11
Elane Stock	1 September 2018	5	4
Margherita Della Valle	1 July 2020	3	6

The CEO and CFO service contracts contain a 12-month notice period. Kris Licht was appointed CEO Designate on 1 May 2023 and to the Board as Executive Director effective 1 June 2023, before assuming the role of CEO on 1 October 2023. Shannon Eisenhardt was appointed Executive Director to the Board and CFO Designate on 17 October 2023. Directors' service contracts and letters of engagement are available for inspection at the Company's registered office.

Advisors

Deloitte LLP (Deloitte) was appointed by the Remuneration Committee as independent advisor effective from 1 January 2014 following a review of the advisor in late 2013. The Committee undertakes due diligence periodically to ensure that Deloitte remains independent of the Company and that the advice provided is impartial and objective. Deloitte is a founding member of and signatory to the Code of Conduct for Remuneration Consultants, details of which can be found at www.remunerationconsultantsgroup.com. During 2023, Deloitte LLP also provided the Group with advice and compliance support in a number of areas, including corporate, indirect and employment taxes, global mobility, and advisory and technology consulting.

These services were provided under separate engagement terms and the Committee is satisfied that the provision of these services did not impair Deloitte's ability to advise the Committee independently. Deloitte's total fees for the provision of remuneration services were £230,000 on the basis of time and materials. It should be noted that although we are only required to disclose the value of fees for services which materially assisted the Remuneration Committee, as with previous years, we have disclosed the full value of remuneration services from Deloitte, which includes advice to management and to the Remuneration Committee.

Directors' Remuneration Report continued

Directors' interests in shares and options under the LTIP[1] and buyout awards (audited)

	Grant date	At 01.01.23	Granted during the year	Exercised/vested during the year (including dividend shares)[2]	Lapsed during the year	At 31.12.23	Option price (£)	Market price at date of award (£)	Market price at date of exercise/vesting (£)	Exercise/vesting period
Kris Licht										
Performance-based share options	01.05.20	50,000	–	–	–	50,000	65.20	–	–	May 2023–May 2030
	28.05.21	50,000	–	–	–	50,000	64.67	–	–	May 2024–May 2031
	20.05.22	80,000	–	–	–	80,000	63.32	–	–	May 2025–May 2032
	21.03.23	–	80,000	–	–	80,000	58.28	–	–	Mar 2026–Mar 2033
Performance-based share awards	01.05.20	25,000	–	25,000	–	–	–	65.70	62.90	May 2023
	28.05.21	25,000	–	–	–	25,000	–	63.68	–	May 2024
	20.05.22	40,000	–	–	–	40,000	–	62.42	–	May 2025
	21.03.23	–	40,000	–	–	40,000	–	59.18	–	Mar 2026
Shannon Eisenhardt										
Performance-based share options	26.10.23	–	58,905	–	–	58,905	58.87	–	–	Mar 2026–Oct 2033
Performance-based share awards	26.10.23	–	29,453	–	–	29,453	–	55.94	–	Mar 2026
Buyout awards	26.10.23	–	2,782	2,782	–	–	–	55.94	53.82	–
Buyout awards	26.10.23	–	2,782	–	–	2,782	–	55.94	–	Dec 2024
Buyout awards	26.10.23	–	3,526	–	–	3,526	–	55.94	–	Aug 2024
Buyout awards	26.10.23	–	5,248	–	–	5,248	–	55.94	–	Aug 2025
Jeff Carr										
Performance-based share options	01.05.20	80,000	–	–	–	80,000	65.20	–	–	May 2023–May 2030
	28.05.21	80,000	–	–	–	80,000	64.67	–	–	May 2024–May 2031
	20.05.22	80,000	–	–	–	80,000	63.32	–	–	May 2025–May 2032
	21.03.23	–	80,000	–	–	80,000	58.28	–	–	Mar 2026–Mar 2033
Performance-based share awards	01.05.20	40,000	–	40,000	–	–	–	65.70	62.90	May 2023
	28.05.21	40,000	–	–	–	40,000	–	63.68	–	May 2024
	20.05.22	40,000	–	–	–	40,000	–	62.42	–	May 2025
	21.03.23	–	40,000	–	–	40,000	–	59.18	–	Mar 2026
Nicandro Durante										
Performance-based share options	06.09.22	150,000	–	–	83,334	66,666	64.77	–	–	May 2025–Sep 2032
	21.03.23	–	150,000	–	100,000	50,000	58.28	–	–	Mar 2026–Mar 2033
Performance-based share awards	06.09.22	75,000	–	–	41,667	33,333	–	64.58	–	May 2025
	21.03.23	–	75,000	–	50,000	25,000	–	59.18	–	Mar 2026

1. Vesting of LTIP awards is subject to performance conditions set by the Remuneration Committee and the awards are subject to an additional two-year holding period commencing at the end of the performance period
2. Dividend equivalents accrue on performance shares during the vesting period from the 2022 LTIP awards onwards and will be disclosed on vesting

Directors' Remuneration Report continued

Directors' interests in shares in the Deferred Bonus Plan[1] (audited)

	Grant date	At 01.01.23	Granted during the year	Exercised/ vested during the year	Lapsed during the year	At 31.12.23	Option price (£)	Market price at date of award (£)	Market price at date of vesting (£)	Vesting period
Kris Licht										
Deferred Bonus Plan	25.03.21	8,059	–	–	–	8,059	–	64.22	–	Mar 2024
Deferred Bonus Plan	21.03.22	5,997	–	–	–	5,997	–	57.92	–	Mar 2025
Deferred Bonus Plan	21.03.23	–	10,041	–	–	10,041	–	58.28	–	Mar 2026
Jeff Carr										
Deferred Bonus Plan	25.03.21	9,163	–	–	–	9,163	–	64.22	–	Mar 2024
Deferred Bonus Plan	21.03.22	13,131	–	–	–	13,131	–	57.92	–	Mar 2025
Deferred Bonus Plan	21.03.23	–	14,721	–	–	14,721	–	58.28	–	Mar 2026
Nicandro Durante										
Deferred Bonus Plan	21.03.23	–	8,895	–	–	8,895	–	58.28	–	Mar 2026

1. One-third of the annual bonus is delivered in the form of conditional share awards which are deferred for three years
2. Dividend equivalents accrue on deferred bonus shares during the vesting period and will be disclosed on vesting

Executive employees may also participate in the all-employee Sharesave Scheme on the same basis as all other employees. The table below details options held.

Sharesave Scheme	Grant date	At 01.01.23	Granted during the year	Exercised during the year	Lapsed during the year	At 31.12.23	Option price (£)	Market price at exercise (£)	Exercise period
Jeff Carr	31.08.21	403	–	–	–	403	44.56	–	Feb 2025–Jul 2025

There have been no changes to the Directors' interests as set out in the above tables between 31 December 2023 and 21 March 2024.

Directors' Remuneration Report continued

Directors' interests in the share capital of the Company (audited)

The Directors in office at the end of the year and those in office at 21 March 2024 had the following beneficial interests in the ordinary shares of the Company:

	21 March 2024	31 December 2023	31 December 2022
Chris Sinclair	14,322	14,322	12,733
Olivier Bohuon	1,149	1,149	931
Andrew Bonfield	1,121	1,121	873
Jeff Carr	51,069	51,069	30,000
Jeremy Darroch	234	234	0
Nicandro Durante[1]	1,105	1,105	1,105
Shannon Eisenhardt[2]	1,471	1,471	–
Mary Harris	3,262	3,262	3,017
Tamara Ingram[3]	215	215	–
Mehmood Khan	1,083	1,083	833
Pam Kirby	5,462	5,462	5,219
Kris Licht[4]	25,995	25,995	13,271
Alan Stewart	427	427	191
Elane Stock	2,992	2,992	2,732
Margherita Della Valle	738	738	504
Marybeth Hays[5]	0	–	–

1. Nicandro Durante stepped down from the Board on 31 December 2023 and his interest in shares is shown up to this date
2. Shannon Eisenhardt joined the Board on 17 October 2023
3. Tamara Ingram joined the Board on 1 February 2023
4. Kris Licht joined the Board on 1 June 2023
5. Marybeth Hays joined the Board on 1 February 2024
6. No person who was a Director (or a Director's connected person) on 31 December 2023 and at 21 March 2024 had any notifiable share interests in any subsidiary
7. The Company's Register of Directors' Interests (which is open to inspection) contains full details of Directors' shareholdings and options to subscribe for shares

As approved and signed on behalf of the Board of Directors.

Alan Stewart
Chair of the Remuneration Committee
Reckitt Benckiser Group plc

21 March 2024

This Directors' Remuneration Report has been prepared in accordance with the provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). The report meets the requirements of the FCA Listing Authority's Listing Rules and the Disclosure Guidance and Transparency Rules. In this report we describe how the principles of good governance relating to Directors' remuneration, as set out in the UK Corporate Governance Code (July 2018) (the Code), are applied in practice. The Remuneration Committee confirms that throughout the financial year the Company has complied with these governance rules and best practice provisions.

REPORT OF THE DIRECTORS

Introduction

We present below our Directors' Report for the year ended 31 December 2023. Certain matters required to be included in this Directors' Report are included in the Strategic Report on pages 2 to 61, including an indication of the likely future developments of the business, research and development activities of the Group and details of important events affecting the Company. The Corporate Governance Report can be found on pages 62 to 136 and is deemed to be incorporated into this Directors' Report by reference.

Further disclosure requirements which are deemed to form part of the management report can be found on the following pages of this Annual Report, and are incorporated into this Directors' Report by reference:

Acquisitions and disposals	199
Awards under employee share schemes and long-term incentive schemes	197-198
Corporate Governance Statement including internal control and risk management statements	62-81
Statement of Directors' Responsibilities, including disclosure of information to the Auditor	137
Disclosure of Greenhouse Gas (GHG) emissions	14; 218-222
Employment policy and employee involvement	19-21
Engagement with employees, suppliers, customers and others	37-40; 76-77
Environmental, social and governance (ESG) matters	14; 47-54
Financial risk management and financial instruments	181-189
Future developments in the business	2-61
Post Balance Sheet events	200
Research and development activities	22-24
Shareholder information	228-231
Sustainability and corporate responsibility	14; 47-54
Viability Statement	61
Charitable donations	51-53
Subsidiary undertakings (including overseas branches)	208-217

Information on the Board's stakeholder engagement and activities can be found on pages 37 to 40 and further information is also set out in the Section 172 Statement, which can be found on pages 76 to 77.

There is no additional information requiring disclosure under Listing Rule 9.8.4R.

Results and dividends

The Consolidated Income Statement can be found on page 156. The profit for the year attributable to equity shareholders of the Company amounted to £1,682 million.

The Directors resolved to pay an interim dividend of 76.6 pence per ordinary share (2022: 73.0 pence), which was paid to shareholders on 15 September 2023.

The Directors recommend a final dividend for the year of 115.9 pence per share (2022: 110.3 pence) which, together with the interim dividend, makes a total dividend for the year of 192.5 pence per share (2022: 183.3 pence). During the year no shareholders waived their right to receive dividend payments. The final dividend, if approved by the shareholders at the forthcoming Annual General Meeting (AGM) of the Company, will be paid on 24 May 2024 to shareholders on the register at the close of business on 12 April 2024.

Directors

Details of the Company's Directors who served during the financial year ended 31 December 2023 and details of Directors appointed during 2024 can be found on pages 65 to 68.

The rules governing the appointment and retirement of Directors are set out in the Company's Articles of Association (the Articles) and all appointments are made in accordance with the Code. Under the terms of reference of the Nomination Committee, all Director appointments must be recommended by the Nomination Committee for approval by the Board of Directors. All Directors must submit themselves for re-election each year at the AGM. With the exception of Chris Sinclair, Pam Kirby and Alan Stewart, all Directors will offer themselves for election or re-election at the 2024 AGM in compliance with the Code.

Details of the Directors standing for election or re-election can be found in the 2024 Notice of AGM.

Information on the service agreements of Executive Directors can be found in the Directors' Remuneration Report on pages 100 to 132. The letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office.

Powers of Directors

The Board of Directors is responsible for the management of the business of the Company and may exercise all powers of the Company subject to the provisions of the Company's Articles and the CA 2006. The Articles contain specific provisions and restrictions regarding the Company's power to borrow money. Powers relating to the alteration of share capital are also included in the Articles and shareholders are asked to renew such authorities each year at the AGM.

A copy of the Articles is available on the Company's website at www.reckitt.com or can be obtained upon written request from the Company Secretary or the UK Registrar of Companies, Companies House.

Directors' insurance and indemnities

The Company indemnifies the Directors and Officers of the Company and any Group subsidiary to the extent permitted by Section 236 of CA 2006 in respect of the legal defence costs for claims against them and third-party liabilities. The indemnity would not provide cover for a Director or Officer if that individual was found to have acted fraudulently or dishonestly.

The Directors' and Officers' liability insurance cover was maintained throughout the year ended 31 December 2023 at the Company's expense.

Report of the Directors continued

Directors' interests

A statement of Directors' interests in the share capital of the Company is shown on page 132 of the Directors' Remuneration Report. Details of Executive Directors' options to subscribe for shares in the Company are included on pages 130 and 131 in the audited part of the Directors' Remuneration Report.

During the year, none of the Directors had a material interest in any derivative or financial instrument relating to the Company's shares. Details of the Directors' remuneration are disclosed in the Directors' Remuneration Report on pages 126-132. No Director has a material interest in any 'contract of significance' (as defined by the FCA) to which the Company, or any of its subsidiary undertakings, is a party as at 31 December 2023.

Share capital

As at 31 December 2023, the Company's issued share capital consisted of 736,535,179 ordinary shares of 10 pence each of which 714,028,649 were with voting rights and 22,506,530 ordinary shares were held in treasury. Each share carries the right to one vote at general meetings of the Company. Details of changes to the ordinary shares issued and of options and awards granted during the year are set out in Note 24 to the Financial Statements.

The rights and obligations attached to the ordinary shares are contained in the Company's Articles. There are no restrictions on the voting rights attached to the Company's ordinary shares or the transfer of securities in the Company except in the case of transfers of securities:

- That certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws)
- Pursuant to the Listing Rules of the United Kingdom Listing Authority whereby certain employees of the Company require the approval of the Company to deal in the Company's ordinary shares

No person holds securities in the Company which carry special voting rights with regard to control of the Company. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or on voting rights.

Allotment of shares

At the 2023 AGM, authority was granted to the Directors under Section 551 of CA 2006 to allot shares or grant rights to subscribe for, or convert any security into, shares of the Company. The authority granted to the Directors will expire at the conclusion of this year's AGM.

At the 2024 AGM, a resolution will be proposed to the shareholders to renew the Directors' authority to allot equity shares representing approximately one-third of the Company's issued share capital as at the latest practicable date prior to the publication of the Notice of AGM.

In accordance with the Investment Association Share Capital Management Guidelines, Directors will once again seek authority to allot further ordinary shares, in connection with a pre-emptive offer by way of a rights issue, up to a further one-third of the Company's existing issued share capital on the same date. The authorities sought would, if granted, expire at the earlier of six months after the Company's next accounting reference date, or at the conclusion of the AGM of the Company held in 2025, whichever is the sooner.

Under Section 561 of CA 2006, shareholders have a right of first refusal in relation to certain issues of new shares. A special resolution will also be proposed to renew the Directors' power to allot shares in the capital of the Company without complying with the pre-emption rights in the CA 2006 in certain circumstances up to a maximum of 10% of the Company's issued share capital.

This disapplication authority sought is in line with institutional shareholder guidance and, in particular, with the Pre-Emption Group Statement of Principles issued in November 2023.

This authority will maintain the Company's flexibility in relation to future share issues, including issues required to finance business opportunities, should appropriate circumstances arise.

Authority to purchase own shares

Authority was granted to the Directors at the 2023 AGM for the purposes of Section 701 of CA 2006 to repurchase shares in the market and this authority remains valid until the conclusion of this year's AGM.

On 25 October 2023, the Company announced, consistent with its capital allocation framework, a £1 billion share buyback programme to be carried out over 12 months (the Programme). On 30 October, the Company announced the commencement of the first tranche of that Programme to return up to £250 million to shareholders, and which completed on 30 January 2024. On 20 December 2023, the Company announced the second tranche of the Programme to return a further up to £250 million to shareholders, and which commenced on 1 February 2024.

During the financial year ended 31 December 2023, the Company purchased in aggregate 3,782,835 ordinary shares of 10 pence each and subsequently transferred them to treasury. The total cost of the shares purchased during the financial year ended 31 December 2023 was £207 million. A further 4,303,628 ordinary shares have been repurchased between 1 January 2024 and the date of this Report at a total cost of £233 million.

As at the date of this Report there are 27,645,021 ordinary shares held in treasury (representing 3.89% of the issued ordinary shares) for the purposes of satisfying the Company's obligations under employee equity incentive schemes.

Shares held in treasury are not eligible to participate in dividends and do not carry any voting rights.

At the 2024 AGM, the Directors will seek to renew the authority granted to them. Such authority, if approved, will be limited to a maximum of 70,880,000 ordinary shares, representing less than 10% of the Company's issued ordinary share capital (excluding treasury shares) calculated as at the latest practicable date prior to publication of the Notice of AGM, and sets the minimum and maximum prices which may be paid.

Report of the Directors continued

Change of control and significant agreements

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company following a takeover. The shareholder agreement between the Company and JAB Holdings B.V. (JAB) at the time of the merger in 1999 entitled JAB to nominate Board Directors.

A holding in excess of 20% or 10% of the Company's ordinary shares entitles JAB to nominate two Directors or one Director respectively. JAB's current holding is below this amount and there is currently no nominated Director on the Board. None of these are deemed to be significant in terms of their potential impact on the business of the Group as a whole.

There are no significant agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid, except that provisions of the Company's share plans may cause options and awards granted under such plans to vest on a takeover, and if the employment of an Executive Director or other employee is terminated by the Company following a takeover then there may be an entitlement to appropriate notice and/or compensation as provided in applicable contracts or terms of employment.

There is no information that the Company is required to disclose about persons with whom it has contractual or other arrangements with, which are essential to the business of the Company.

Employees

During 2023, the Group employed over 40,000 (2022: 40,000) employees worldwide, of whom 5,038 (2022: 4,870) were employed in the UK.

The Group is committed to the principle of equal opportunity in employment: no applicant or employee receives less favourable treatment on the grounds of nationality, age, gender, religion, race, ethnicity, disability, sexual orientation or any other protected characteristics. Employment applications are considered on the basis of aptitude and ability, and fair consideration is given to all applications regardless of nationality, age, gender, religion, race, ethnicity, disability, sexual orientation, or any other protected characteristics.

We have issued specific guidance on inclusive recruitment practices for managers with hiring responsibilities. Where an employee has an existing disability or becomes disabled during their employment, practical efforts are made to assist the employee in continuing their employment and arranging appropriate support such as workplace adjustments.

All employees, are treated in a fair and inclusive way throughout their careers, whether that means accessing training, learning and development opportunities and career progression. Further details of our Inclusion and Anti-Harassment policies can be found at www.reckitt.com and on pages 19-21.

It is essential to the continued improvement in performance, efficiency and productivity throughout the Group that each employee understands the Group's strategies, policies and procedures. Open and regular communication with employees at all levels is an essential part of the performance management process.

On-the-job learning and continuous development take place throughout the year, with all employees having a formal annual Performance Development Review with their line manager to discuss business objectives and create a Personal Development Plan. This is also an important opportunity for employees to discuss their ongoing development and career ambitions. We encourage continuous development conversations throughout the year. These annual reviews also provide a way of identifying candidates for our Future Leader Development Programmes.

The Group operates multi-dimensional two-way internal communications programmes which include the provision of a Group intranet and the publication of regular Group newsletters. Opinions of employees are sought on a variety of issues through mechanisms including global surveys, opinion polls, team meetings and feedback forums. Further information on the Group's employee engagement activities is included on pages 19 to 21, 38 and 77.

We regularly check in with our employees through townhall meetings and our intranet. We also hold forums, focus groups and listening sessions with leaders to give us timely insights on topics which matter most.

A continuing programme of learning and development reinforces the Group's commitment to employee development. The Group recognises the importance of employee health and wellbeing as set out on pages 19 to 21.

Reckitt's Leadership Behaviours are vital to how we embed our culture and achieve strong and sustainable performance. We have defined leadership behaviours that capture our uniqueness, capitalise on our strengths and challenge us to do better. At Reckitt, we Own, Create, Deliver and Care. These behaviours are for everyone in the organisation and are part of our annual performance and development reviews. We create an inclusive environment for employees to act with integrity, responsibility and consistency in line with our Purpose, Fight and Compass set out on pages 8 and 19-21.

Employee matters, incentives and share ownership

Group incentive schemes reinforce financial and economic factors affecting the performance of the business. Employees typically have three to five performance objectives which are directly linked to their job and their specific contribution to the overall performance of the Group. In addition, presentations, videos and Q&A sessions are held for employees around the world on publication of the Group's financial results to provide employees with awareness of the financial and economic factors affecting the Company's performance, and so that employee views are fed back to management and taken into account when decisions are made.

The Company operates three all-employee share plans. Through these schemes, the Board encourages employees to become shareholders and to participate in the Group's employee share ownership plans, should they wish. Savings-related share plans covering most of the world give employees the opportunity to acquire shares in the Company by means of making regular savings.

We currently have just under 14,000 colleagues participating in one of Reckitt's all-employee share plans. Further details on our all-employee share plans and awards made under executive share plans can be found in Note 24 on pages 196 to 198 of the Financial Statements.

Report of the Directors continued

Political donations

During the year, the Company and its subsidiaries did not make any political donations or incur any political expenditure, nor were any contemplated. In keeping with previous practice, at the forthcoming AGM shareholders will be asked to approve, on a precautionary basis, for the Company and its subsidiaries to make political donations and incur political expenditure for the period ending 31 December 2024.

Financial instruments and risk

The financial risk management objectives and policies of the Group are set out in Note 15, from page 181 of the Financial Statements. The Note sets out information on the Company's policy for hedging each major type of forecasted transactions for which hedge accounting is used, and our exposure to currency, price risk, credit risk, liquidity risk and cash flow risk in relation to the use of financial instruments.

Amendment to Articles of Association

The Articles of the Company were adopted in 2012 and amended in 2015 and 2021. Any amendments to the Articles may be made in accordance with the provisions of CA 2006, by special resolution of the shareholders.

Independent Auditor

The External Auditor, KPMG, has indicated its willingness to continue in office and a resolution proposing the reappointment of KPMG, and to authorise the Audit Committee to determine its remuneration for the financial year ending 31 December 2024, will be proposed at the forthcoming AGM.

Substantial shareholdings

As at 31 December 2023, the Company had received the following notices of substantial interests (3% or more) in the total voting rights of the company:

Holder	Notification	Interest	Rights
Massachusetts Financial Services Company	16 January 2013[1]	Indirect	5.00
Morgan Stanley Investment Management Limited	20 October 2022[2]	Direct	5.04

1. Under a Section 793 CA 2006 request, Massachusetts Financial Services Company confirmed on 17 January 2024 that its aggregate holding had decreased. The voting percentage was not disclosed
2 Under a Section 793 CA 2006 request, Morgan Stanley Investment Management Limited confirmed on 24 January 2024 that its aggregate holding had decreased. The voting percentage was not disclosed

As at 15 March 2024, the company has not received any further notifications under DTR 5 of the Disclosure Guidance and Transparency Rules.

Application of the UK Corporate Governance Code 2018

We report against the requirements of the Code issued by the Financial Reporting Council. Details of how the Company has applied the Code principles and provisions can be found in the Corporate Governance Report on pages 62 to 132.

Annual General Meeting (AGM)

The forthcoming AGM of Reckitt Benckiser Group plc will be held on Thursday, 2 May 2024 at 2pm at the London Heathrow Marriott Hotel, Bath Road, Hayes, Middlesex UB3 5AN.

A separate Notice of Meeting, setting out the resolutions to be proposed to shareholders, is available at www.reckitt.com/investors/annual-general-meetings/. The Board considers that each of the resolutions is in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions, as they intend to do so in respect of their own beneficial holdings.

By Order of the Board

Catheryn O'Rourke
Company Secretary
Reckitt Benckiser Group plc

21 March 2024

103-105 Bath Road
Slough, Berkshire
SL1 3UH

Company registration number: 6270876

Legal Entity Identifier: 5493003JFSMOJG48V108

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law, we are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The Group, in addition to complying with its legal obligation to apply UK-adopted international accounting standards, has also applied IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable and, in respect of the Parent Company financial statements only, prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards and, due to a requirement of the US SEC, state they have been prepared in accordance with IFRS Accounting Standards as issued by the IASB;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The external auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the Directors in respect of the annual financial report

Each of the Directors, whose names and functions are listed on pages 65 to 68 of the Annual Report, confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Annual Report and financial statements include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Parent's position and performance, business model and strategy.

In the case of each Director in office at the date the Directors' report is approved:

- so far as we are aware, there is no relevant audit information of which the Group's and Parent's auditors are unaware; and
- we have taken all the steps that we ought to have taken as a director in order to make ourselves aware of any relevant audit information and to establish that the Group and Parent's auditors are aware of that information.

On behalf of the Board

Catheryn O'Rourke
Company Secretary
Reckitt Benckiser Group plc
103-105 Bath Road
Slough, Berkshire
SL1 3UH

21 March 2024

Independent Auditor's Report

To the members of Reckitt Benckiser Group plc

1. Our opinion is unmodified

In our opinion:

- the financial statements of Reckitt Benckiser Group plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023, and of the Group's profit for the year then ended;
- the Group`s financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company`s financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Additional opinion in relation to IFRS Accounting Standards as issued by the IASB:

- As explained in Note 1 to the Group financial statements, the Group, in addition to complying with its legal obligation to apply UK-adopted international accounting standards, has also applied IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").
- In our opinion the Group financial statements have been properly prepared in accordance with IFRS Accounting Standards as issued by the IASB.

What our opinion covers

We have audited the Group and Parent Company financial statements of Reckitt Benckiser Group plc ("the Company") for the year ended 31 December 2023 ("FY23") included in the Annual Report, which comprise:

Group (Reckitt Benckiser Group plc and its subsidiaries)	Parent Company (Reckitt Benckiser Group plc)
Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statements of Changes in Equity, Group Cash Flow Statement and Notes 1 to 33 to the Group financial statements, including the accounting policies in note 1.	Parent Company Balance Sheet, Parent Company Statement of Changes in Equity and Notes 1 to 12 to the Parent Company financial statements, including the accounting policies in Note 1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee.

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

Following our FY22 audit, and considering developments affecting the Group since then, we have updated our risk assessment.

The risk of impairment associated with the IFCN CGU has increased since last year due to the impact of higher interest rates on the discount rate, and increased uncertainty over forecast growth assumptions in light of the return of a key competitor to market and increased regulatory pressures in the US.

We also identified a new Key Audit Matter for FY23 associated with the accounting treatment of the purchase of the remaining interests in the Group's majority owned entities in mainland China and Hong Kong ("RB Manon") from its existing minority shareholders. The risk focuses on the judgement applied in allocating the total amount payable between the purchase of the non-controlling interest which is taken to equity in FY23, and services provided by the minority shareholders which are charged to the income statement over the service period.

We have assessed that the risk relating to contingent liabilities has increased from FY22 following an adverse verdict in the first NEC case. This increases the probability of outflow of economic benefit and increases the level of judgement involved in the ability to reliably estimate any such outflow.

We have not observed a change in the level of risk in relation to the remaining Key Audit Matters.

Our risk assessment also considered compliance with laws and regulations, specifically those that could reasonably be expected to have a material effect on the financial statements.

Our risk assessment also considered compliance with laws and regulations, specifically those that could reasonably be expected to have a material effect on the financial statements.

Key Audit Matters	Vs FY22	Item
Recoverability of IFCN CGU's goodwill and indefinite life intangible assets	▲	5.1
Recoverability of Biofreeze CGU's goodwill and indefinite life intangible assets	◀▶	5.2
Revenue recognition in relation to trade spend arrangements and associated accruals	◀▶	5.3
Contingent liabilities arising from the US litigation concerning Necrotising Enterocolitis (NEC) and the amendment to the South Korean Humidifier Sanitiser (HS) law	▲	5.4
Accounting for the forward purchase of shares held by the non-controlling interest of "RB Manon"	New	5.5
Provisions for uncertain tax positions	◀▶	5.6
Recoverability of the Parent Company's investment in Reckitt Benckiser Limited	◀▶	5.7

Independent Auditor's Report continued

2. Overview of our audit continued

Audit Committee interaction

During the year, the Audit Committee met five times. KPMG attend all Audit Committee meetings and are provided with an opportunity to meet with the Audit Committee in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the Audit Committee in section 5, including matters that required particular judgement for each.

The matters included in the Audit Committee Chair's report on page 88 are materially consistent with our observations of those meetings.

Our Independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during FY23 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year-ended 31 December 2018.The period of total uninterrupted engagement is for the 6 financial years ended 31 December 2023.

The group engagement partner is required to rotate every 5 years. As these are the second set of the Group's financial statements signed by Andrew Bradshaw, he will be required to rotate off after the FY26 audit.

The average tenure of partners responsible for component audits as set out in section 8 below is 2 years, with the shortest being 1 and the longest being 6. There were no key audit partners with tenure over 5 years.

Total audit fee	£19.4m
Audit related fees (including interim review)	£0.9m
Other services	£0.4m
Non-audit fee as a % of total audit and audit related fee %	6.4%
Date first appointed	3rd May 2018
Uninterrupted audit tenure	6 years
Next financial period which requires a tender	2028
Tenure of Group Engagement Partner	2 years
Average tenure of component signing partners	2 years

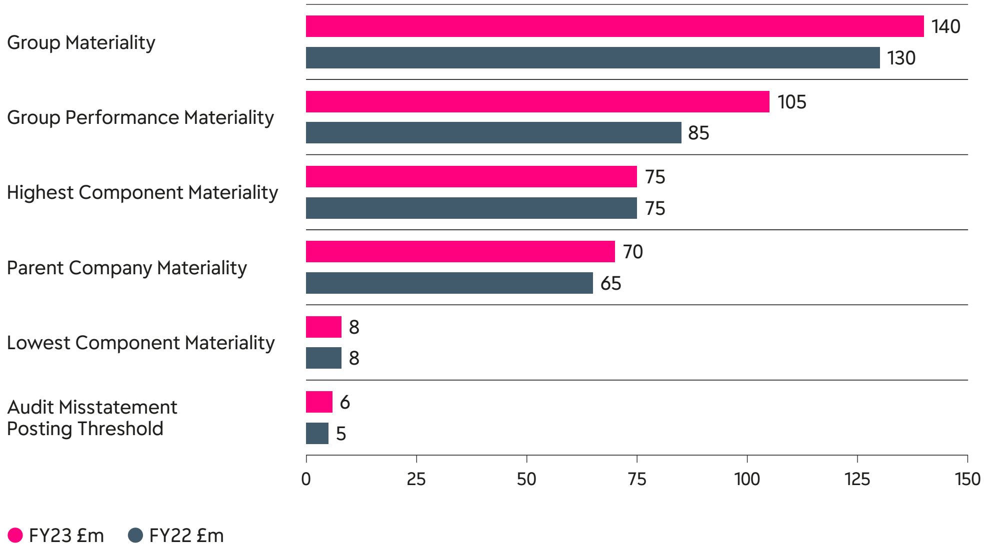
Materiality
(item 7 below)

The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group`s financial statements as a whole at £140m (FY22: £130m) and for the Parent Company's financial statements as a whole at £70m (FY22: £65m).

Consistent with FY22, we determined that normalised profit before tax from continuing operations ("PBTCO") remains the most appropriate benchmark for the Group. Reckitt Benckiser Group plc is well established and operates in a stable environment across multiple geographies. Therefore, users of the financial statements will be primarily interested in profitability of the Group and its ability to generate returns for shareholders, of which the most relevant benchmark is PBTCO. As such, we based our group materiality on normalised PBTCO, of which it represents 4.5% (FY22: 4.1%).

Materiality for the Parent Company's financial statements was determined with reference to a benchmark of Parent Company total assets of which it represents 0.46%% (FY22: 0.45%).



Independent Auditor's Report continued

2. Overview of our audit continued

Group scope
(item 8 below)

We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group's financial statements, the type of procedures to be performed at these components and the extent of involvement required from our component auditors around the world.

The Group operates in more than 60 countries across six continents with the largest market being the United States of America. The Group is organised into three Global Business Units: Hygiene, Health and Nutrition.

We scoped the audit by obtaining an understanding of the Group and its environment and assessing the risk of material misstatement at the group and component level.

We have considered components on the basis of their contribution to net revenue, total normalised profits and losses that made up profit before tax and total assets.

Of the Group's 380 (FY22: 406) reporting components, we instructed 52 components (FY22: 53) across 23 countries (FY22: 23 countries) to perform full scope audits for group purposes and two components to perform specified audit procedures (FY22: one).

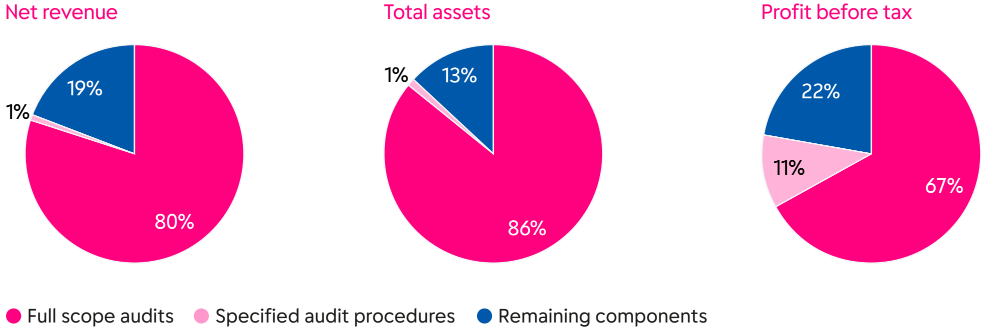
The components within the scope of our work accounted for the percentages illustrated opposite.

Our scoping provided 81% coverage of net revenue (FY22: 79%), 87% coverage of total assets (FY22: 85%), and 78% coverage of profits and losses that made up profit before tax (FY22: 77%).

In addition, we have performed group level analysis on the remaining components to determine whether further risks of material misstatement exist in those components.

We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

Coverage of group financial statements



The impact of climate change on our audit

In planning our audit, we have considered the potential impact of risks arising from climate change on the Group's business and its financial statements. The Group has set out its targets as part of their 2030 Sustainability Ambitions, which include energy, emissions, water, waste and packaging related metrics. This includes two targets validated by the Science Based Targets initiative ("SBTi") to reduce absolute operational Scope 1 and 2 GHG emissions by 65%, absolute product carbon footprint emissions by 50% both by 2030 from a 2015 base year. Other targets aim to reduce water use per tonne of production by 30% by 2025 from a 2015 base year, increase the use of renewable electricity to 100% by 2030 and for 100% of plastic packaging to be recyclable or reusable by 2025. Further information is provided in the Strategic Report on page 47 and in the Sustainability Performance Review on page 14.

Whilst the Group has set these targets, in note 1 to the consolidated financial statements the Directors have stated that they have considered the impact of climate change risks and that they do not believe that there is a material impact on the financial reporting judgements and estimates and as a result the valuations of the Group's assets and liabilities have not been significantly impacted by these risks as at 31 December 2023.

As a part of our audit we have performed a risk assessment to determine if the potential impacts of climate change may materially affect the financial statements and our audit. We did this by making enquiries of management and inspecting internal and external reports in order to independently assess the climate-related risks and their potential impact. We held discussions with our own climate change professionals to challenge our risk assessment.

The most likely potential impact of climate risk and plans on these financial statements would be on the forward-looking assessments of non-current assets.

We have considered the sensitivity of the assumptions used in the impairment testing of goodwill and indefinite-life intangible assets. Given that the climate change related assumptions are not considered a major source of estimation uncertainty, the carrying amounts of these assets in the financial statements are not considered to be materially sensitive to the impact of risks arising from climate change. We considered the impact of ESG related costs on the value in use of the Group's CGUs, the impact of such costs on cash flows is minimal and not considered a key assumption when assessing impairment. We have considered the impact of climate change targets on the fair value of pension assets, however given the nature of the assets being primarily bonds and insurance contracts, this has not been considered to be a key assumption in the valuation. We have also considered the costs and consumer preferences impact of climate change as part of our consideration of the going concern basis of preparation.

We determined that climate related risks do not have a significant impact on our audit or key audit matters. We have read the Group's disclosures of climate related information in the Strategic Report and the Group's TCFD Summary on page 218 and considered consistency with the financial statements and our audit knowledge.

Independent Auditor's Report continued

3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Going concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Parent Company's available financial resources and metrics relevant to debt covenants over this period were:

- The failure to identify, assess and proactively respond to new or changing regulations could result in increased regulatory scrutiny, costly product reformation or product recalls, potential litigation and removal of the license to sell a product.
- A reliance on limited number of suppliers, geographic concentration, or an excessive dependence on specific routes, sub-suppliers or technologies could render the supply chain vulnerable to disruption.
- Geopolitical events, including threats of conflict, trade wars, economic sanctions and political polarisation, could disrupt operations.
- Failure to identify or respond to a product quality and/or safety issue may result in potential consumer harm or death, financial settlements, costly recalls and reputational damage.
- Reliance on a few key manufacturing sites to produce products exposes the Group to unexpected shutdown at one of these sites.
- Adverse economic conditions, together with high level of volatility and unpredictability in the macroeconomic environment, could impact consumer demand for the Group's brands.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

Our procedures also included an assessment of whether the going concern disclosure in note 1 to the financial statements gives a complete and accurate description of the Directors' assessment of going concern.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of preparation without any material uncertainty for the Group and Parent Company to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period and we found the going concern disclosure in note 1 to be acceptable; and
- The related statement under the Listing Rules set out on page 137 is materially consistent with the financial statements and our audit knowledge.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Viability Statement on page 61 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal and Emerging Risks disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement set out on page 61 under the Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Independent Auditor's Report continued

3. Going concern, viability and principal risks and uncertainties continued

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Emphasis of matter: Uncertain outcome of NEC litigation

We draw attention to notes 9, 20 and 33 which disclose that the Group is subject to product liability actions in the United States in relation to alleged links between one of its infant formula products and Necrotising Enterocolitis (NEC), a gastrointestinal condition in preterm infants. On 13 March 2024 an adverse legal ruling awarded one plaintiff $60 million in the only trial to date. The Directors have disclosed a contingent liability in respect of these matters, no amounts are included within provisions and no related net cash outflows have been included in the value in use of the related IFCN CGU.

Our opinion is not modified in respect of this matter.

5. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the key audit matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

5.1 Recoverability of the goodwill and indefinite life intangible assets relating to the IFCN CGU (Group)

Financial Statement Elements

	FY23	FY22
Goodwill and indefinite life intangible assets (IFCN)	**£5,104m**	£6,231m
Impairment charge (IFCN)	**£810m**	–

Our assessment of risk vs FY22

	Vs FY22
Our assessment is that the risk has increased compared to FY22 due to the impact of higher interest rates on the discount rate, and increased uncertainty over forecast growth assumptions in light of the return of a key competitor to market and increased regulatory pressures in the US.	▲

Our results

FY23: Acceptable

FY22: Acceptable

Description of the Key Audit Matter

The risk: forecast-based assessment

The recoverability of goodwill and indefinite life intangible assets relating to the Infant and Child Nutrition ("IFCN") cash generating unit ("CGU") is assessed using value in use which is based on forecast financial information within a discounted cash flow model ("the IFCN Model").

Key assumptions in the IFCN Model include the discount rate, forecast financial performance, in particular net revenue and margin growth, and external factors impacting forecast category growth and terminal growth rates.

In the current year the Group recognised an impairment charge against goodwill relating to the IFCN CGU of £810m (FY22: nil), reflecting the impact of higher interest rates on the discount rate, and increased uncertainty over net revenue and margin growth assumptions in light of the return of a key competitor to market and increased regulatory pressures in the US.

The effect of these matters is that, as part of our risk assessment, we determined that the recoverable amount of the IFCN CGU, and consequently the impairment charge, has a high degree of estimation uncertainty with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.

We also identified a fraud risk related to the estimation of the recoverable amount of the goodwill and intangible assets relating to the IFCN CGU in response to possible pressures on the Group to realise value from significant acquisitions.

Independent Auditor's Report continued

5. Key audit matters continued

Our response to the risk

Our procedures to address the risk included:

Sensitivity analysis: We considered the sensitivity of the recoverable amount of the goodwill and intangible assets relating to the IFCN CGU to reasonably possible changes in assumptions and focused our attention on those assumptions which we considered the most critical to the recoverable amount of the IFCN CGU.

Benchmarking assumptions: In response to the risk of fraud, we evaluated the net revenue growth assumptions in the IFCN Model with reference to historic performance and external market data relating to projected growth for the relevant categories.

We critically challenged the Group's assumptions relating to forecast market shares, considering recovery of a key competitor's supply shortages in the North American market, through comparison to historical trends and external data sources.

We benchmarked margin and other costs assumptions against historical achievement, external cost inflation growth forecasts and our assessment of the Group's historic ability to achieve productivity savings. We also benchmarked the terminal growth rate assumption against market forecasts.

Personnel interviews: We compared judgements made centrally to discussions we held directly with the relevant members of the Global Business Unit and country management. We considered and challenged the Group's assumptions and corroborated these views with the Group's in-market teams.

Valuation expertise: Using our own valuation specialists, we challenged the appropriateness of key assumptions underlying the estimation of the recoverable amounts of the goodwill and intangible assets relating to the IFCN CGU, this included the discount rate used in the IFCN Model. We assessed whether the premium applied to the discount rate was appropriate considering the inherent forecasting uncertainty. We also benchmarked the recoverable amount of the IFCN CGU using implied earnings multiples to comparable companies and historic transactions within the industry, as well as considering latest market conditions.

Assessing transparency: We assessed whether the Group's disclosures in note 9 of the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the recoverable amount of goodwill and indefinite life intangible assets relating to the IFCN CGU.

We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to audit of the impairment assessment of goodwill and indefinite life intangible assets relating to the IFCN CGU, including details of our planned substantive procedures and the extent of our control reliance.
- For the recoverable amounts of the IFCN CGU, whether and where the Group's estimate lay within our reasonable range.
- The adequacy of the disclosures, particularly as they relate to the sensitivity of the recoverable amount of the IFCN CGU to key assumptions including net revenue growth, margin growth, discount rate and terminal growth rate.

Areas of particular auditor judgement

We identified an area of particular auditor judgement to be the assessment of whether the Directors' overall estimate of the recoverable amount of the IFCN CGU, considering key assumptions including net revenue, gross margin, discount rate and terminal growth rate, fell within our acceptable range.

We also identified an area of particular auditor judgement to be the assessment of the Directors' conclusion regarding the post balance sheet adverse verdict in the first NEC case's effect on the recoverable amount of the IFCN CGU and whether that continued to fall within our acceptable range.

Our results

We found the goodwill and indefinite life intangible asset balances relating to the IFCN CGU and the related impairment charge to be acceptable (FY22 result: the Group's conclusion that there is no impairment of the goodwill and intangible assets relating to the IFCN CGU to be acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 92 for details on how the Audit Committee considered recoverability of goodwill and indefinite life intangible assets relating to the IFCN CGU as an area of significant attention, page 167 for the accounting policy on recoverability of goodwill and indefinite life intangible assets and note 9 for the financial disclosures.

5.2 Recoverability of Biofreeze CGU goodwill and indefinite life intangible assets

Financial Statement Elements

	FY23	FY22
Goodwill and indefinite life intangible assets (Biofreeze)	**£613m**	£807m
Impairment charge (Biofreeze)	**£0m**	£152m

Independent Auditor's Report continued

5. Key audit matters continued

Our assessment of risk vs FY22

	Vs FY22
In FY22 no headroom existed between the recoverable amount and the net book value of the Biofreeze CGU following an impairment recognised as a result of category slowdown in an unfavourable macroeconomic environment. Our assessment is that the risk is similar in FY23 in relation to the impairment test carried out on 30 September 2023.	◀▶

Our results

FY23: Acceptable

FY22: Acceptable

Description of the Key Audit Matter

The risk: forecast-based impairment assessment

The recoverability of goodwill and indefinite life intangible assets relating to the Biofreeze cash generating unit ("CGU") is assessed using value in use which is based on forecast financial information within a discounted cash flow model ("the Biofreeze Model").

In FY22 the Group recognised an impairment charge of £152m, that reflected underperformance driven by category slowdown in an unfavourable macroeconomic environment. Following this impairment, no headroom existed between the recoverable amount and net book value.

Key assumptions in the Biofreeze Model include the discount rate, forecast financial performance, in particular net revenue and margin growth, and external factors impacting forecast category growth and terminal growth rates.

On 30 September 2023, in light of changes in level at which goodwill associated with Biofreeze was monitored, the Group reallocated the goodwill into the Health group of cash generating units (GCGU). Due to limited headroom, an impairment assessment of the Biofreeze CGU inclusive of goodwill was carried out immediately ahead of the goodwill reallocation.

The effect of these matters is that, as part of our risk assessment, we determined that the recoverable amount of the Biofreeze CGU at 30 September 2023 has a high degree of estimation uncertainty with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.

We also identified a fraud risk related to the estimation of the recoverable amount of goodwill and intangible assets relating to the Biofreeze CGU in response to possible pressures on the Group to realise value from significant acquisitions.

Our response to the risk

Our procedures to address the risk included:

Sensitivity analysis: We considered the sensitivity of the recoverable amount of the goodwill and indefinite life intangible assets relating to the Biofreeze CGU to reasonably possible changes in assumptions and focused our attention on those assumptions which we considered the most critical to the recoverable amount of the Biofreeze CGU.

Benchmarking assumptions: In response to the risk of fraud, we evaluated the net revenue growth assumptions in the Biofreeze model with reference to historic performance and external market data relating to projected growth for the relevant categories.

We critically challenged the Group's assumptions relating to price and volume growth through comparison to external market data sources and evaluated the Group's assumptions for achieving growth through planned innovation and international growth by assessing against historic performance and comparison to external data sources.

We benchmarked margin and other costs assumptions against historical trends, and our assessment of the Group's historic ability to achieve productivity savings. We also benchmarked the terminal growth rate assumption against market inflation forecast.

Personnel interviews: We compared judgements made centrally to discussions we held directly with the relevant members of global business units and country management. We considered and challenged the Group's assumptions and corroborated these views with the Groups' in-market teams.

Valuation expertise: Using our own valuation specialists, we challenged key assumptions including the discount rate and terminal growth rate used in the Biofreeze Model. We assessed whether the premium applied to the discount rate was appropriate considering the operational integration of Biofreeze processes into the wider Health business unit. We also benchmarked the recoverable amount of the Biofreeze CGU using implied earnings multiples with comparable companies, historic transactions within the industry, and to Biofreeze's acquisition multiple, as well as considering latest market conditions.

Assessing transparency: We assessed whether the Group's disclosures in note 9 of the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the recoverable amount of goodwill and indefinite life intangible assets relating to the Biofreeze CGU at 30 September 2023. In particular we assessed whether appropriate disclosures were provided to explain the circumstances leading to reallocation of goodwill and the results of impairment assessment performed ahead of this reallocation.

We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Independent Auditor's Report continued

5. Key audit matters continued

Communications with the Reckitt Benckiser Group plc's Audit Committee
Our discussions with and reporting to the Audit Committee included:

- Our approach to impairment assessment of goodwill and indefinite life intangible assets relating to the Biofreeze CGU, including details of our planned substantive procedures and the extent of our control reliance.
- For the recoverable amounts of the Biofreeze CGUs, whether and where the Group's estimate lay within our reasonable range.
- The adequacy of the disclosures, particularly as they relate to the sensitivity of the recoverable amounts of the Biofreeze CGU to key assumptions including net revenue growth, margin growth, discount rate and terminal growth rate.

Areas of particular auditor judgement
We identified an area of particular auditor judgement to be the assessment of whether the Directors' overall estimate of the recoverable amounts of the Biofreeze CGU, considering key assumptions including net revenue, gross margin, discount rate and terminal growth rate, fell within our acceptable range.

Our results
We found the Group's conclusion ahead of reallocation of goodwill to Health GCGU that there is no impairment of goodwill and indefinite life intangible assets relating to the Biofreeze CGU to be acceptable; (FY22 result for the Biofreeze CGU we found the goodwill and indefinite life intangible assets balance, and the related impairment charge, to be acceptable.

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 92 for details on how the Audit Committee considered recoverability of goodwill and indefinite life intangible assets relating to the Biofreeze CGU as an area of significant attention, page 167 for the accounting policy on recoverability of goodwill and indefinite life intangible assets and note 9 for the financial disclosures.

5.3 Revenue recognition in relation to trade spend arrangements and associated accruals (Group)

Financial Statement Elements

	FY23	FY22
Trade spend accruals	**£1,125m**	£1,137m

Our assessment of risk vs FY22

	Vs FY22
We have not identified any significant changes to our assessment of the level of risk relating to trade spend arrangements and related accruals compared to FY22.	◀▶

Our results

FY23: Acceptable

FY22: Acceptable

Description of the Key Audit Matter
The risk: subjective estimate
The Group regularly enters into complex arrangements providing pricing, placement and other promotional rebates and allowances to its customers. These trade spend arrangements can vary in complexity by market, product category and customer.

Revenue is measured net of outflows arising from such arrangements which, for agreements or practices spanning a period end, requires an estimate of the extent and value of future activity. These estimates can be subjective and require the use of assumptions that are susceptible to management bias and fraud.

The Group operates a variable compensation scheme with outturns directly linked to financial performance against targets. Strong financial performance could create an incentive to defer revenues into the next financial year by overstating trade spend accruals. Weaker financial performance may also create an incentive to understate trade spend accruals. Whilst the risk of a material misstatement in an individual market is remote, there is a risk that inappropriate judgements in multiple markets may, in aggregate, materially misstate the Group's financial statements.

The effect of these matters is that, as part of our risk assessment, we determined that trade spend accruals carry a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Group's financial statements as a whole.

Our response to the risk
Our procedures to address the risk included:
Accounting policies: We critically assessed the appropriateness of the Group's accounting policies relating to trade spend against requirements of IFRS 15 Revenue from Contracts with Customers.

Historical comparisons: For a selection of the more judgemental accruals, our component teams assessed the historical accuracy of the accruals by:

- comparing those recognised in the prior year to the actual trade spend subsequently incurred; and
- where there were significant differences, considering whether such differences related to a change in estimate or an error to respond to the risk of fraud and error, and evaluating whether any overstatement or understatement identified was material.

Tests of detail: Testing was focused on those trade spend accruals we considered to be more judgemental, or potentially subject to management bias or fraud. We performed procedures to a precision level sufficient to address the risk of fraud. For a sample of these trade spend accruals, our component teams:

Independent Auditor's Report continued

5. Key audit matters continued

- reperformed the calculation to assess whether it was mathematically accurate;
- identified the key assumptions in the calculation of each accrual selected, such as forecast sales volumes, rebate structure and settlement mechanism;
- agreed those key assumptions to relevant documentation, such as invoices received after the balance sheet date, customer agreements or third-party consumption data; and
- assessed whether the key assumptions were consistent with external data points and the Group's historic experience of comparable trade spend arrangements.

Expectation vs outcome: We performed analytical procedures over the aggregated balance at a group level, and our component teams completed disaggregated analytical procedures over the individual balances.

Assessing transparency: We assessed the adequacy of the Group's disclosures in note 1 in relation to the degree of estimation in the trade spend accruals and the resulting amount of trade spend deducted from Net Revenue.

We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls and related IT controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the trade spend accruals including details of our planned substantive procedures and the extent of our control reliance.
- As described in section 6, our response to the additional specific fraud risk identified relating to the investigation commissioned by the Directors in two Middle Eastern markets that identified an understatement of trade spend accruals and our related findings.
- Our assessment of findings from our component team's procedures, including the historical comparisons of FY22 accruals and whether those indicated material errors, and whether the FY23 accruals in relation to trade spend were acceptable.

Areas of particular auditor judgement

We performed an assessment of whether the Group`s overall estimate, considering the Group's accounting policies, and the complex nature of the agreements entered into, is acceptable. We also considered whether an unadjusted overstatement identified through our procedures directly related to the key audit matter was material.

Our results

We found the trade spend accruals recognised to be acceptable (FY22 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 88 for details on how the Audit Committee considered revenue recognition in relation to trade spend arrangements and associated accruals as an area of significant attention, page 168 for the accounting policy on revenue recognition in relation to trade spend arrangements and associated accruals, and note 1 for the financial disclosures.

5.4 Contingent liabilities arising from the US litigation concerning Necrotising Enterocolitis (NEC) and the amendment to the South Korean Humidifier Sanitiser (HS) law (Group)

Financial Statement Elements

Financial statements disclosure in note 20 and note 33

Our assessment of risk vs FY22

	Vs FY22
We have assessed that the risk relating to contingent liabilities has increased from FY22 following an adverse verdict in the first NEC case. This increases the probability of outflow of economic benefit and increases the level of judgement involved in the ability to reliably estimate any such outflow. We have not identified any significant change to the level of risk relating to contingent liabilities arising from the amendment to the South Korean Humidifier Sanitiser (HS) Law compared to FY22	▲

Our results

FY23: Acceptable

FY22: Acceptable

Description of the Key Audit Matter

The risk: dispute outcome

The Group is named in a number of litigations relating to NEC in the United States and HS issues in South Korea.

The South Korean HS law amendment enacted on 25 September 2020 significantly altered the legal framework under which HS claims were previously made and settled. As a result, judgement is needed to assess whether the recognition criteria for a provision have been met for additional litigation under the HS law amendment.

An adverse verdict in the first NEC case on 13 March 2024 increases the probability of economic outflow and increases the level of judgement involved in the ability to reliably estimate any such outflow in relation to the NEC product liability actions in the United States.

Independent Auditor's Report continued

5. Key audit matters continued

The amounts involved in these litigations are potentially significant, and the application of accounting standards to determine the amount, if any, to be provided for, is inherently subjective. Given the uncertainty relating to the likelihood, amount and timing of any possible economic outflow, there is a risk over the classification of any liability as a provision or a contingent liability and the transparency of disclosures therein.

Our response to the risk

Our procedures to address the risk included:

Inquiry of lawyers: We inquired of the Group's internal and external counsel to obtain an understanding of developments. In relation to the HS matter we inquired into the progress of litigation and the establishment of a mediation panel between HS companies and claimant groups. In relation to the NEC litigation we inquired as to the progress through discovery and the likely prospects of successfully defending the cases based on available evidence, including scientific evidence, and therefore the ability to reliably estimate any economic outflow. We requested and received formal correspondence directly from the Group's external counsel for both the HS matter and NEC litigations that evaluated the current status of legal proceedings.

We corroborated the consistency of the judgement made by the Directors to inquiries with both internal and external legal counsel.

Assessing transparency: We assessed the adequacy of the Group's disclosures of contingent liabilities related to the NEC litigations and the HS matter in note 20, particularly the uncertainties relating to the amount and timing of any resulting outflow.

We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the assessment over the ongoing litigation relating to NEC in the United States and the HS issue in South Korea.
- Our conclusions on the appropriateness of the Group's methodology and accounting policies.
- The adequacy of the disclosures, particularly as it relates to the uncertainties in relation to the amount and timing of any resulting outflow.

Areas of particular auditor judgement

We identified an area of particular auditor judgement to be consideration of whether the contingent liability disclosure is sufficiently transparent in respect of the uncertainties that exist in relation to the amount and timing of any resulting outflow.

Our results

We found the Group's assessment that the impact of the HS law amendment as contingent liabilities and transparency of disclosure to be acceptable (FY22 result: acceptable).

We found the Group's assessment that the potential outflows from the NEC litigations are treated as a contingent liability and the transparency of the related disclosure to be acceptable (FY22 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 88 for details on how the Audit Committee considered contingent liabilities arising from the amendment to the South Korean HS law and NEC litigation in the United States as areas of significant attention, page 168 for the accounting policy on contingent liabilities arising from the amendment to the South Korean HS law, and note 20 for the financial disclosures.

5.5 Accounting for the forward purchase of shares held by the non-controlling interest of "RB Manon" (Group)

Financial Statement Elements

	FY23	FY22
Trade and other payables	**£158m**	n/a
Forward purchase of shares held by NCI (within Total Equity)	**£167m**	n/a

Our assessment of risk vs FY22

	Vs FY22
On 25 May 2023 the Group entered into a new agreement outlined below, and therefore this is a new risk for FY23.	**New**

Independent Auditor's Report continued

5. Key audit matters continued

Our results

FY23: Acceptable	
FY22: n/a	

Description of the Key Audit Matter

The risk: accounting treatment

The Group has entered into an agreement to acquire the remaining interests in the Group's majority owned entities in mainland China and Hong Kong ("RB Manon") from its existing minority shareholders.

The estimated present value of the total amounts payable under the agreement is £298 million and is not a key source of estimation uncertainty. However, the agreement has two components – purchase of the non-controlling interest which is taken to equity, and services provided by the minority shareholders which are charged to the income statement over the service period.

Significant judgement is required to allocate the total amount payable between equity and the income statement in future periods.

We also identified a fraud risk in response to possible pressures to reduce future income statement expenses.

Our response to the risk

Our procedures to address the risk included:

Accounting analysis: We interpreted the relevant standards and best application in relation to the terms of the deal in order to assess the Group's valuation of the component parts.

Valuation expertise: Using our own valuation specialists, we challenged the value of the non-controlling interest in the RB Manon business determined by the valuation specialists engaged by the Group. Our valuations specialists have also reviewed and challenged specialists engaged by the Group on their valuation methodologies and approaches to calculate the fair value and key assumptions such as WACC, marketability considerations and any minority / controls considerations.

Benchmarking assumptions: We performed benchmarking to previous transactions with the parties involved in RB Manon.

Assessing transparency: We assessed the adequacy of the Group's disclosures in explaining the various component parts of the deal, the accounting judgements made and how the values of the components were calculated.

We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the accounting treatment for the transaction, including details of our planned substantive procedures and the extent of our control reliance.
- Our approach to the audit of the accounting judgement relating to the allocation of the amount payable in relation to the two components of the transaction.
- The adequacy of the disclosures,

Areas of particular auditor judgement

We identified an area of particular auditor judgement to be the assessment of whether the Directors' overall accounting judgement of the allocation of the total consideration to the deal components (i.e. payment for transitional services or equity) is acceptable.

Our results

We found the Group's accounting treatment to be acceptable (FY22 result: not applicable, as this was not a key audit matter in FY22).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 88 for details on how the Audit Committee considered accounting for the share purchase agreement for the non-controlling interest of RB Manon as an area of significant attention, page 167 for the accounting policy on the relevant treatment and note 30 for the financial disclosures.

5.6 Provisions for uncertain tax positions (Group)

Financial Statement Elements

	FY23	FY22
Uncertain tax positions	**£619m**	£722m

Our assessment of risk vs FY22

	Vs FY22
We have not identified any significant changes to our assessment of the level of risk relating to provisions for uncertain tax positions compared to FY22.	◀▶

Independent Auditor's Report continued

5. Key audit matters continued

Our results

FY23: Acceptable	
FY22: Acceptable	

Description of the Key Audit Matter

The risk: subjective estimate

Due to the Group operating across a number of different tax jurisdictions, and the complexities of transfer pricing and other international tax legislation, it is subject to periodic challenge by local tax authorities on a range of tax matters arising in the normal course of business.

These challenges by the local tax authorities include but are not limited to:

- transfer pricing arrangements relating to the Group's operating model;
- transfer pricing arrangements relating to the ownership of intellectual property rights that are used across the Group;
- deductibility of interest on intra-group borrowings; and
- the European Commission's ongoing State Aid investigations into transfer pricing ruling practices of certain member states.

Provisions for uncertain tax positions require judgements and estimates to be made in relation to tax issues and exposures where the Group may be challenged by local tax authorities on its interpretation of tax legislation. Auditor judgement is required to assess whether the Directors' overall estimate falls within an acceptable range. This takes into account the method and assumptions underpinning exposures calculated such as: the clarity of relevant legislation and related guidance; advice from in-house specialists; opinions of professional firms; past experience; and precedents set by a particular tax authority.

The effect of these matters is that, as part of our risk assessment, we determined that the estimates of uncertain tax positions have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Group`s financial statements as a whole and possibly many times that amount.

Our response to the risk

Our procedures to address the risk included:

Our tax expertise: We used our own international and local tax specialists to assist us to:

- Inspect and assess the Group's centrally prepared transfer pricing policies to determine whether they reflect the risks, activities and substance of each of the entities within the supply chain; and
- Assess the Group's tax positions, its correspondence with the relevant tax authorities, and to analyse and challenge the assumptions used to determine provisions for tax uncertainties based on our knowledge and experiences of the application of tax legislation.

Historical comparisons: We assessed the historical accuracy of the provisions, with reference to any recent tax authority audits and related results, and we considered the impact on the remaining provision.

Assessing transparency: We assessed the adequacy of the Group's disclosures in notes 1 and 22 in respect of uncertain tax positions.

We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the provisions for uncertain tax positions, including details of our planned substantive procedures and the extent of our control reliance.
- For the provisions for uncertain tax positions, whether and where the Group's estimate lay within our reasonable range.
- The adequacy of the disclosures, particularly as it relates to the sensitivity of the uncertain tax position to possible changes in key assumptions.

Areas of particular auditor judgement

We identified an area of particular auditor judgement to be the clarity of the associated disclosure in relation to the estimation uncertainty associated with uncertain tax positions.

Our results

We found the level of the uncertain tax provisioning to be acceptable (FY22 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 88 for details on how the Audit Committee considered provisions for uncertain tax positions as an area of significant attention, page 167 for the accounting policy on uncertain tax positions and note 22 for the financial disclosures.

5.7 Recoverability of the Parent Company's investment in the subsidiary, reckitt benckiser limited (Parent Company)

Financial Statement Elements

	FY23	FY22
Parent company investment	**£15,174m**	£15,078m

Our assessment of risk vs FY22

	Vs FY22
We have not identified any significant changes to our assessment of the level of risk relating to the recoverability of the Parent Company's investment in the subsidiary, Reckitt Benckiser Limited, compared to FY22.	◀▶

Independent Auditor's Report continued

5. Key audit matters continued

Our results

FY23: Acceptable

FY22: Acceptable

Description of the Key Audit Matter

The risk: low risk, high value

The carrying amount of the Parent Company's investment in its subsidiary, Reckitt Benckiser Limited, represents 98.7% (FY22: 99.6%) of the Parent Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the Parent Company`s financial statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.

Our response to the risk

Our procedures to address the risk included:

Comparing valuations: We compared the carrying amount of the investment to the market capitalisation of the Group as Reckitt Benckiser Limited, either directly or indirectly, owns all other subsidiaries of the Group.

We performed the test above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedure described.

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the assessment of the carrying amount of the Parent Company's investment in the subsidiary, including details of our planned substantive procedures and the extent of our control reliance.
- For the carrying amount, our assessment of whether the conclusion that there is no impairment of the Parent Company's investment in the subsidiary is acceptable.

Our results

We found the Group's conclusion that there is no impairment of its investment in the subsidiary to be acceptable (FY22: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 88 for details on how the Audit Committee considered recoverability of the Parent Company's investment in the subsidiary, Reckitt Benckiser Limited as an area of significant attention, page 204 for the accounting policy on recoverability of the Parent Company's investment in the subsidiary, Reckitt Benckiser Limited, and note 2 of Parent Company accounts for the financial disclosures.

6. Our ability to detect irregularities, and our response

Fraud – Identifying and responding to risks of material misstatement due to fraud

Fraud risk assessment

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Consultation with our own forensic specialists to assist us in identifying fraud risks based on their experience of comparable businesses, similar sector, as well as of the geographies in which the Group operates. The forensic specialists participated in the initial fraud risk assessment discussions and were consulted throughout the audit when further guidance was deemed necessary;
- Enquiry of the Directors, operational managers, the General Counsel, the Chief Ethics and Compliance Officer and members of the internal audit function to assess whether they have knowledge of any actual, suspected or alleged fraud, as well as inspection of minutes of meetings of the Board, Audit Committee, Executive Committee, Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee, and Annual General Meeting;
- Inspection of the Group's policies and procedures to prevent, detect and respond to the risks of fraud, internal audit reports issued during the year and reports to the Group's whistleblowing hotline and the responses to those reports, including those concerning investigations;
- Consideration of the Group's results against performance targets and the Group's remuneration policies.

Risk communications

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to component audit teams of relevant fraud risks identified at the group level and request to all component audit teams to report to the group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

Fraud risks

We assessed that there is an inherent risk that group and component management could make inappropriate accounting entries or have bias when making accounting estimates and judgements. We determined that these risks would most likely manifest themselves in three key areas being:

- Trade spend and other associated accruals may be manipulated to alter the timing of recognition of revenue and profit particularly in light of the investigation commissioned by the Directors in two Middle Eastern markets that identified an understatement of trade spend accruals;
- Management bias in the estimation of the recoverable amount of the IFCN and Biofreeze CGUs in response to possible pressures to realise value from significant acquisitions;
- Management bias when applying judgement in relation to accounting treatment of the purchase of the non-controlling interest in RB Manon, where there may be bias in respect of the allocation of the total amount payable between equity and transition services to minimise future income statement impact.

Independent Auditor's Report continued

6. Our ability to detect irregularities, and our response continued

As required by auditing standards, and after considering the impact of the Group's results against performance targets, we performed procedures to address the risk of management override of controls, the risk of fraudulent revenue recognition, and the risk of management bias associated with estimation of the recoverable amounts of the IFCN and Biofreeze CGUs and the accounting treatment of RB Manon transaction.

Link to KAMs

Further detail in respect of the fraud risks is set out in the key audit matter disclosures 5.1, 5.2, 5.3 and 5.4 in section 5 of this report.

Procedures to address fraud risks

We also performed procedures including:

- For all components within scope, identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual journal entries associated with trade spend and other operational expenditure accruals.
- For all components within scope, additional procedures to incorporate an element of unpredictability, in relation to trade spend and other associated accruals.

As a result of the investigation commissioned by the Directors in two Middle Eastern markets that identified an understatement of trade spend accruals (and explained by the Directors on page 93, we considered the implications for our audit. To address the additional specific fraud risk identified in a small number of components we:

- Reduced materiality in the two impacted full scope components' audits by 50% and performance materiality from 75% to 50%.
- Performed incremental procedures over net revenue in the impacted components and three other full scope components across the Group, to address the possible risk of contagion.
- Identified a further Middle Eastern component that was not previously in scope for the group audit and carried out specified procedures over net revenue in that component.

Actual or suspected fraud discussed with the Audit Committee

We discussed with the Audit Committee matters relating to actual or suspected fraud, which included the results of the investigation commissioned by the Directors in two Middle Eastern markets that identified an understatement of trade spend accruals (as explained by the Directors on page 93 and the results of our related procedures.

Laws and regulations – Identifying and responding to risks of material misstatement relating to compliance with laws and regulations

Laws and regulations risk assessment

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience. We held enquiries with the Directors and other management (as required by auditing standards) and inspected regulatory and legal correspondence received by the Group. We held enquiries with the Group's external legal counsel where considered necessary, and we also inspected the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Risk communications

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to all component audit teams of relevant laws and regulations identified at the group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the group level.

Direct laws context and link to audit

The potential effect of these laws and regulations on the financial statements varies considerably. The Group is subject to laws and regulations that directly impact the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, and taxation legislation (direct and indirect). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Most significant indirect law/regulation areas

The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's permission to operate in countries where the non-adherence to laws could prevent trading in such countries.

We identified the following areas as those most likely to have such an effect:

- Employee health and safety, reflecting the nature of the Group's production and distribution process;
- Anti-bribery and corruption, reflecting that the Group operates in a number of countries where there is an opportunity to engage in bribery given more limited regulation;
- Interaction with healthcare professionals, reflecting the nature of the Group's products in the Health and Nutrition Global Business Units;
- Global competition laws, reflecting the nature of the Group's business and certain market share positions;

Independent Auditor's Report continued

6. Our ability to detect irregularities, and our response continued

- Consumer product law such as product safety, quality standards and product claims, reflecting the nature of the Group's diverse product base;
- Data privacy laws, reflecting the Group's growing amounts of personal data held;
- Intellectual property legislation, reflecting the potential of the Group to infringe trademarks, copyright and patents; and
- Environmental regulation, reflecting the nature of the Group's production and distribution process.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Link to KAMs

Further detail in respect of the effect of ongoing litigations relating to NEC in the United States and the HS Law Amendment in South Korea is set out in the key audit matter disclosures 5.4 in section 5 of this report.

Context

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£140m
(FY22: £130m)
Materiality for the Group`s financial statements as a whole

What we mean

A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied

Materiality for the Group`s financial statements as a whole was set at £140m (FY22: £130m). This was determined with reference to a benchmark of normalised profit before tax from continuing operations ("PBTCO"). When using a benchmark of normalised profit before tax to determine overall materiality, our approach for listed entities considers a guideline range of 3% – 5% of the measure. In setting overall group materiality, we applied a percentage of 4.5% (FY22: 4.1%) to the benchmark.

Consistent with FY22, we determined that normalised PBTCO remains the most appropriate benchmark for the Group. Reckitt Benckiser Group plc is well established and operates in a stable environment across multiple geographies. Therefore, users of the financial statements will be primarily interested in the profitability of the Group and its ability to generate a return for shareholders, of which the most relevant benchmark is normalised PBTCO.

We normalised PBTCO (FY22: normalised PBTCO) by adding back adjustments that do not represent the normal, continuing operations of the Group. The items we adjusted for were impairment of goodwill and other adjusting items as disclosed on page 226 in the table reconciling the Group's IFRS measures to its adjusted measures for the year ended 31 December 2023, totalling £695 million net (FY22: £90 million, adjustments related to the impairment of goodwill, and other adjusting items as disclosed on pages 226.

Materiality for the Parent Company`s financial statements as a whole was set at £70m (FY22: £65m), determined with reference to a benchmark of Parent Company total assets of which it represents 0.46% (FY22: 0.45%). The Parent Company's principal activity is holding the investment in Reckitt Benckiser Limited, and therefore the total assets are the most relevant benchmark to the users of the financial statements.

£105m
(FY22: £85m)
Performance materiality

What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 75% (FY22: 65%) of materiality for Reckitt Benckiser Group`s financial statements as a whole to be appropriate.

Independent Auditor's Report continued

7. Our determination of materiality continued

The Parent Company performance materiality was set at £52m (FY22: £49m), which equates to 75% (FY22:75%) of materiality for the Parent Company`s financial statements as a whole.

Performance materiality was set at 75% of components` materiality for all full scope components, with the exception of two Middle East components where the performance materiality was set at 50% of materiality (as described in section 6).

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk. In FY22, we applied a lower percentage in our determination of group performance materiality based on the level of identified misstatements and control deficiencies during the prior period.

£6m
(FY22: £5m)
Audit misstatement posting threshold
What we mean
This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to Reckitt Benckiser Group plc's Audit Committee.

Basis for determining the audit misstatement posting threshold and judgements applied
We set our audit misstatement posting threshold at 4.3% (FY22: 3.9%) of our materiality for the Group`s financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group`s financial statements of £140m (FY22: £130m) compares as follows to the main financial statement caption amounts:

	Net revenue		Profit before tax		Total assets	
	FY23	FY22	**FY23**	FY22	**FY23**	FY22
Financial statement Caption	**£14,607m**	£14,453m	**£2,401m**	£3,067m	**£27,136m**	£28,742m
Group Materiality as % of caption	**1.0%**	0.9%	**6.2%**	4.2%	**0.5%**	0.5%

8. The scope of our audit

Group scope
What we mean
How the group audit team determined the procedures to be performed across the Group.

The Group has 380 (FY22: 406) reporting components. In order to determine the work performed at the reporting component level, we identified those components which we considered to be of individual financial significance and those remaining components on which we required procedures to be performed to provide us with the evidence we required in order to conclude on the Group`s financial statements as a whole.

We determined individually financially significant components as those contributing at least 10% (2022: 10%) of revenue or total assets. We selected revenue and total assets because these are the most representative of the relative size of the components. We identified 1 (2022: 1) component as individually financially significant component and performed a full scope audit on this component.

In addition, to enable us to obtain sufficient appropriate audit evidence for the Group`s financial statements as a whole, we selected 51 (2022: 52) components on which to perform full scope audits.

We subjected 2 (2022: 1) components to specified audit procedures. We carried out procedures over expenses for one component that was not individually significant but was included in the scope of our work on the Group's financial statements in order to provide further coverage over the Group's results. Additionally, following the investigation in the Middle East described in section 6, we carried out specified procedures over net revenue and trade receivables for a component that was not previously in scope.

The components within the scope of our work accounted for the following percentages of the Group's results, with the prior year comparatives indicated in brackets:

Scope	Number of components	Range of materiality	Percentage of the Group's net revenue	Percentage of the Group's profit before tax	Percentage of he Group's total assets
Full Scope	52 (53)	£8m to £75m (£8m to £75m)	80% (79%)	67% (68%)	86% (85%)
Specified procedures	2 (1)	£40m to £65m (£64m)	1% (0%)	11% (9%)	1% (0%)
Total	54 (54)	£8m to £75m (£8m to £75m)	81% (79%)	78% (77%)	87% (85%)

The remaining 19% (2022: 21%) of net revenue, 22% (2022: 23%) of total profits and losses that made up profit before tax and 14% (2022: 15%) of total assets is represented by 326 (2022: 354) reporting components, none of which individually represented more than 2% (2022: 2%) of any of total group revenue, total profits and losses that made up group profit before tax or total group assets. For these components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The work on 50 of the 54 components (2022: 51 of the 54 components) was performed by component auditors and the rest, including the audit of the Parent Company, was performed by the group audit team.

The components within the scope of our work accounted for the percentages illustrated in section 2 – Group Scope.

Independent Auditor's Report continued

8. The scope of our audit continued

The group audit team has also performed audit procedures on the following areas on behalf of the components:

- Testing of IT Systems
- Items excluded from normalised group PBTCO; and
- Testing of revenue recorded through a common service provider

IT systems and part of revenue are managed centrally, and items excluded from normalised group PBTCO are adjusted at group level. Therefore, these items were audited by the group audit team. The group audit team communicated the results of these procedures to the component teams where relevant.

The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal control over financial reporting.

Group audit team oversight

What we mean

The extent of the group audit team's involvement in component audits.

The group audit team is required to instruct the component teams about their responsibilities in relation to the consolidated group audit and to understand the approach taken by component auditors to meet these responsibilities. The group audit team is also required to understand the conclusions reached by component auditors and to review and challenge the work they have performed to reach these conclusions.

The group audit team physically visited 18 countries in November and December 2023 to attend management balance sheet reviews ahead of the year end (2022: 19). The group team also attended four meetings virtually. In addition, the group audit team held an Auditor's Global Conference in London attended by partners and managers for 50 in-scope components, where the use of Data and Analytics, updates to group level significant risks, the Group's internal controls transformation and FY23 audit strategy were discussed:

We had regular contact with our component auditors throughout the year, including issuing instructions to components auditors on the scope of their work, risk assessment and challenge meetings at planning and final phases of the audit and inspection of component audit teams' key working papers within the component audit files.

Additionally, in relation to the fraud identified in the Middle East the group audit team worked closely with and made requests of the Group's Ethics and Compliance team and external legal counsel leading the investigation, supported by our own forensics specialists. We subjected the two Middle East in-scope components to additional procedures, which were directed and overseen by the group audit team

The group audit team, including the Group Engagement Partner, were in daily communication with the Middle East components throughout the investigation and a supplemental physical visit to the region was undertaken in March 2024 to perform further in-depth review of their audit files, along with further discussions with the component teams and regional management.

9. Other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic Report and Directors' Report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' Remuneration Report

Our responsibility

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;

Independent Auditor's Report continued

9. Other information in the Annual Report continued

- the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Our reporting

We have nothing to report in these respects.

10. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 137, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

11. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the company, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Bradshaw (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London

21 March 2024

Group Income Statement

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
CONTINUING OPERATIONS			
Net Revenue	2	**14,607**	14,453
Cost of sales		**(5,847)**	(6,092)
Gross profit		**8,760**	8,361
Impairment of goodwill		**(810)**	(167)
Other operating expenses		**(5,419)**	(4,945)
Net operating expenses	3	**(6,229)**	(5,112)
Operating profit	2	**2,531**	3,249
Finance income	6	**210**	130
Finance expense	6	**(340)**	(291)
Impairment of equity-accounted investments	11	**–**	(19)
Share of loss of equity-accounted investments, net of tax	11	**–**	(2)
Profit before income tax		**2,401**	3,067
Income tax charge	7	**(753)**	(711)
Net profit from continuing operations		**1,648**	2,356
Net profit/(loss) from discontinued operations	32	**9**	(7)
Net profit		**1,657**	2,349
Attributable to non-controlling interests		**14**	19
Attributable to owners of the parent company		**1,643**	2,330
Net profit		**1,657**	2,349
Basic earnings/(loss) per ordinary share			
From continuing operations (pence)	8	**227.9**	326.7
From discontinued operations (pence)	8	**1.3**	(1.0)
From total operations (pence)	8	**229.2**	325.7
Diluted earnings/(loss) per ordinary share			
From continuing operations (pence)	8	**227.4**	325.7
From discontinued operations (pence)	8	**1.3**	(1.0)
From total operations (pence)	8	**228.7**	324.7

Group Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Net profit		**1,657**	2,349
Other comprehensive income/(expense)			
Items that have or may be reclassified to the Income Statement in subsequent years			
Net exchange (loss)/gain on foreign currency translation, net of tax	7, 26	**(639)**	1,065
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	7, 26	**(131)**	(56)
Gains/(losses) on net investment hedges, net of tax	7, 26	**42**	(115)
Fair value (losses) on cash flow hedges, net of tax	7, 26	**(16)**	(32)
Reclassification of cash flow hedges to the income statement	7, 26	**(23)**	34
		(767)	896
Items that will not be reclassified to the Income Statement in subsequent years			
Remeasurements of defined benefit pension plans, net of tax	7	**(26)**	24
Revaluation of equity instruments – FVOCI, net of tax	7	**(10)**	(87)
		(36)	(63)
Other comprehensive (expense)/income, net of tax		**(803)**	833
Total comprehensive income		**854**	3,182
Attributable to non-controlling interests		**13**	20
Attributable to owners of the parent company		**841**	3,162
Total comprehensive income		**854**	3,182
Total comprehensive income attributable to owners of the parent company arising from:			
Continuing operations		**832**	3,169
Discontinued operations		**9**	(7)
		841	3,162

Group Balance Sheet

As at 31 December 2023

	Note	2023 £m	2022 £m
ASSETS			
Non-current assets			
Goodwill and other intangible assets	9	**18,588**	20,203
Property, plant and equipment	10	**2,399**	2,473
Equity instruments	11	**118**	86
Deferred tax assets	12	**287**	244
Retirement benefit surplus	23	**270**	294
Other non-current receivables	14	**172**	157
Total non-current assets		**21,834**	23,457
Current assets			
Inventories	13	**1,637**	1,825
Trade and other receivables	14	**2,062**	2,082
Derivative financial instruments	15, 17	**64**	59
Current tax recoverable		**80**	155
Cash and cash equivalents	16	**1,387**	1,157
Assets held for sale	31	**72**	7
Total current assets		**5,302**	5,285
Total assets		**27,136**	28,742
LIABILITIES			
Current liabilities			
Short-term borrowings	17	**(1,679)**	(1,721)
Provisions for liabilities and charges	18	**(142)**	(227)
Trade and other payables	21	**(5,506)**	(5,547)
Derivative financial instruments	15, 17	**(78)**	(55)
Share repurchase liability	24	**(296)**	–
Current tax liabilities	22	**(620)**	(791)
Liabilities held for sale	31	**(17)**	–
Total current liabilities		**(8,338)**	(8,341)
Non-current liabilities			
Long-term borrowings	17	**(6,858)**	(7,163)
Deferred tax liabilities	12	**(2,899)**	(3,037)
Retirement benefit obligations	23	**(233)**	(240)
Provisions for liabilities and charges	18	**(57)**	(59)
Derivative financial instruments	15, 17	**(187)**	(249)
Non-current tax liabilities	22	**(28)**	(54)
Other non-current liabilities	21	**(67)**	(116)
Total non-current liabilities		**(10,329)**	(10,918)
Total liabilities		**(18,667)**	(19,259)
Net assets		**8,469**	9,483

	Note	2023 £m	2022 £m
EQUITY			
Capital and reserves			
Share capital	24	**74**	74
Share premium		**254**	254
Merger reserve		**(14,229)**	(14,229)
Other reserves	26	**(1,060)**	(294)
Retained earnings		**23,409**	23,638
Attributable to owners of the parent company		**8,448**	9,443
Attributable to non-controlling interests		**21**	40
Total equity		**8,469**	9,483

The accompanying notes form part of these Financial Statements. The Financial Statements on pages 156 to 200 were approved by the Board of Directors and signed on its behalf on 21 March 2024 by:

Christopher Sinclair
Director
Reckitt Benckiser Group plc

Kris Licht
Director
Reckitt Benckiser Group plc

Group Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Share capital £m	Share premium £m	Merger reserves[1] £m	Other reserves[2] £m	Retained earnings £m	Total attributable to owners of the parent company £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2022		**74**	**253**	**(14,229)**	**(1,189)**	**22,490**	**7,399**	**54**	**7,453**
Comprehensive income									
Net income		–	–	–	–	2,330	2,330	19	2,349
Other comprehensive income/(expense)		–	–	–	895	(63)	832	1	833
Total comprehensive income		**–**	**–**	**–**	**895**	**2,267**	**3,162**	**20**	**3,182**
Transactions with owners									
Treasury shares reissued	24	–	1	–	–	53	54	–	54
Issuance of shares to non-controlling interest		–	–	–	–	–	–	1	1
Share-based payments	25	–	–	–	–	78	78	–	78
Tax on share awards	7	–	–	–	–	(1)	(1)	–	(1)
Cash dividends	28	–	–	–	–	(1,249)	(1,249)	(35)	(1,284)
Total transactions with owners		**–**	**1**	**–**	**–**	**(1,119)**	**(1,118)**	**(34)**	**(1,152)**
Balance at 31 December 2022		**74**	**254**	**(14,229)**	**(294)**	**23,638**	**9,443**	**40**	**9,483**
Comprehensive income									
Net income		–	–	–	–	1,643	1,643	14	1,657
Other comprehensive expense		–	–	–	(766)	(36)	(802)	(1)	(803)
Total comprehensive (expense)/income		**–**	**–**	**–**	**(766)**	**1,607**	**841**	**13**	**854**
Transactions with owners									
Treasury shares reissued	24	–	–	–	–	48	48	–	48
Purchase of ordinary shares by employee share ownership trust		–	–	–	–	(2)	(2)	–	(2)
Repurchase of ordinary shares	24	–	–	–	–	(503)	(503)	–	(503)
Share-based payments	25	–	–	–	–	102	102	–	102
Tax on share awards	7	–	–	–	–	1	1	–	1
Cash dividends	28	–	–	–	–	(1,339)	(1,339)	(8)	(1,347)
Forward purchase of shares held by non-controlling interest	30	–	–	–	–	(143)	(143)	(24)	(167)
Total transactions with owners		**–**	**–**	**–**	**–**	**(1,836)**	**(1,836)**	**(32)**	**(1,868)**
Balance at 31 December 2023		**74**	**254**	**(14,229)**	**(1,060)**	**23,409**	**8,448**	**21**	**8,469**

1. The merger reserve relates to the 1999 combination of Reckitt & Colman plc and Benckiser N.V. and a Group reconstruction in 2007 treated as a merger under Part 27 of the Companies Act 2006
2. Refer to Note 26 for an explanation of other reserves

Group Cash Flow Statement

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**2,401**	3,067
Net finance expense	6	**130**	161
Share of loss and impairment of equity-accounted investments	11	**–**	21
Operating profit from continuing operations		**2,531**	3,249
Profit on sale of property, plant and equipment and intangible assets		**(34)**	(82)
Depreciation, amortisation and impairment	9, 10	**1,290**	607
Share-based payments	25	**102**	78
Decrease / (increase) in inventories		**118**	(254)
Increase in trade and other receivables		**(87)**	(23)
Decrease in payables and provisions		**(91)**	(145)
Cash generated from continuing operations		**3,829**	3,430
Interest paid		**(293)**	(243)
Interest received		**30**	34
Tax paid		**(922)**	(831)
Net cash flows attributable to discontinued operations	32	**(8)**	7
Net cash generated from operating activities		**2,636**	2,397
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	**(348)**	(362)
Purchase of intangible assets	9	**(101)**	(81)
Proceeds from the sale of property, plant and equipment		**63**	84
Proceeds from sale of intangible assets and related businesses, net of cash disposed		**1**	247
Acquisition of businesses, net of cash acquired	29	**(81)**	(12)
Other investing activities		**–**	(15)
Net cash used in investing activities		**(466)**	(139)

	Note	2023 £m	2022 £m
CASH FLOWS FROM FINANCING ACTIVITIES			
Treasury shares reissued	24	**48**	54
Purchase of ordinary shares by employee share ownership trust		**(2)**	–
Repurchase of ordinary shares	24	**(207)**	–
Proceeds from borrowings	17	**1,638**	2,274
Repayment of borrowings	17	**(1,855)**	(3,807)
Dividends paid to owners of the parent company	28	**(1,339)**	(1,249)
Dividends paid to non-controlling interests		**(8)**	(35)
Other financing activities[1]		**(84)**	383
Net cash used in financing activities		**(1,809)**	(2,380)
Net increase / (decrease) in cash and cash equivalents		**361**	(122)
Cash and cash equivalents at beginning of the year		**1,156**	1,259
Exchange (losses) / gains		**(137)**	19
Cash and cash equivalents at end of the year		**1,380**	1,156
Cash and cash equivalents comprise:			
Cash and cash equivalents[2]	16	**1,387**	1,157
Overdrafts	17	**(7)**	(1)
		1,380	1,156

1. Cash flows from other financing activities are principally composed of cash receipts and payments on derivative contracts used to hedge foreign exchange gains or losses on non-Sterling financing assets and financing liabilities between the Group's treasury company and fellow Group subsidiaries
2. Included within cash and cash equivalents is £229 million of cash (2022: £276 million) which is restricted for use by the Group but is available on demand and freely available for use within the relevant subsidiary (see Note 16)

Notes to the Financial Statements

1 Accounting Policies

The principal accounting policies adopted in the preparation of these Financial Statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

Basis of preparation

These Financial Statements have been prepared in accordance with the recognition, measurement and presentation requirements of UK-adopted International Accounting Standards and in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB).

These Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss or other comprehensive income. A summary of the Group's accounting policies is set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of Financial Statements that conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the Balance Sheet date and revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge at the time, actual amounts may ultimately differ from those estimates.

New standards, amendments and interpretations

The following amended standards and interpretations were adopted by the Group during the year ending 31 December 2023. These amended standards and interpretations have not had a significant impact on the consolidated Financial Statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- IFRS 17 Insurance Contracts

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The Group has applied the mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two rules set out therein.

The following new and amended standards are effective for annual periods beginning on or after 1 January 2024. The Group has not early adopted the new or amended standards, where applicable, in preparing these consolidated Financial Statements. These amendments are not expected to have a material impact on the Group in the current or future reporting periods:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier financing arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of exchangeability (Amendments to IAS 21)
- Non-current liabilities with covenants (Amendments to IAS 1)

Going concern

Having assessed the principal risks and other matters discussed in connection with the Viability Statement, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated Financial Statements. When reaching this conclusion, the Directors took into account the Group's overall financial position, exposure to principal risks and future business forecasts.

At 31 December 2023, the Group had cash and cash equivalents (excluding restricted cash) of £1.2 billion. The Group also had access to committed borrowing facilities of £4.5 billion, which were undrawn at year end and of which £4.45 billion are not subject to renewal until 2025 onwards. Further detail is contained within the Viability Statement on page 61 and within the liquidity disclosures in Note 15.

Basis of consolidation

The consolidated Financial Statements include the results of Reckitt Benckiser Group plc, a company registered in the UK, and all its subsidiary undertakings made up to the same accounting date. Subsidiary undertakings are those entities controlled by Reckitt Benckiser Group plc. Control exists where the Group is exposed to, or has the rights to variable returns from its involvement with, the investee and has the ability to use its power over the investee to affect its returns.

Intercompany transactions, balances and unrealised gains on transactions between Group companies have been eliminated on consolidation. Unrealised losses have also been eliminated to the extent that they do not represent an impairment of a transferred asset. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with accounting policies adopted by the Group.

Climate Change

In preparing the Financial Statements, management have considered the impact of climate change, specifically with reference to the disclosures included in the Strategic Report and the Group's 2030 Sustainability Ambitions, in particular in relation to impairment testing of intangible assets. These factors have not had a significant effect on the Group's critical accounting estimates and judgments made with respect to the current year.

Notes to the Financial Statements continued

1 Accounting Policies continued

Foreign currency translation

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated Financial Statements are presented in Sterling, which is the Group's presentational currency.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated monetary assets and liabilities are recognised in the Income Statement, except where hedge accounting is applied.

The Financial Statements of subsidiary undertakings with a non-Sterling functional currency are translated into Sterling on the following basis:

- Assets and liabilities: at the rate of exchange ruling at the year end date
- Income Statement items: at the average rate of exchange for the year

Exchange differences arising from the translation of the net investment in subsidiary undertakings with a non-Sterling functional currency, and of borrowings and other currency instruments designated as hedges of such investments, are recorded in equity on consolidation.

Business combinations

The acquisition method is used to account for the acquisition of subsidiaries and businesses. Identifiable net assets acquired (including intangible assets) in a business combination are measured initially at their fair values at the acquisition date.

Where the measurement of the fair value of identifiable net assets acquired is incomplete at the end of the reporting period in which the combination occurs, the Group will report provisional fair values. Final fair values are determined within a year of the acquisition date and retrospectively applied.

The excess of the consideration transferred and the amount of any non-controlling interest over the fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities acquired is recorded as goodwill.

The consideration transferred is measured at the fair value of the assets given, equity instruments issued (if any), and liabilities assumed or incurred at the date of acquisition.

Acquisition-related costs are expensed as incurred.

The results of the subsidiaries and businesses acquired are included in the consolidated Financial Statements from the acquisition date.

Assets held for sale and disposal groups

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale and presented separately in the Balance Sheet when the following criteria are met: the Group is committed to selling the asset or disposal group; it is available for immediate sale in its current condition; an active plan of sale has commenced and been approved in line with Group policy; and in the judgement of Group management it is highly probable that the sale will be completed within 12 months.

Immediately before the initial classification of the assets and disposal groups as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the disposal groups) are measured in accordance with the applicable accounting standards. Goodwill (including cost and accumulated impairment) is allocated to the disposal group using a relative value approach, unless a different method better reflects goodwill associated with the disposal.

Assets held for sale and disposal groups are subsequently measured at the lower of their carrying amount and fair value less costs of disposal. Impairment losses on initial classification as held for sale, and subsequent gains and losses on remeasurement to fair value less costs of disposal, are recognised in the Income Statement. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Disposals of intangible assets and subsidiaries

The financial performance of subsidiaries and businesses are included in the consolidated Financial Statements up to the point at which the Group ceases to have control over that subsidiary. Intangible assets not disposed of through the sale of shares in subsidiaries are treated as disposed at the point that the Group ceases to control the asset.

The difference between the fair value of the consideration (net of costs) and the carrying value of the assets and liabilities disposed is recognised as a gain or loss in the Income Statement. Any amounts previously recognised in other comprehensive income in respect of that subsidiary or asset, including exchange gains or losses on foreign currency translation, are accounted for as if the Group had directly disposed of related assets and liabilities. This results in a reclassification of amounts previously recognised in other comprehensive income to the Income Statement and included within the loss on disposal of intangible assets and related businesses.

Where the assets and liabilities disposed represent a partial disposal of a cash generating unit to which goodwill has been allocated, goodwill is allocated using a relative value approach to the disposal group, unless a different method better reflects goodwill associated with the disposal.

Where the tax base will not be transferred with the disposed assets, the deferred tax balances relating to the intangible assets are not considered part of the assets disposed and are instead credited or charged to the Income Statement within income tax expense.

Notes to the Financial Statements continued

1 Accounting Policies continued

Liquidation of subsidiaries

The Group liquidates subsidiaries that are no longer required in order to simplify the Group structure. As part of this process, the Group ensures any outstanding matters relating to the subsidiary are resolved before liquidation. Any amounts previously recognised in other comprehensive income in respect of that subsidiary, including exchange gains and losses on foreign currency translation, are reclassified to the Income Statement on disposal which is typically on entering liquidation. The amounts previously recognised in other comprehensive income are included within finance income in the Income Statement.

Non-controlling interests

On an acquisition-by-acquisition basis, the non-controlling interest is measured at either fair value or a proportionate share of the acquiree's net assets.

Purchases of non-controlling interests are accounted for as transactions with the owners and therefore no goodwill is recognised as a result of such transactions.

Revenue

Revenue from the sale of products is recognised in the Group Income Statement as and when performance obligations are satisfied by transferring control of the product or service to the customer.

Net Revenue is defined as the amount invoiced to external customers during the year and comprises, as required by IFRS 15, gross sales net of trade spend, customer allowances for credit notes, returns and consumer coupons. The methodology and assumptions used to estimate credit notes, returns and consumer coupons are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions.

Trade spend, which consists primarily of customer pricing allowances, placement/listing fees and promotional allowances, is governed by sales agreements with the Group's trade customers (retailers and distributors). Trade spend also includes reimbursement arrangements under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), payable to the respective US state WIC agencies.

Accruals are recognised under the terms of these agreements to reflect the expected activity level and the Group's historical experience. These accruals are reported within trade and other payables.

Value-added tax and other sales taxes are excluded from Net Revenue.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee.

Research and development

Research expenditure is expensed in the year in which it is incurred.

Development expenditure is expensed in the year in which it is incurred, unless it meets the requirements of IAS 38 to be capitalised and then amortised over the useful life of the developed product.

Income tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted in each jurisdiction at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. Deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction (other than a business combination) that affects neither accounting nor taxable profit or loss at that time. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the Balance Sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the investor is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities within the same tax jurisdiction are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where there is an intention to settle these balances on a net basis.

Notes to the Financial Statements continued

1 Accounting Policies continued

Goodwill and other intangible assets

(i) Goodwill

Goodwill is allocated to the cash generating unit (CGU), or group of CGUs (GCGU), to which it relates and is tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses.

(ii) Brands

Separately acquired brands are shown at cost less accumulated amortisation and impairment. Brands acquired as part of a business combination, and that are separately identifiable, are recognised at fair value and amortised over their useful economic life as determined at the acquisition date (up to 20 years), except when their life is determined as being indefinite.

Applying indefinite lives to certain acquired brands is appropriate due to the stable long-term nature of the business and the enduring nature of the brands. A core element of the Group's strategy is to invest in building its brands through an ongoing programme of product innovation and continuing marketing investment. Within the Group, a brand typically comprises an assortment of base products and more innovative products. Both contribute to the enduring nature of the brand. The base products establish the long-term positioning of the brand while a succession of innovations attracts ongoing consumer interest and attention. Indefinite life brands are allocated to the CGUs or GCGUs to which they relate and are tested annually for impairment.

The Directors also review the useful economic life of brands annually, to ensure that these lives are still appropriate. If a brand is considered to have a finite life, its carrying value is amortised over its remaining estimated useful economic life.

(iii) Software

Expenditure relating to the acquisition of computer software licences and systems are capitalised at cost. The assets are amortised on a straight-line basis over a period of seven years for systems and five years or less for all other software licences.

(iv) Distribution rights

Payments made in respect of product registration, acquired and reacquired distribution rights are capitalised where the rights comply with the above requirements for recognition of acquired brands. If the registration or distribution rights are for a defined time period, the intangible asset is amortised over that period. If no time period is defined, the intangible asset is treated in the same way as acquired brands.

(v) Customer contracts

Acquired customer contracts are capitalised at cost. These costs are amortised on a straight-line basis over the period of the contract.

(vi) Customer relationships

Customer relationships are shown at cost less accumulated amortisation and impairment. Customer relationships acquired as part of a business combination, and that are separately identifiable, are recognised at fair value and amortised over their useful economic life as determined at the acquisition date (up to 10 years).

(vii) Acquired intellectual property

Intellectual property rights acquired as part of the business and that are separately identifiable are recognised at fair value and amortised over their useful economic life as determined at the acquisition date (up to 20 years).

Amortisation of intangible assets in (ii) to (vii) is charged to cost of goods sold or net operating expenses depending on the use of the asset.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment, with the exception of freehold land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. Except for freehold land and assets under construction, the cost of property, plant and equipment is depreciated on a straight-line basis over the period of the expected useful life of the asset. For this purpose, expected lives are determined within the following limits:

- freehold buildings: not more than 50 years;
- leasehold land and buildings: the lesser of 50 years or the life of the lease; and
- owned plant and equipment: not more than 15 years (except for environmental assets and spray dryers which are not more than 30 years).

In general, production plant and equipment and office equipment are depreciated over 10 years or less and motor vehicles and computer equipment over 5 years or less.

Assets' residual values and useful lives are reviewed, and adjusted if necessary, at each Balance Sheet date. Property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be appropriate. Freehold land is reviewed for impairment on an annual basis.

Gains and losses on the disposal of property, plant and equipment are determined by comparing the asset's carrying value with any sale proceeds and are included in the Income Statement.

Notes to the Financial Statements continued

1 Accounting Policies continued

Leases

The Group has various lease arrangements for buildings (such as offices and warehouses), cars, and IT and other equipment. Lease terms are negotiated on an individual basis locally and subject to domestic rules and regulations. At the inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period in exchange for consideration, in which case it is identified as a lease. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Low value leases are those with an underlying asset value of USD 5,000 or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right of use assets

At commencement date, right of use assets are measured at cost, which comprises the following:

- the initial measurement of the lease liability;
- prepayments before commencement date of the lease;
- initial direct costs; and
- costs to restore.

Subsequent to initial recognition right of use assets are depreciated on a straight-line basis over the duration of the contract. Right of use assets are assessed for impairment where indicators of impairment are present.

Lease liabilities

At commencement date, lease liabilities are measured at the present value of lease payments not yet paid including:

- fixed payments excluding lease incentive receivables;
- future contractually agreed fixed increases; and
- payments related to renewals or early termination, when options to renew or for early termination are reasonably certain to be exercised.

Subsequent to initial recognition lease liabilities are increased by the interest costs on the lease liabilities and decreased by lease payments made. Lease liabilities held are remeasured to account for revised future payments.

Impairment of assets

Assets that have indefinite lives, including goodwill and brands, are tested annually for impairment at the level where cash flows are considered to be largely independent. This testing is performed at either the CGU or GCGU level. All CGUs and GCGUs are tested for impairment if there is an event or circumstance that indicates that their carrying value may not be recoverable. If the carrying value exceeds its recoverable amount an impairment loss is recognised in the Income Statement. The recoverable amount is the higher of the CGU's or GCGU's value-in-use and its fair value less costs of disposal.

Value-in-use is calculated with reference to the future and terminal cash flows expected to be generated by each CGU or GCGU (or group of assets where cash flows are not identifiable to specific assets). The discount rates used in the impairment reviews are based on weighted average cost of capital (WACC) specific to each CGU and GCGU, with the WACC converted to the implied pre-tax rates.

Fair value less costs of disposal is calculated using a discounted cash flow approach prepared on a market participant basis, with a post-tax discount rate applied to projected risk-adjusted post-tax cash flows and terminal value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and an appropriate portion of overhead expenses (based on normal operating capacity) required to get the inventory to its present location and condition. Inventory valuation is determined on a first in, first out (FIFO) basis. Net realisable value represents the estimated selling price less applicable selling expenses.

Trade and other receivables

Trade and other receivables are initially recognised at the fair value of consideration less transaction costs and subsequently held at amortised cost, less provision for discounts and doubtful debts. Allowance losses are calculated by reviewing lifetime expected credit losses using historic and forward-looking data on credit risk.

Trade and other payables

Trade and other payables are initially recognised at fair value including transaction costs and subsequently carried at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and other deposits with a maturity of less than three months when deposited.

For the purpose of the Cash Flow Statement, bank overdrafts that form an integral part of the Group's cash management, and are repayable on demand, are included as a component of cash and cash equivalents. Bank overdrafts are included within short-term borrowings in the Balance Sheet.

Notes to the Financial Statements continued

1 Accounting Policies continued

Borrowings

Interest-bearing borrowings are recognised initially at fair value less, where permitted by IFRS 9, any directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest basis.

Cash flows relating to interest are presented within operating cash flows. Proceeds and repayment of principal amounts are presented as financing cash flows and are presented gross, except for borrowings with maturities of less than three months (including commercial paper), which are presented net.

Derivative financial instruments and hedging activity

The Group may use derivatives to manage its exposures to fluctuating interest and foreign exchange rates. These instruments are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

At the inception of designated hedge relationships, the Group documents its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows or fair values of hedged items.

The Group designates certain derivatives as either:

- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedges); or
- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges).

Derivatives designated as cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the hedging reserve. Any gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised. For all other transactions, the amounts accumulated in the hedging reserve are recycled to the Income Statement in the period (or periods) when the hedged item affects the Income Statement.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated, or is exercised, then hedge accounting is discontinued prospectively. The amount that has been accumulated in the hedging reserve remains in equity until it is either included in the cost of a non-financial item or recycled to the Income Statement.

Derivatives designated as fair value hedges

Fair value hedges are used to manage the currency and/or interest rate risks to which the fair value of certain assets and liabilities are exposed. Changes in the fair value are recognised in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If such a hedge relationship no longer meets hedge accounting criteria, fair value movements on the derivative continue to be taken to the Income Statement while any fair value adjustments made to the underlying hedged item to that date are amortised through the Income Statement over its remaining life using the effective interest rate method.

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Income Statement.

Net investment hedges

Gains and losses on those hedging instruments designated as hedges of the net investments in foreign operations are recognised in other comprehensive income to the extent that the hedging relationship is effective. Gains and losses accumulated in the foreign currency translation reserve are recycled to the Income Statement when the foreign operation is disposed of.

Equity investments

Equity investments are investments that are neither held for trading nor classified as investments in subsidiaries, associates or joint arrangements. Subsequent to their initial recognition, equity investments are stated at their fair value. Gains and losses arising from subsequent changes in the fair value are recognised in the Income Statement or in other comprehensive income on a case-by-case basis. Accumulated gains and losses included in other comprehensive income are not recycled to the Income Statement. Dividends from other investments are recognised in the Income Statement.

Investment in associates

Investments in associates are accounted for using the equity method. An associate is an entity over which the Group has significant influence, being the power to participate in the investee's financial and operating policy decisions without control or joint control.

Interests in associates are stated in the consolidated Balance Sheet at cost, adjusted for the movement in the Group's share of their net assets and liabilities. The Group's share of the profit or loss after tax of associates is included in the Group's consolidated profit before taxation. Unrealised intragroup profits or losses from transactions are offset against the carrying amount of the investment on a pro-rata basis during consolidation, if material.

When the Group's share of losses exceeds its interest in an associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Financial Statements of the companies accounted for using the equity method are prepared in accordance with uniform accounting and measurement methods throughout the Group.

Notes to the Financial Statements continued

1 Accounting Policies continued

Employee share schemes

Incentives in the form of shares are provided to employees under equity-settled share option and restricted share schemes, which have various combinations of market-based and non-market performance conditions, service conditions, and non-vesting conditions.

The fair value determined at the award grant date takes into account the probability of any relevant market-based performance conditions and non-vesting conditions being satisfied and is subsequently expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. This estimate takes into account the expected outcome for relevant non-market performance conditions and service conditions but assumes satisfaction of all market-based performance conditions and non-vesting conditions. At each Balance Sheet date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Additional employer costs, including social security taxes, in respect of options and awards are charged to the Income Statement over the same period with a corresponding liability recognised.

Pension commitments

Group companies operate defined contribution and (funded and unfunded) defined benefit pension plans.

The cost of providing pensions to employees who are members of defined contribution plans is charged to the Income Statement as contributions are made. The Group has no further payment obligations once the contributions have been paid.

The deficit or surplus recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the Balance Sheet date, less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by the yield on high-quality corporate bonds denominated in the currency in which the benefits will be paid, and that have a maturity approximating to the terms of the pension obligations. The costs of providing these defined benefit plans are accrued over the period of employment. Actuarial gains and losses are recognised immediately in other comprehensive income.

Past service costs are recognised immediately in the Income Statement.

The net interest amount is calculated by applying the discounted rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/asset.

The net pension plan interest is presented as other finance income/other finance expense.

Post-retirement benefits other than pensions

Some Group companies provide post-retirement medical care to their retirees. The costs of providing these benefits are accrued over the period of employment and the liability recognised in the Balance Sheet is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related asset is deducted.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that there will be an outflow of resources to settle that obligation; and the amount can be reliably estimated. Provisions are valued at the present value of the Directors' best estimate of the expenditure required to settle the obligation at the Balance Sheet date. Where it is possible that an outflow of resources may be required to settle the obligation or it is not possible to make a reliable estimate of the estimated financial impact, appropriate disclosure is made but no provision recognised.

Repurchase and reissuance of ordinary shares

When shares recognised as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a charge to equity. Repurchased shares are classified as Treasury shares and are presented in retained earnings. When Treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and any resulting surplus is presented within share premium or deficit presented within retained earnings.

Dividend distribution

Dividends to owners of the parent company are recognised as a liability in the period in which the dividends are approved by the company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Dividend payments are recorded at fair value. Where non-cash dividend payments are made, gains arising as a result of fair value remeasurements are recognised in the Income Statement in the same period.

Accounting estimates and judgements

In preparing these consolidated Financial Statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts and results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements continued

1 Accounting Policies continued

Critical judgements in applying the Group's accounting policies

Over the course of the year, management has made a number of critical judgements in the application of the Group's accounting policies. These include the following:

- management has made judgments relating to the allocation of consideration between the different elements in the forward contract to purchase the non-controlling interest in RB Manon as outlined in Note 30;
- management has identified matters (including the Korea Humidifier Sanitiser, Necrotizing Enterocolitis and Phenylephrine issues) that may incur liabilities in the future but does not recognise these liabilities when it is too early to determine the likely outcome or make a reliable estimate (Note 18, Note 20);
- the continuing enduring nature of the Group's brands supports the indefinite life assumption for certain of these assets (Note 9); and
- assumptions are made as to the recoverability of tax assets especially as to whether there will be sufficient future taxable profits in the same jurisdictions to fully utilise losses in future years (Note 12).

Key sources of estimation uncertainty

Each year, management is required to make a number of assumptions regarding the future. The related year end accounting estimates will, by definition, seldom equal the final actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Goodwill and indefinite life intangible assets:

Under IFRS, goodwill and other indefinite life intangible assets must be tested for impairment on at least an annual basis. As disclosed further in Note 9, this testing generally requires management to make multiple estimates, for example around individual market pressures and forces, future price and volume growth, future margins, terminal growth rates and discount rates.

The recoverability of the Group's goodwill and indefinite-lived intangible assets in relation to IFCN is sensitive to reasonably possible changes in key assumptions. Further information on key estimates and assumptions, including details on the sensitivities of the value-in-use estimates to reasonable changes in key assumptions, is included in Note 9.

Tax:

The actual tax paid on profits is determined based on tax laws and regulations that differ across the numerous jurisdictions in which the Group operates. Assumptions are made in applying these laws to the taxable profits in any given period in order to calculate the tax charge for that period. Where the eventual tax paid or reclaimed is different to the amounts originally estimated, the difference is charged or credited to the Income Statement in the period in which it is determined (Note 7).

The Group operates in an international tax environment and is subject to tax examinations and uncertainties in a number of jurisdictions. The issues involved can be complex and disputes may take a number of years to resolve. Each uncertainty is separately assessed and management applies judgement in the recognition and measurement of the uncertainty based on the relevant circumstances. The exposure recognised is calculated based on the expected value method or the most likely outcome method, depending on whether there are a wide range of possible outcomes or if resolution of the uncertainty is concentrated on one outcome. In particular, the range of possible outcomes relating to transfer pricing exposures can be wide and, in these scenarios, the expected value method is employed. The accounting estimates and judgements considered include:

- status of the unresolved matter;
- clarity of relevant legislation and related guidance;
- pre-clearances issued by taxing authorities;
- advice from in-house specialists and opinions of professional firms;
- resolution process and range of possible outcomes;
- past experience and precedents set by the particular taxing authority;
- decisions and agreements reached in other jurisdictions on comparable issues;
- unutilised tax losses, tax credits and availability of mutual agreement procedures between tax authorities; and
- statute of limitations.

Management is of the opinion that the carrying values of the liability for uncertain tax positions made in respect of these matters represent its best estimate once all facts and circumstances have been taken into account. Nevertheless, the final amounts paid to discharge the liabilities arising (either through negotiated settlement or litigation) may be different from the position recognised. The net liabilities recognised in respect of uncertain tax positions as at 31 December 2023 are £619 million (2022: £722 million) (Note 22).

Notes to the Financial Statements continued

1 Accounting Policies continued

Trade spend:

The Group provides for amounts payable to our trade customers for promotional activity and government reimbursement arrangements. Where an activity spans the year end, an accrual is reflected in the consolidated Financial Statements based on our estimation of customer and consumer uptake during the relevant period and the extent to which temporary funded activity has occurred. As there is a timing difference between that initial estimation and final settlement of trade spend with our customers, differences can result on final settlement. As at 31 December 2023, the Group recognised total accruals of £1,125 million (2022: £1,137 million) in respect of amounts payable to trade customers and government bodies for trade spend. The Group's trade spend arrangements vary considerably by market and category, and the Group's trade spend accruals are made up of many individually small accruals. Therefore, an aggregated disclosure of sensitivity analysis on the key inputs to trade spend accrual estimates would not be practicable nor meaningful. Nevertheless, a 13% (2022: 11%) difference between those initial estimates and final settlement would cause a material charge or credit to the Income Statement in the next financial year. During 2023, adjustments to trade spend accruals as at 31 December 2022, due to changes in accounting estimates, were £132 million (2022: £110 million adjustment to trade spend accruals as at 31 December 2021, due to changes in accounting estimates).

Legal provisions:

The Group recognises legal provisions when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that there will be an outflow of resources to settle that obligation; and the amount can be reliably estimated. The level of provisioning in relation to civil and/or criminal investigations is an area where management and legal judgement are important, with individual provisions being based on best estimates of the possible loss, considering all available information, external advice and historical experience. As at 31 December 2023, the Group recognised legal provisions of £137 million (2022: £221 million) in relation to a number of historical regulatory and other matters in various jurisdictions.

2 Operating Segments

The Group's operating segments comprise the Hygiene, Health and Nutrition business units reflecting the way in which information is presented to and reviewed by the Group's Chief Operating Decision Maker (CODM) for the purposes of making strategic decisions and assessing Group-wide performance.

The CODM is the Group Executive Committee. This Committee is responsible for the implementation of strategy (approved by the Board), the management of risk (delegated by the Board) and the review of Group operational performance and ongoing business integration.

The Group Executive Committee assesses the performance of these operating segments based on Net Revenue from external customers and segment profit being adjusted operating profit. Intercompany transactions between operating segments are eliminated. Finance income and expense are not allocated to segments, as each is managed on a centralised basis.

The segment information for the operating segments for the year ended 31 December 2023 and 31 December 2022 is as follows:

Year ended 31 December 2023	**Hygiene £m**	**Health £m**	**Nutrition £m**	**Adjusting items £m**	**Total £m**
Net revenue	**6,135**	**6,062**	**2,410**	**–**	**14,607**
Depreciation and amortisation (Note 9 & 10)	**(155)**	**(193)**	**(96)**	**(26)**	**(470)**
Operating profit	**1,236**	**1,690**	**447**	**(842)**	**2,531**
Net finance expense					**(130)**
Profit before income tax					**2,401**
Income tax charge					**(753)**
Net profit from continuing operations					**1,648**

Year ended 31 December 2022	Hygiene £m	Health £m	Nutrition £m	Adjusting items £m	Total £m
Net revenue	5,960	5,992	2,501	–	14,453
Depreciation and amortisation	(135)	(177)	(90)	(35)	(437)
Operating profit	1,214	1,648	577	(190)	3,249
Net finance expense					(161)
Impairment of equity-accounted investments					(19)
Share of loss of equity-accounted investments, net of tax					(2)
Profit before income tax					3,067
Income tax charge					(711)
Net profit from continuing operations					2,356

Financial information for the Hygiene, Health and Nutrition operating segments is presented on an adjusted basis which excludes certain cash and non-cash items. These items have a pattern of recognition that is largely uncorrelated with the trading performance of the business. Financial information on an adjusted basis is consistent with how management reviews the business for the purpose of making operating decisions. Further detail on adjusting items, which includes in the year to 31 December 2023 the £810 million impairment of IFCN goodwill (see Note 9) is included on pages 223-227.

Notes to the Financial Statements continued

2 Operating Segments continued

The company is domiciled in the UK. The split of Net Revenue from external customers and Non-current assets (other than equity instruments, deferred tax assets and retirement benefit surplus assets) between the UK, the US (being the biggest country outside the country of domicile) and that from all other countries is:

2023	UK £m	US £m	All other countries £m	Total £m
Net Revenue	**886**	**4,538**	**9,183**	**14,607**
Goodwill and other intangible assets	**1,903**	**9,646**	**7,039**	**18,588**
Property, plant and equipment	**290**	**768**	**1,341**	**2,399**
Other non-current receivables (excluding Derivative financial instruments)	**12**	**18**	**92**	**122**

2022	UK £m	US £m	All other countries £m	Total £m
Net Revenue	778	4,603	9,072	14,453
Goodwill and other intangible assets	1,875	10,905	7,423	20,203
Property, plant and equipment	314	828	1,331	2,473
Other non-current receivables	22	54	81	157

Major customers are typically large grocery chains, multiple retailers and e-commerce platforms. The Group's customer base is diverse with no individual customer accounting for more than 10% of net revenue (2022: no individual more than 10% of revenue).

3 Analysis of Net Operating Expenses

	2023 £m	2022 £m
Distribution costs	**(3,703)**	(3,438)
Research and development costs	**(337)**	(325)
Other administrative expenses	**(1,382)**	(1,205)
Impairment of goodwill	**(810)**	(167)
Gain on disposal of intangible assets and related businesses	**–**	14
Other net operating income	**3**	9
Net operating expenses	**(6,229)**	(5,112)

Other administrative expenses includes a net foreign exchange loss of £6 million (2022: loss of £13 million). In 2023, Other administrative expenses includes a gain of £36 million (2022: £59 million) relating to property disposals.

Impairment of goodwill of £810 million in 2023 relates to the IFCN business, which comprises the Nutrition operating segment. The impairment of goodwill in 2022 of £167 million principally comprises a charge of £152 million from the impairment of goodwill related to the acquisition of Biofreeze (see Note 9). Biofreeze is reported in the Health operating segment.

4 Auditor Remuneration

During the year, the Group (including its overseas subsidiaries) obtained the following services from the company's Auditor and its associates:

	2023 £m	2022 £m
Audit services pursuant to legislation		
Audit of the Group's Annual Report and Financial Statements	**8.9**	8.4
Audit of the Financial Statements of the Group's subsidiaries	**10.5**	11.1
Audit-related assurance services	**0.9**	0.8
Total audit and audit-related services	**20.3**	20.3
Fees payable to the company's Auditor and its associates for other services		
Other assurance services	**0.4**	2.7
Total non-audit services	**0.4**	2.7
	20.7	23.0

5 Employee Costs

Total employee costs, including those for Directors, were:

	Note	2023 £m	2022 £m
Wages and salaries		**2,126**	1,988
Social security costs		**281**	281
Other pension costs	23	**60**	61
Share-based payments	25	**102**	78
Total staff costs		**2,569**	2,408

Executive and Non-Executive Directors' aggregate emoluments are disclosed on pages 100-132 of the Directors' Remuneration Report. Compensation awarded to key management (defined as the members of the Group Executive Committee and the Non-Executive Directors) was:

	2023 £m	2022 £m
Short-term employee benefits	**31**	26
Post-employment and other long-term benefits	**–**	–
Share-based payments	**22**	15
	53	41

Notes to the Financial Statements continued

5 Employee Costs continued

Staff numbers

The monthly average number of people employed by the Group, including Directors, during the year was:

	2023 '000	2022 '000
North America	**5.2**	5.1
Europe/ANZ	**14.2**	14.3
Rest of world	**20.7**	20.6
	40.1	40.0

6 Net Finance Expense

	2023 £m	2022 £m
Finance income		
Foreign exchange net gain on liquidation of subsidiaries	**130**	69
Interest income on cash and cash equivalents	**41**	29
Pension net finance income	**8**	5
Foreign exchange gains on intercompany financing, net of hedging	**21**	–
Finance income on tax balances	**–**	26
Other finance income	**10**	1
Total finance income	**210**	130
Finance expense		
Interest payable on borrowings	**(295)**	(233)
Foreign exchange losses on intercompany financing, net of hedging	**–**	(24)
Finance expense on tax balances	**(22)**	–
Other finance expense	**(23)**	(34)
Total finance expense	**(340)**	(291)
Net finance expense	**(130)**	(161)

As a result of the simplification of the Group's legal entity structure, a number of entities were liquidated. Upon liquidation, the cumulative foreign exchange reserves were recycled to the Income Statement, resulting in a net foreign exchange gain of £130 million (2022: a net foreign exchange gain of £69 million).

7 Income Tax Expense

	2023 £m	2022 £m
Current tax	**783**	766
Adjustment in respect of prior periods	**22**	(23)
Total current tax	**805**	743
Origination and reversal of temporary differences	**(51)**	(20)
Impact of changes in tax rates	**(1)**	(5)
Total deferred tax	**(52)**	(25)
Cumulative foreign exchange on deferred tax balances reclassified to the Income Statement	**–**	(7)
Income tax charge	**753**	711

Current tax includes tax incurred by UK entities of £108 million (2022: £177 million). This is comprised of UK corporation tax of £63 million (2022: £126 million) and overseas tax suffered of £45 million (2022: £51 million). UK current tax is calculated at 23.5% (2022: 19%) of the estimated assessable profit for the year, net of relief for overseas taxes where available. Taxation in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Cash tax paid in the year was £922 million (2022: £831 million). The variance from the current year tax charge of £783 million is attributable to movements on uncertain tax positions (shown in Note 22) and timing differences arising between the accrual and payment of current income tax liabilities.

Origination and reversal of temporary differences includes adjustments in respect of prior periods of £11 million expense (2022: £19 million benefit).

Cumulative foreign exchange on deferred tax balances reclassified to the Income Statement is £nil (2022: £7 million). This balance relates to deferred tax on assets disposed in 2022 (see Note 29).

Notes to the Financial Statements continued

7 Income Tax Expense continued

The total tax charge on the Group's profit for the year can be reconciled to the notional tax charge calculated at the UK tax rate as follows:

Continuing operations	2023 £m	2022 £m
Profit before income tax	**2,401**	3,067
Tax at the notional UK corporation tax rate of 23.5% (2022: 19%)	**564**	583
Effect of:		
Overseas tax rates	**43**	114
Movement in provision related to uncertain tax positions	**(50)**	(58)
Net impact of divestments and assets reclassified to held for sale	**(6)**	(25)
Unrecognised tax losses, other unrecognised tax assets and deferred tax liability on unremitted earnings	**(34)**	71
Cumulative foreign exchange on deferred tax balances reclassified to the Income Statement	**–**	(7)
Withholding and local taxes	**30**	47
Reassessment of prior year estimates	**33**	(42)
Impact of changes in tax rates	**(1)**	(5)
Non-taxable foreign exchange gain arising from legal entity simplification (Note 6)	**(31)**	(13)
Non-deductible impairment of goodwill	**190**	28
Other permanent differences	**15**	18
Income tax charge	**753**	711

Our effective tax rate in any given financial year reflects a variety of factors that may not be present in succeeding financial years and may be affected by variations in profit mix and changes in tax laws, regulations and related interpretations.

The Group is within the scope of the OECD Pillar Two rules which take effect on 1 January 2024. The UK government substantively enacted legislation on 20 June 2023 that translated the Pillar Two rules into UK law. The impact of the Pillar Two rules is not expected to be in excess of a 0.5% increase to the Group's Effective Tax Rate. This excludes the effect of changes to tax rates introduced by countries in response to the Pillar Two rules.

The Group has applied the temporary mandatory exception from accounting for deferred taxes arising from the Pillar Two model rules as set out in 'International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)' issued by the IASB in May 2023.

The effect of overseas tax rates represents the impact of profits arising outside the UK that are taxed at different rates to the UK rate. The UK tax rate increased from 19% to 25% on 1 April 2023. The 2023 rate of 23.5% represents the blended UK tax rate over the 12 month period to 31 December 2023.

Withholding and local taxes suffered in the year are adjusted for previously accrued deferred tax liabilities on unremitted earnings.

The reassessment of prior year estimates includes settlements reached following conclusion of tax authority review and differences between final tax return submissions and liabilities accrued in these Financial Statements.

The 2023 impact of non-deductible goodwill impairment is attributable to IFCN. The 2022 impact related to non-deductible goodwill impairment attributable to Biofreeze.

UK deferred tax assets and liabilities have been calculated based on the substantively enacted rate of 25% after factoring in the expected timing of reversal of the related temporary differences (2022: 25%).

We conduct business operations in a number of countries and are therefore subject to tax and intercompany pricing laws in multiple jurisdictions. We have in the past faced, and may in the future face, audits and challenges brought by tax authorities, and we are involved in ongoing tax investigations in a number of countries. If material challenges were to be successful, our effective tax rate may increase, we may be required to modify structures at significant costs to us, we may also be subject to interest and penalty charges and we may incur costs in defending litigation or reaching a settlement. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

There have been no substantive updates to the EC State Aid matters referred to in the 2022 notes to the financial statements.

Notes to the Financial Statements continued

7 Income Tax Expense continued

The tax (charged)/credited relating to components of other comprehensive income is as follows:

	2023			2022		
	Before tax £m	**Tax (charge)/ credit £m**	**After tax £m**	Before tax £m	Tax (charge)/ credit £m	After tax £m
Net exchange (losses)/gains on foreign currency translation	**(639)**	**–**	**(639)**	1,065	–	1,065
Reclassification of foreign currency translation reserves on disposals or liquidation of foreign operations	**(131)**	**–**	**(131)**	(56)	–	(56)
Gains/(losses) on cash flow and net investment hedges	**14**	**(11)**	**3**	(112)	(1)	(113)
Remeasurement of defined benefit pension plans (Note 23)	**(42)**	**16**	**(26)**	29	(5)	24
Revaluation of equity instruments	**(10)**	**–**	**(10)**	(109)	22	(87)
Other comprehensive (expense)/income	**(808)**	**5**	**(803)**	817	16	833
Current tax		**–**			13	
Deferred tax (Note 12)		**5**			3	
		5			16	

The tax charged directly to the Statement of Changes in Equity during the year is as follows:

	2023 £m	2022 £m
Current tax	**1**	(1)
	1	(1)

8 Earnings Per Share

	2023 pence	2022 pence
Basic earnings per share		
From continuing operations	**227.9**	326.7
From discontinued operations	**1.3**	(1.0)
Total basic earnings per share	**229.2**	325.7
Diluted earnings per share		
From continuing operations	**227.4**	325.7
From discontinued operations	**1.3**	(1.0)
Total diluted earnings per share	**228.7**	324.7

Basic

Basic earnings per share is calculated by dividing the net income attributable to owners of the parent company from continuing operations (2023: £1,634 million income, 2022: £2,337 million income) and discontinued operations (2023: £9 million income; 2022: £7 million loss) by the weighted average number of ordinary shares in issue during the year (2023: 716,700,954; 2022: 715,284,629).

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive ordinary shares. The company has the following categories of potentially dilutive ordinary shares: Executive Share Awards (including Executive Share Options and Executive Restricted Share Scheme Awards) and Employee Sharesave Scheme Options. The options only dilute earnings when they result in the issue of shares at a value below the market price of the share and when all performance criteria (if applicable) have been met as at the balance sheet date. As at 31 December 2023, there were 15,150,221 (2022: 14,219,133) Executive Share Awards excluded from the dilution because the exercise price for the options was greater than the average share price for the year or the performance criteria have not been met.

	2023 average number of shares	2022 average number of shares
On a basic basis	**716,700,954**	715,284,629
Dilution for Executive Share Awards	**1,368,088**	1,858,996
Dilution for Employee Sharesave Scheme Options	**214,492**	350,982
On a diluted basis	**718,283,534**	717,494,607

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets

	Brands £m	Goodwill £m	Software £m	Other £m	Total £m
Cost					
At 1 January 2022	13,448	10,212	547	266	24,473
Additions	–	–	77	4	81
Arising on business combinations	–	(2)	–	7	5
Disposals	(59)	(6)	(3)	–	(68)
Reclassifications	–	–	16	(16)	–
Exchange adjustments	1,136	832	16	17	2,001
At 31 December 2022	**14,525**	**11,036**	**653**	**278**	**26,492**
Additions	–	–	101	–	101
Arising on business combinations	–	17	–	39	56
Disposals	(1)	–	–	–	(1)
Reclassification from tangible fixed assets	–	–	4	–	4
Reclassifications to held for sale	(124)	–	–	–	(124)
Exchange adjustments	(583)	(660)	(5)	(4)	(1,252)
At 31 December 2023	**13,817**	**10,393**	**753**	**313**	**25,276**
Accumulated amortisation and impairment					
At 1 January 2022	342	4,884	252	127	5,605
Amortisation and impairment	21	167	68	19	275
Disposals	–	–	(1)	–	(1)
Reclassifications	–	–	8	(8)	–
Exchange adjustments	16	376	8	10	410
At 31 December 2022	**379**	**5,427**	**335**	**148**	**6,289**
Amortisation	20	–	79	8	107
Impairment	–	810	2	–	812
Disposals	(1)	–	–	–	(1)
Reclassifications to held for sale	(77)	–	–	–	(77)
Exchange adjustments	(10)	(422)	(4)	(6)	(442)
At 31 December 2023	**311**	**5,815**	**412**	**150**	**6,688**
Net book value					
At 31 December 2022	**14,146**	**5,609**	**318**	**130**	**20,203**
At 31 December 2023	**13,506**	**4,578**	**341**	**163**	**18,588**

The amount stated for brands represents the fair value of brands acquired since 1985 at the date of acquisition. Other includes product registration, distribution rights, capitalised product development costs and customer contracts.

Software includes intangible assets under construction of £88 million (2022: £40 million).

The net book values of significant brand intangible assets acquired through business combinations are as follows:

Acquisition	Acquisition year	2023 £m	2022 £m
Mead Johnson Nutrition Company	2017	**4,480**	4,740
SSL International	2010	**1,847**	1,918
Boots Healthcare International	2006	**1,405**	1,440
Adams Respiratory Therapeutics	2008	**1,210**	1,275
Schiff Nutrition International	2012	**1,032**	1,088
L&F Household	1994	**834**	877
Lanai Holdings	2021	**644**	680
American Home Products Corporation	1990	**439**	459
Bristol-Myers Squibb OTC	2013	**362**	338
K-Y	2014	**280**	280

The majority of brands, all of goodwill and certain other intangible assets are considered to have indefinite lives (see Note 1) and therefore are subject to an annual impairment review. The MJN global brand and acquired customer relationships are deemed to have a finite life and are amortised accordingly. Amortisation is recognised in net operating expenses or cost of goods sold depending on the use of the asset.

The net book values of indefinite and finite life intangible assets are as follows:

Net book value	2023 £m	2022 £m
Indefinite life assets		
Brands	**13,415**	14,034
Goodwill	**4,578**	5,609
Other	**107**	65
Total indefinite life assets	**18,100**	19,708
Finite life assets		
Brands	**91**	112
Software	**341**	318
Other	**56**	65
Total finite life assets	**488**	495
Total net book value of intangible assets	**18,588**	20,203

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets continued

Cash Generating Units

Goodwill and other intangible assets with indefinite lives are allocated to either individual cash generating units (CGUs), or groups of cash generating units (together GCGUs). The goodwill and intangible assets with indefinite lives are tested for impairment at the level at which identifiable cash inflows are largely independent. Generally, this is at a GCGU level, but for certain intangible assets this is at a CGU level.

After considering all the evidence available, including how brand and production assets generate cash inflows and how management monitors the business, the Directors have concluded that for the purpose of impairment testing of goodwill and other intangible assets, the Group's GCGUs are Health, Hygiene and IFCN.

An analysis of the net book value of indefinite life assets and goodwill by GCGU/CGU is shown below:

	2023		
GCGU/CGU	**Indefinite life assets £m**	**Goodwill £m**	**Total £m**
Health[1]	**7,258**	**3,849**	**11,107**
Hygiene	**1,844**	**45**	**1,889**
IFCN	**4,420**	**684**	**5,104**
	13,522	**4,578**	**18,100**

1. Indefinite lived intangible assets and goodwill for VMS, and goodwill for Biofreeze, were transferred to the Health GCGU in 2023

	2022		
GCGU/CGU	Indefinite life assets £m	Goodwill £m	Total £m
Health	5,779	3,556	9,335
Hygiene	1,924	45	1,969
IFCN	4,661	1,570	6,231
VMS[1]	1,089	277	1,366
Biofreeze[1]	646	161	807
	14,099	5,609	19,708

Within the Health GCGU, the cash flows associated with Intimate Wellness and Biofreeze brands are separately identifiable. As a result, the carrying values of these indefinite life assets have been tested for impairment as separate CGUs. This is in addition to the impairment testing performed over the Health GCGU.

Indefinite life assets excluding goodwill	**2023 £m**	2022 £m
Intimate Wellness	**2,143**	2,213
Biofreeze	**613**	646

Annual Impairment Review

Goodwill and other indefinite life intangible assets must be tested for impairment on at least an annual basis. An impairment loss is recognised when the recoverable amount of a GCGU or CGU falls materially below its net book value at the date of testing.

The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, is inherently judgemental and requires management to make multiple estimates, for example around individual market pressures and forces, future price and volume growth, future margins, terminal growth rates and discount rates.

When forecasting the annual cash flows that support the recoverable amount, the Group generally uses its short-term budgets and medium-term strategic plans, with additional senior management and Board-level review. Cash flows beyond the five-year period are projected using terminal growth rates. These rates do not exceed the long-term average growth rate for the products and markets in which the GCGU or CGU operates.

The cash flows are discounted back to their present value using a pre-tax discount rate considered appropriate for each GCGU and CGU. These rates have been derived from management's views on the relevant weighted average cost of capital, subsequently converted to the pre-tax equivalent discount rate.

For the Health and Hygiene GCGUs, and the Intimate Wellness and Biofreeze CGUs, as at 31 December 2023 any reasonably possible change in the key valuation assumptions would not imply possible impairment. The recoverable amount for each of these GCGUs and CGU was determined utilising the value-in-use basis (2022: value-in-use basis) with key assumptions including a pre-tax discount rate of 11% for Health, Hygiene and Intimate Wellness (2022: 9% for Health, Hygiene and Intimate Wellness with 10% for VMS), 11% for Biofreeze (2022: 12%) and a terminal growth rate of either 2.5% for Health, Intimate Wellness and Biofreeze (2022: 2.5% for Health, Intimate Wellness, Biofreeze and VMS), or 2% for Hygiene (2022: 2%).

IFCN

Since the disposal of the IFCN China business in September 2021, the IFCN CGU has represented the Group's remaining IFCN business principally in North America, Latin America and ASEAN. In impairment assessments conducted in both 2021 and 2022, management determined that the recoverable amount of IFCN was higher than its' carrying value such that no impairment was required.

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets continued

During 2023 the market environment for IFCN continued to be influenced by the infant formula supply shortages in the US which resulted from the temporary closure of a major factory belonging to a competitor. The infant formula supply shortages have resulted in an evolving regulatory environment, which developed over the course of 2023. Compliance with enhanced regulatory requirements is expected to increase the capital requirement for the IFCN business and to impact the cost of manufacture in future periods.

As a result of these regulatory factors which developed over the course of 2023, and to incorporate the effect of higher interest rates, management has increased the pre-tax discount rate used to determine the value-in-use of the IFCN CGU.

This resulted in the IFCN net book value exceeding its recoverable amount, therefore management has recorded an impairment loss against IFCN goodwill of £810 million to record the IFCN CGU at its recoverable amount of £4,615 million.

The recoverable amount for IFCN has been calculated on a value-in-use basis (2022: value-in-use basis). The value-in-use of IFCN was determined utilising a discounted cash flow approach with future cash flows derived from a detailed five-year financial plan. Cash flows beyond the five-year plan are projected using a terminal growth rate. The valuation used a pre-tax discount rate of 11% (2022: 9%) and an IFCN specific terminal growth rate of 2.0% (2022: 2.0%).

The determination of the recoverable amount for IFCN at 31 December 2023 incorporates certain assumptions, some of which are subject to considerable uncertainty. These assumptions include but are not limited to the costs of complying with the evolving regulatory landscape, the level at which US market shares stabilise, net revenue growth rates, the commercial success of new product launches and the expansion of specialty nutrition. The value in use does not include any possible net cash outflows in respect of current and future NEC litigation (note 20 and 33). As no headroom exists between the IFCN recoverable amount and net book value, any changes to these assumptions (including relating to the NEC litigation), or any deterioration in other macro or business-level assumptions supporting the IFCN recoverable amount could necessitate the recognition of impairment losses in future periods.

The key assumptions used in the estimation of value-in-use of IFCN are outlined below.

	2023
Pre-tax discount rate	11%
Terminal growth rate	2.0%
Net revenue compound annual growth rate (CAGR) for the period 2023-2028[1]	1.5%
Gross margin CAGR for the period 2023-2028	2.2%

1. The net revenue CAGR for the period 2024-2028 is circa 4%, following rebasing of Nutrition net revenue in 2024

The key estimates incorporated within the determination of the IFCN recoverable amount are summarised below:

Key estimates	Commentary
Market	In the US, management expects birth rates to be relatively stable. Tendering for WIC contracts continues to be highly competitive. Within LATAM and ASEAN, management expects conditions to stabilise after recent inflationary price increases.
Net Revenue	In the short to medium term, the valuation model assumes a five-year CAGR of 1.5%. This is expected to be achieved through ongoing premiumisation, inflationary price increases and revenues from new products/category launches including the expansion of speciality nutrition.
Margins	In the short to medium term, the valuation model assumes IFCN margins (both gross and operating) to increase over the medium term as IFCN drives efficiencies and improved product mix.
Discount rate	Management determined an IFCN-specific weighted average cost of capital (WACC) and the implied pre-tax discount rate with the support of a third-party expert. In addition, management performed benchmarking against other comparable companies.
Terminal growth rate	Management engaged a third-party expert to help calculate an IFCN-specific terminal growth rate. Management is satisfied with the reasonableness of the terminal growth rate when compared against independent market growth projections and long-term country inflation rates.

The table below shows the sensitivity of the recoverable amount to reasonably possible changes in key assumptions. The table assumes no related response by management (for example, to drive further cost savings) and is hence theoretical in nature.

	2023 £m
Expected Net Revenue growth rates (2024 to 2028) adjusted by 100bps	+410/-400
Expected EBIT growth rates (2024 to 2028) adjusted by 100bps	+/-260
Terminal growth rate (applied from 2029) adjusted by 50bps	+290/-250
Pre-tax discount rate adjusted by 50bps	+270/-240

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets continued

Biofreeze

On 12 July 2021, the Group acquired 100% of the equity interests in Lanai Holdings, owner of the Biofreeze and TheraPearl brands, for cash consideration of $1,060 million (£766 million). Biofreeze is a leader in over-the-counter topical pain relief, with a strong footprint in the North America retail and clinical channels and a growing international presence.

During 2022, Biofreeze performed below expectations following a short-term category slowdown, in part due to macroeconomic conditions. This underperformance, together with the macroeconomic environment, introduced additional uncertainty into future Biofreeze cash flows. To reflect this uncertainty, management increased the pre-tax discount rate used to determine value-in-use to 12.0%. This resulted in the book value of the Biofreeze CGU exceeding its recoverable amount at 31 December 2022, therefore in 2022 management recorded a goodwill impairment of £152 million to record Biofreeze at its recoverable amount of £698 million ($843 million). Following this impairment, at 31 December 2022 no headroom remained between the Biofreeze recoverable amount and net book value.

During the second half of 2023, the integration of Biofreeze into the Health business was completed. Following this integration, Biofreeze goodwill is monitored at the Health GCGU level and Biofreeze goodwill has accordingly been transferred to the Health GCGU. An impairment review of the Biofreeze CGU inclusive of goodwill was performed immediately prior to the transfer of the goodwill, with this review performed as at 30 September 2023. Biofreeze goodwill was deemed recoverable immediately prior to transfer to the Health GCGU.

The recoverable amount for the Biofreeze CGU has been determined on a value-in-use basis using a discounted cash flow approach, with future cash flows derived from a detailed five-year plan. Cash flows beyond the five-year plan have been projected using a terminal growth rate of 2.5%.

The determination of the recoverable amount for Biofreeze in the 2023 impairment assessment incorporates certain key assumptions, some of which are subject to considerable uncertainty. These assumptions include but are not limited to anticipated market share improvement, the commercial success of new product launches and international market expansion.

The key assumptions used in the estimation of value-in-use of Biofreeze at 30 September 2023 and 31 December 2022 are outlined below:

	30 September 2023
Pre-tax discount rate	11%
Terminal growth rate	2.5%
Net revenue compound annual growth rate (CAGR) for the period 2023-2028	11%
Gross margin CAGR for the period 2023-2028	12%

	31 December 2022
Pre-tax discount rate	12%
Terminal growth rate	2.5%
Net revenue compound annual growth rate (CAGR) for the period 2022-2027	11%
Gross margin CAGR for the period 2022-2027	14%

They key estimates incorporated within the determination of the Biofreeze recoverable amount at 30 September 2023 and 31 December 2022 are summarised below:

Key estimates	Commentary
Net Revenue	In the short to medium term, the valuation model assumes a five-year CAGR of 11% (2022: 11%), to be delivered through category growth and market share growth driven by a mix of innovation arising from format expansion of existing products and international expansion.
Margins	In the short to medium term, the valuation model assumes Biofreeze margins (both gross and operating) to increase from current levels as Biofreeze benefits from productivity initiatives on integrating into Reckitt. In the year ended 31 December 2022, there were temporary factors which negatively impacted margins.
Discount rate	Management determined the Biofreeze-specific weighted average cost of capital (WACC) and the implied pre-tax discount rate with the support of a third-party expert.
Terminal growth rate	Management is satisfied with the reasonableness of the terminal growth rate when compared against independent market growth projections and long-term country inflation rates.

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets continued

The table below shows the percentage movement in the 2023 key assumptions that (individually) would be required to reach the point at which the Biofreeze value in use approximates its carrying value.

	30 September 2023
Expected Net Revenue growth rates (2024-2028)	180bps decrease
Expected EBIT growth rates (2024-2028)	290bps decrease
Terminal growth rate	100bps decrease
Pre-tax discount rate	100bps increase

VMS

During the year to 31 December 2023 the integration of VMS into the Health GBU was completed, and as a result the VMS indefinite lived intangible assets and goodwill were included in the Health GCGU. Prior to integration an impairment review was performed. No separate impairment review for VMS has therefore been performed at 31 December 2023. In the year to 31 December 2022 the recoverable amount of the VMS CGU was determined utilising the value-in-use basis with key assumptions including a pre-tax discount rate of 10%, and a terminal growth rate of 2.5%.

10 Property, Plant and Equipment

	Land and buildings £m	Plant and equipment £m	Right of use assets £m	Assets under construction £m	Total £m
Cost					
At 1 January 2022	1,220	2,073	461	408	4,162
Additions	26	80	137	256	499
Disposals	(19)	(75)	(58)	(6)	(158)
Reclassifications (including held for sale)	91	168	(1)	(293)	(35)
Exchange adjustments	91	122	41	29	283
At 31 December 2022	**1,409**	**2,368**	**580**	**394**	**4,751**
Additions	13	38	56	301	408
Disposals	(17)	(48)	(53)	(6)	(124)
Reclassifications (including held for sale)	92	231	11	(349)	(15)
Exchange adjustments	(34)	(59)	(27)	(11)	(131)
At 31 December 2023	**1,463**	**2,530**	**567**	**329**	**4,889**
Accumulated depreciation and impairment					
At 1 January 2022	482	1,341	156	5	1,984
Charge for the year	62	184	83	–	329
Disposals	(12)	(66)	(45)	(4)	(127)
Impairment	–	1	–	2	3
Reclassifications (including held for sale)	(6)	(18)	(3)	–	(27)
Exchange adjustments	30	69	15	2	116
At 31 December 2022	**556**	**1,511**	**206**	**5**	**2,278**
Charge for the year	68	199	96	–	363
Disposals	(16)	(42)	(28)	–	(86)
Impairment	4	4	–	–	8
Reclassifications (including held for sale)	(1)	(3)	–	–	(4)
Exchange adjustments	(16)	(41)	(11)	(1)	(69)
At 31 December 2023	**595**	**1,628**	**263**	**4**	**2,490**
Net book value					
As at 31 December 2022	**853**	**857**	**374**	**389**	**2,473**
As at 31 December 2023	**868**	**902**	**304**	**325**	**2,399**

Notes to the Financial Statements continued

10 Property, Plant and Equipment continued

At 31 December 2023, the Group's right of use assets included land and buildings of £276 million (2022: £350 million) and other assets of £28 million (2022: £24 million). The depreciation charged on the right of use assets comprises £82 million (2022: £70 million) on the land and buildings and £14 million (2022: £13 million) on the other assets.

At 31 December 2023, the Group has commitments to purchase property, plant and equipment of £69 million (2022: £76 million).

11 Equity Instruments

	2023				2022			
	Equity method £m	**Fair value through profit or loss £m**	**Fair value through other comprehensive income £m**	**Total £m**	Equity method £m	Fair value through profit or loss £m	Fair value through other comprehensive income £m	Total £m
Equity investments	**–**	**45**	**69**	**114**	–	–	82	82
Investments in associates	**4**	**–**	**–**	**4**	4	–	–	4
	4	**45**	**69**	**118**	4	–	82	86

Equity investments at 31 December 2023 and 2022 is composed of a number of listed and unlisted equity investments in which the Group has a minority stake.

In 2023, equity investments includes investments of £45 million principally in equity mutual funds which are made in the name of the Group, but the proceeds of which are provided to employees as part of their compensation arrangements. In 2022 these equity investments were previously included in non-current receivables. The related liability is included in other non-current liabilities (Note 21).

The Group also holds a number of individually immaterial investments in associates over which it exercises a significant influence. In 2023, there are no impairments and gains or losses associated with equity accounted investments are less than £1 million. In 2022, investments accounted for using the equity method relate predominantly to the Group's investment in Your.MD AS (trading as Healthily) which was fully impaired. In 2022, the Group's share of the result of Healthily amounted to a loss of £2 million and the Group recognised an impairment charge of £19 million within the Group Income Statement with respect to this investment.

12 Deferred Tax

Deferred tax	**Accelerated capital allowances £m**	**Intangible assets £m**	**Short-term temporary differences £m**	**Tax losses £m**	**Retirement benefit obligations £m**	**Total £m**
At 1 January 2023	(54)	(3,274)	503	46	(14)	(2,793)
Credited/(charged) to the Income Statement	(10)	11	39	19	(7)	52
Credited/(charged) to other comprehensive income	–	–	(11)	–	16	5
Arising on business combinations	–	–	(1)	–	–	(1)
Exchange differences	4	142	(19)	(1)	(1)	125
At 31 December 2023	**(60)**	**(3,121)**	**511**	**64**	**(6)**	**(2,612)**

2023	**Accelerated capital allowances £m**	**Intangible assets £m**	**Short-term temporary differences £m**	**Tax losses £m**	**Retirement benefit obligations £m**	**Total £m**
Deferred tax assets	**16**	**(38)**	**237**	**62**	**10**	**287**
Deferred tax liabilities	**(76)**	**(3,083)**	**274**	**2**	**(16)**	**(2,899)**
Deferred tax	**(60)**	**(3,121)**	**511**	**64**	**(6)**	**(2,612)**

Deferred tax	Accelerated capital allowances £m	Intangible assets £m	Short-term temporary differences £m	Tax losses £m	Retirement benefit obligations £m	Total £m
At 1 January 2022	(49)	(3,023)	442	27	(6)	(2,609)
Credited/(charged) to the Income Statement	2	1	16	15	(9)	25
Credited/(charged) to other comprehensive income	–	–	8	–	(5)	3
Exchange differences	(7)	(252)	37	4	6	(212)
At 31 December 2022	(54)	(3,274)	503	46	(14)	(2,793)

2022	Accelerated capital allowances £m	Intangible assets £m	Short-term temporary differences £m	Tax losses £m	Retirement benefit obligations £m	Total £m
Deferred tax assets	20	(36)	221	28	11	244
Deferred tax liabilities	(74)	(3,238)	282	18	(25)	(3,037)
Deferred tax	(54)	(3,274)	503	46	(14)	(2,793)

Notes to the Financial Statements continued

12 Deferred Tax continued

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority.

Unrecognised deferred tax assets

The Group has reviewed its treatment of unrecognised corporation tax losses subject to recapture and will now disclose these amounts in the notes to the financial statements, resulting in the disclosure of incremental losses totalling £1,889 million gross at 31 December 2023. The amount of unrecognised corporation tax losses subject to recapture that were not included in the disclosure at 31 December 2022 was £1,736 million gross.

Deferred tax assets on certain corporation tax losses and other short term temporary differences totalling £4,734 million gross (2022: £3,029 million gross) have not been recognised at 31 December 2023 as the likelihood of future economic benefit is not sufficiently assured. These assets will be recognised if utilisation of the losses and other temporary differences become probable.

Unrecognised deferred tax liabilities

The aggregate amount of gross temporary differences associated with investments in subsidiaries, branches and associates and interest in joint ventures, for which deferred tax liabilities have not been recognised at 31 December 2023 is £7,833 million (2022: £7,630 million).

Deferred tax on short-term temporary differences of £511 million (2022: £503 million) are comprised of accrued expenses deductible for tax on a cash basis of £404 million (2022: £418 million), other short–term temporary differences of £140 million (2022: £143 million) and net of deferred tax liabilities on unremitted earnings of £33 million (2022: £58 million).

13 Inventories

	2023 £m	2022 £m
Raw materials and consumables	**401**	471
Work in progress	**82**	88
Finished goods and goods held for resale	**1,154**	1,266
Total inventories	**1,637**	1,825

The total cost of inventories recognised as an expense and included in cost of sales amounted to £5,577 million (2022: £5,810 million). This includes inventory write-offs and losses of £111 million (2022: £184 million).

The Group inventory provision at 31 December 2023 was £108 million (2022: £164 million).

14 Trade and Other Receivables

Amounts falling due within one year	Note	2023 £m	2022 £m
Trade receivables		**1,741**	1,766
Less: Provision for impairment of receivables		**(36)**	(42)
Trade receivables – net		**1,705**	1,724
Other receivables	14b	**266**	264
Prepayments and accrued income		**91**	94
Trade and other receivables		**2,062**	2,082

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Currency analysis	2023 £m	2022 £m
US dollar	**575**	678
Euro	**302**	289
Sterling	**173**	165
Brazilian real	**170**	132
Other currencies	**842**	818
Trade and other receivables	**2,062**	2,082

The maximum exposure to credit risk at the year end is the carrying value of each class of receivable mentioned above.

Notes to the Financial Statements continued

14 Trade and Other Receivables continued

a. Trade receivables

Trade receivables consist of amounts due from customers. The Group's customer base is large and diverse and consequently there is limited concentration of credit risk. Credit risk is assessed at a subsidiary and Group level and takes into account the financial positions of customers, past experience, future expectations and other relevant factors. Individual credit limits are established based on those factors.

The following table provides an ageing analysis of trade receivables at year end:

	2023 £m	2022 £m
Not overdue	**1,455**	1,543
Up to 3 months overdue	**250**	157
Over 3 months overdue	**36**	66
Trade receivables	**1,741**	1,766

At 31 December 2023, a provision of £36 million (2022: £42 million) was recorded against certain trade receivables based on a forward-looking assessment of the lifetime expected credit loss as required by IFRS 9. This assessment considered the ageing profiles of specific trade receivable balances along with the risk of future customer defaults.

As at 31 December 2023, trade receivables of £250 million (2022: £181 million) were past due but not impaired. These receivables were not impaired because having considered their nature and historical collection, recovery of the unprovided amounts is expected in due course.

b. Other receivables

Other receivables includes recoverable indirect tax of £187 million (2022: £191 million).

c. Other non-current receivables

Other non-current receivables consists of:

	2023 £m	2022 £m
Other receivables	**72**	73
Equity mutual funds (Note 11)	**–**	42
Prepayments	**20**	25
Non-current tax recoverable	**30**	17
Derivative financial instruments	**50**	–
Other non-current receivables	**172**	157

In 2023, the amount in relation to Equity mutual funds was reclassed from receivables to equity instruments (Note 11)

d. Financial instruments (Note 15)

At 31 December 2023, £1,836 million (2022 restated[1]: £1,879 million) of the current and non-current receivables totalling £2,234 million (2022: £2,239 million) are financial assets. These mainly related to amounts owed from customers or government bodies and are typically non-interest bearing. Amounts that are not financial assets are mostly prepayments, recoverable sales tax and employee benefit assets.

1. Restated to exclude £192 million of recoverable sales tax assets that were previously included within financial assets

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management

Financial instruments by category

	Note	At 31 December 2023 Amortised cost £m	Derivatives used for hedging £m	Fair value through profit or loss £m	Fair value through other comprehensive income £m	Carrying value total £m	At 31 December 2022 Amortised cost £m	Derivatives used for hedging £m	Fair value through profit or loss £m	Fair value through other comprehensive income £m	Carrying value total £m
Assets as per the Balance Sheet											
Current and non-current trade and other receivables	14d	**1,836**	**–**	**–**	**–**	**1,836**	1,879[1]	–	–	–	1,879[1]
Derivative financial instruments											
FX forward exchange contracts	17	**–**	**48**	**16**	**–**	**64**	–	34	25	–	59
Cross currency interest rate swaps	17	**–**	**50**	**–**	**–**	**50**	–	–	–	–	–
Equity instruments	11	**–**	**–**	**45**	**69**	**114**	–	–	–	82	82
Cash and cash equivalents	16	**1,387**	**–**	**–**	**–**	**1,387**	1,157	–	–	–	1,157
Liabilities as per the Balance Sheet											
Current and non-current trade and other payables	21	**5,276**	**–**	**–**	**–**	**5,276**	5,344	–	–	–	5,344
Share repurchase liability	24	**296**	**–**	**–**	**–**	**296**	–	–	–	–	–
Borrowings (commercial paper, loans and overdrafts and other non-current borrowings)[1]	17	**43**	**–**	**–**	**–**	**43**	1,252	–	–	–	1,252
Lease liabilities	19	**327**	**–**	**–**	**–**	**327**	389	–	–	–	389
Senior notes	17	**1,292**	**–**	**–**	**–**	**1,292**	1,369	–	–	–	1,369
Bonds	17	**6,875**	**–**	**–**	**–**	**6,875**	5,874	–	–	–	5,874
Derivative financial instruments											
FX forward exchange contracts	17	**–**	**20**	**58**	**–**	**78**	–	22	34	–	56
Interest rate swaps	17	**–**	**115**	**–**	**–**	**115**	–	164	–	–	164
Cross currency interest rate swaps	17	**–**	**72**	**–**	**–**	**72**	–	84	–	–	84

1. Restated (see Note 14d)

The categories in this disclosure are determined by IFRS 9. Lease liabilities are outside the scope of IFRS 9, but they remain within the scope of IFRS 7, and therefore have been shown separately. In 2023 borrowings largely relate to bank loans and overdrafts (2022: commercial paper). As at 31 December 2022, the Group had commercial paper in issue amounting to €841 million (nominal value) at rates between 0.92% and 2.74% with maturities ranging from 6 January 2023 to 30 June 2023, and $550 million (nominal value) at rates between 4.55% and 4.95% with maturities ranging from 3 January 2023 to 23 March 2023.

The fair value measurement hierarchy levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3)

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

The following table categorises the Group's financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

	At 31 December 2023				At 31 December 2022			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets as per the Balance Sheet								
Derivative financial instruments								
FX forward exchange contracts	–	**64**	–	**64**	–	59	–	59
Cross currency interest rate swaps	–	**50**	–	**50**	–	–	–	–
Equity instruments	**22**	**45**	**47**	**114**	29	–	53	82
Liabilities as per the Balance Sheet								
Derivative financial instruments								
FX forward exchange contracts	–	**78**	–	**78**	–	56	–	56
Interest rate swaps	–	**115**	–	**115**	–	164	–	164
Cross currency interest rate swaps	–	**72**	–	**72**	–	84	–	84

The fair value of forward foreign exchange contracts was determined using forward exchange rates derived from market sourced data at the Balance Sheet date, with the resulting value discounted back to present value (level 2 classification). The fair value of the interest rate swap contracts and the cross currency interest rate swaps was calculated using discounted future cash flows at floating market rates (level 2 classification).

The fair value of equity instruments at 31 December 2023 and 31 December 2022 was determined using quoted share price information (level 1 classification), other observable market data (level 2 classification) and other non-market information (level 3 classification).

Except for the bonds and senior notes, the carrying values of other financial assets and liabilities held at amortised cost approximate their fair values. The fair value of the bonds as at 31 December 2023 is a liability of £6,788 million (2022: £5,612 million) and the fair value of the senior notes as at 31 December 2023 is a liability of £1,203 million (2022: £1,250 million). The fair value of the bonds and senior notes was derived using quoted market rates in an active market (level 1 classification).

Offsetting financial assets and financial liabilities

The majority of the Group's derivative agreements are entered into under International Swaps and Derivatives Association (ISDA) master netting agreements. In certain circumstances – for example, when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not currently have any legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default event.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

At 31 December 2023	Gross amounts of recognised financial assets/liabilities in the Balance Sheet £m	Related financial instruments that are not offset £m	Net amount £m
Financial assets			
Derivative financial instruments	**114**	**(39)**	**75**
Financial liabilities			
Derivative financial instruments	**(265)**	**39**	**(226)**

At 31 December 2022	Gross amounts of recognised financial assets/liabilities in the Balance Sheet £m	Related financial instruments that are not offset £m	Net amount £m
Financial assets			
Derivative financial instruments	59	(36)	23
Financial liabilities			
Derivative financial instruments	(304)	36	(268)

Financial risk management

The Group's multinational operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates (foreign exchange risk), market prices, interest rates, credit risks and liquidity. The Group has in place a risk management programme that uses foreign currency financial instruments, including debt, and other instruments, to limit the impact of these risks on the financial performance of the Group.

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

The Group's financing and financial risk management activities are centralised into Group Treasury (GT) to achieve benefits of scale and control. GT manages financial exposures of the Group centrally in a manner consistent with underlying business risks. GT manages only those risks and flows generated by the underlying commercial operations; speculative transactions are not undertaken.

The Board of Directors reviews and agrees policies, guidelines and authority levels for all areas of Treasury activity and individually approves significant activities. The GT function is subject to periodic independent reviews and audits, both internal and external.

1. Market risk

(a) Currency risk

The Group operates internationally and enters into transactions in many currencies and as such is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group's policy is to align interest costs and operating profit of its major currencies in order to provide some protection against the translation exposure on foreign currency profits after tax. The Group may undertake borrowings and other hedging methods in the currencies of the countries where most of its assets are located.

It is the Group's policy to monitor and, where appropriate, hedge its foreign currency transaction exposure. These transaction exposures arise mainly from foreign currency receipts and payments for goods and services and from the remittances of foreign currency dividends and loans. Where the Group enters into hedges and applies hedge accounting, hedges are documented and tested for effectiveness on an ongoing basis with any ineffectiveness recorded in the Income Statement.

The local business units enter into forward foreign exchange contracts with GT to manage these exposures where practical and allowed by local regulations. GT matches the Group exposures, and hedges the position where possible, using spot and forward foreign currency exchange contracts.

The Group's strategy is to minimise Income Statement volatility by monitoring foreign currency balances, external financing, and external hedging arrangements. The Group's hedging profile is regularly reviewed to ensure it is appropriate and to mitigate these risks as far as possible.

The notional principal amount of the outstanding forward foreign exchange contracts at 31 December 2023 was £8,426 million receivable (2022: £5,395 million) and £8,440 million payable (2022: £5,376 million).

The Group held forward foreign exchange contracts designated as cash flow hedges primarily in Euro, Sterling, US dollar, Canadian dollar, Australian dollar, Mexican peso and Turkish lira. The notional value of the payable leg resulting from these financial instruments was as follows:

Cash flow hedge profile	2023 £m	2022 £m
Euro	**434**	343
Sterling	**258**	247
US dollar	**227**	218
Canadian dollar	**110**	96
Australian dollar	**92**	92
Mexican peso	**78**	74
Turkish lira	**58**	73
Other	**392**	394
	1,649	1,537

These forward foreign exchange contracts are mainly expected to mature over the period January 2024 to December 2024 (2022: January 2023 to December 2023). Of the total amount, £12 million (2022: £20 million) is due between January 2025 and January 2026 (2022: January 2024 and January 2026).

Cash flow hedging is applied with the economic relationship and expected effectiveness being assessed at inception, with any ineffectiveness recognised in the Income Statement. The ineffective portion recognised in the Income Statement arising from cash flow hedges is immaterial (2022: immaterial).

Gains and losses recognised in other comprehensive income and the hedging reserve on forward exchange contracts in 2023 of £39 million loss, net of tax (2022: £2 million gain, net of tax) are recognised in the Income Statement in the periods in which the hedged forecast transaction affects the Income Statement.

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

At 31 December 2023, the Group had forward contracts used for cash flow hedging with total fair value of £1 million liability (2022: £12 million asset). These contracts are denominated in a diverse range of currency pairings, where a fluctuation of 5% in any one of the contract pairings, with all others remaining constant, would have a maximum effect of £4 million (2022: £7 million) on shareholder equity, until the point at which the contracts mature and the forecast transaction occurs. The four largest contract pairings in order of nominal value were Euro/Polish zloty, US Dollar/Thai Baht, Euro/Australian Dollar and Euro/Canadian Dollar.

Where the Group is exposed to currency risk on its borrowings, the Group seeks to minimise the impact of foreign exchange on the Income Statement through placing debt within a net investment hedge or using financial instruments.

During the year, the US dollar bond totalling $500 million (2022: $500 million) which was used as the hedging instrument in a net investment hedge matured and was replaced by forward currency swap contracts totalling $500 million as the hedging instruments in a net investment hedge.

At 31 December 2023, the Group had designated a 2030 Euro bond totalling €850 million (2022: Euro bond totalling €850 million) and forward currency swap contracts totalling €1,479 million (2022: commercial paper totalling €750 million) as the hedging instruments in a net investment hedge relationship. During the year commercial paper of €750 million (2022: forward currency swap contracts of €750 million) were also in a hedge relationship. During 2023, the commercial paper contracts matured and were replaced with the forward currency swap contracts. Possible sources of ineffectiveness include any impairments to the Group's net investments in Euros. The hedges are documented and are assessed for effectiveness on an ongoing basis.

The net gain or loss under these arrangements is recognised in other comprehensive income. The net effect on other comprehensive income for the year ended 31 December 2023 was a £42 million gain (2022: £115 million loss). If Sterling weakens by 5% against the US dollar and Euro, the maximum impact on shareholders' equity due to the net investment hedging on US dollar forward currency swap contracts and Euro bond/forward currency swaps would be £20 million loss and £101 million loss respectively (2022: £22 million loss and £75 million loss respectively).

In 2020, the Group issued a €850 million bond due in 2026. Concurrent with the issue of the bond, the Group entered into a €850 million cross currency interest rate swap on similar terms to the 2026 bond to mitigate foreign exchange currency risk, for which hedge accounting has been applied. Sources of ineffectiveness on this hedge relationship will come from a difference in credit ratings between the counterparties.

In 2023, the Group issued a €650 million bond due in 2028 and a €750 million bond due in 2033. Concurrent with the issue of these bonds, the Group also entered into a cross currency interest rate swap on similar terms to the 2028 bond and the 2033 bond, to mitigate foreign exchange currency risk, for which hedge accounting has been applied. Sources of ineffectiveness on these hedge relationships will come from a difference in credit ratings between the counterparties and modifications to the terms of either hedged item or instrument. At 31 December 2023 no material ineffectiveness (2022: no material ineffectiveness) has been recognised in the Income Statement. The interest rate element of the swap is discussed in interest rate risk below.

The remaining major monetary financial instruments (liquid assets, receivables, interest and non-interest bearing liabilities) are either denominated in the functional currency of the Group or the functional currency of the local entity.

The gains and losses from fair value movements on derivatives held at fair value through profit or loss, recognised in the Income Statement in 2023, was a £109 million loss (2022: £443 million gain). These derivatives are used to hedge foreign exchange gains and losses on non-Sterling financing assets and financing liabilities between the Group's treasury company and fellow Group subsidiaries.

(b) Cost inflation risk

Due to the nature of its business the Group is exposed to commodity, freight and other inflation risks. Short-term volatility in pricing of these products is mitigated through medium-term contracts, inventories of key materials and financial hedging. Over the medium and long term, the Group mitigates the impact of inflation through: implementing pricing and revenue growth management; identifying productivity and efficiencies; and improving sales mix.

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

(c) Interest rate risk

The Group has both interest-bearing and non-interest bearing assets and liabilities. The Group monitors its interest income and expense rate exposure on a regular basis. The Group sets its desired level of fixed and floating rate exposure as part of its interest risk management strategy. The mix of fixed and floating exposure on interest-bearing assets or liabilities is managed by using a mixture of fixed and floating rate deposits, borrowings and interest rate derivatives.

In 2020 the Group issued two €850 million bonds due in 2026 and 2030. In order to maintain a level of floating rate debt in line with the Group's interest management strategy the Group entered into a €850 million cross currency interest rate swap on similar terms to the 2026 bond and an interest rate swap on the coupon payments due on the 2030 bond. The accounting for the foreign exchange element of the cross currency swap is described above. The interest rate element swaps the fixed coupon payments on the bond for floating rate (the cross currency interest rate swap with reference to adjusted reference rates following GBP LIBOR cessation, and the interest rate swap with reference to EURIBOR). The interest rate swaps have been placed into a fair value hedge relationship with the related bonds.

During 2023, the Group entered into a £747 million nominal value floating-to-fixed interest rate swap due in 2026 to reduce the level of exposure to floating interest rates. This interest rate swap has been designated as a cash flow hedge against the payments made on the floating leg of the Group's existing cross-currency interest rate swap. Sources of ineffectiveness on this hedge relationship may come from a difference in credit ratings between the counterparties and modifications to the terms of either the hedged item or the hedging instrument. At 31 December 2023 no material ineffectiveness has been included in the Income Statement.

In 2023 the Group issued a €650 million bond due in 2028 and a €750 million bond due in 2033. In order to maintain a level of fixed or floating rate debt in line with the Group's interest management strategy the Group entered into €650 million of cross currency interest rate swaps on similar terms to the 2028 bond and €750 million cross currency interest rate swaps on similar terms to the 2033 bond. The accounting for the foreign exchange and interest rate element of the cross currency swaps have been described above.

On the €650 million bond due in 2028, the cross currency interest rate swaps the fixed Euro coupon payments on the bond for fixed GBP payments. On the €750 million bond due in 2033, the cross currency interest rate swap swaps the fixed coupon payments on the bond for a GBP floating rate (with reference to SONIA) payments. The €650 million cross-currency interest rate swap has been placed into a cash flow hedge relationship with the bond due in 2028, and the €750 million has been placed into a fair value hedge relationship with the bond due in 2033.

Sources of ineffectiveness on these hedge relationships will come from a difference in credit ratings between the counterparties and modifications to the terms of either the hedged item or the hedging instrument. At 31 December 2023 no material ineffectiveness (2022: no material ineffectiveness) has been recognised in the Income Statement.

Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on the Income Statement of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies, calculated on a full-year and pre-tax basis.

The scenarios are only run for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on the Income Statement of a 50 basis-point shift in interest rates would be a maximum increase of £11 million (2022: £13 million) or decrease of £11 million (2022: £13 million), respectively for the liabilities covered. The simulation is done on a periodic basis to verify that the maximum loss simulated is within the limit given by management. There is also an impact on the Income Statement of a 50 basis-point shift of £4 million (2022: £nil) on an asset that is inherently linked to a liability included above, resulting in a net impact of £7 million.

2. Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions, as well as credit exposures to customers. The assessment of lifetime expected credit losses relating to trade and other receivables is detailed in Note 14. Financial institution counterparties are subject to approval under the Group's counterparty risk policy and such approval is limited to financial institutions with a BBB rating or above. The Group uses BBB and higher rated counterparties to manage risk and only uses sub-BBB rated counterparties by exception. The amount of exposure to any individual counterparty is subject to a limit defined within the counterparty risk policy, which is reassessed annually by the Board of Directors. Derivative financial instruments are only traded with counterparties approved in accordance with the approved policy. Derivative risk is measured using a risk weighting method.

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

The Group has counterparty risk from asset positions held with financial institutions. This is comprised of short-term investments, cash and cash equivalents and derivative positions. For risk management purposes the Group assesses the exposure to major financial institutions by looking at the deposits, cash and cash equivalents and a percentage of the nominal amount of derivative contracts taking into account the time to maturity and the nature of the product. The following table summarises the Group's assessment of its exposure. The financial institutions listed in the tables are not comparable year on year.

		2023	
Counterparty	**Credit rating**	**Limit £m**	**Exposure £m**
Financial institution A	**A+**	**250**	**151**
Financial institution B	**A**	**200**	**149**
Financial institution C	**A+**	**250**	**149**
Financial institution D	**A+**	**250**	**143**
Financial institution E	**A+**	**250**	**128**
Financial institution F	**A+**	**250**	**108**
Financial institution G	**A**	**200**	**106**
Financial institution H	**A+**	**250**	**106**
Financial institution I	**AAAm**	**200**	**100**
Financial institution J	**A**	**200**	**99**

		2022	
Counterparty	Credit rating	Limit £m	Exposure £m
Financial institution A	A+	250	187
Financial institution B	A+	250	179
Financial institution C	A+	250	162
Financial institution D	A+	250	145
Financial institution E	A	200	108
Financial institution F	A	200	100
Financial institution G	A+	250	87
Financial institution H	BBB+	125	83
Financial institution I	AA-	275	63
Financial institution J	A	200	59

3. Liquidity risk

Liquidity risk is the risk that the Group cannot repay financial liabilities as and when they fall due. The Group's liquidity risk is concentrated towards bond and senior note principal repayments due between 2024 and 2044.

At the end of 2023, the Group had long-term debt excluding lease liabilities of £6,609 million (2022: £6,852 million), of which £6,010 million (2022: £5,196 million) is repayable in more than two years. In addition, the Group has committed borrowing facilities totalling £4,500 million (2022: £4,500 million), of which £4,450 million (2022: £4,450 million) expires after more than two years. These facilities are provided by high-quality international banks, are undrawn at year end and contain a financial covenant which is not expected to restrict the Group's future operations. The committed borrowing facilities, together with central cash and investments, are considered sufficient to meet the Group's projected cash requirements.

All borrowing facilities are at floating rates of interest.

The facilities have been arranged to cover general corporate purposes, including support for commercial paper issuance. All facilities incur commitment fees at market rates.

The Group's borrowing limit at 31 December 2023 calculated in accordance with the Articles of Association was £25,344 million (2022: £28,329 million).

The following table analyses the Group's financial liabilities and derivatives into relevant maturity groupings based on the remaining period at the Balance Sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows which have been calculated using spot rates and interest rates at the relevant Balance Sheet date, including interest to be paid.

At 31 December 2023	**Total £m**	**Less than 1 year £m**	**Between 1 and 2 years £m**	**Between 2 and 5 years £m**	**Over 5 years £m**
Bonds	**(7,983)**	**(1,731)**	**(138)**	**(3,586)**	**(2,528)**
Senior notes	**(1,858)**	**(56)**	**(645)**	**(96)**	**(1,061)**
Trade and other payables	**(5,276)**	**(5,208)**	**(68)**	**–**	**–**
Share repurchase liability	**(296)**	**(296)**	**–**	**–**	**–**

At 31 December 2022	Total £m	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
Commercial paper	(1,200)	(1,200)	–	–	–
Bonds	(6,650)	(554)	(1,757)	(3,026)	(1,313)
Senior notes	(2,017)	(59)	(59)	(747)	(1,152)
Trade and other payables	(5,344)	(5,270)	(74)	–	–

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period between the Balance Sheet date and the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows which have been calculated using spot rates at the relevant Balance Sheet date.

At 31 December 2023	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
FX forward exchange contracts				
Outflow	**(8,428)**	**(6)**	**(6)**	**–**
Inflow	**8,414**	**6**	**6**	**–**
Cross currency interest rate swaps				
Outflow	**(116)**	**(116)**	**(1,534)**	**(824)**
Inflow	**48**	**48**	**1,440**	**776**
Interest rate swaps				
Outflow	**(67)**	**(67)**	**(126)**	**(55)**
Inflow	**44**	**44**	**35**	**11**

At 31 December 2022	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
FX forward exchange contracts				
Outflow	(5,356)	(7)	(13)	–
Inflow	5,376	7	12	–
Cross currency interest rate swaps				
Outflow	(25)	(25)	(785)	–
Inflow	3	3	758	–
Interest rate swaps				
Outflow	(21)	(21)	(63)	(53)
Inflow	6	6	17	17

Cash flow forecasting is performed by the local business units and on an aggregated basis by GT. GT monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities. Funds over and above those required for short-term working capital purposes by the local businesses are generally remitted to GT. The Group uses the remittances to settle obligations, repay borrowings, or, in the event of a surplus, invest in short-term instruments issued by institutions with a BBB rating or above.

4. Capital management

The Group considers capital to be net debt plus total equity. Net debt is calculated as total financing liabilities less cash and cash equivalents and short-term deposits. Total equity includes share capital, reserves and retained earnings as shown in the Group Balance Sheet.

	Note	2023 £m	2022 £m
Cash and cash equivalents including overdrafts		**1,380**	1,156
Financing liabilities	17	**(8,670)**	(9,140)
Net debt		**7,290**	7,984
Total equity		**8,469**	9,483
		15,759	17,467

The objectives for managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimise the cost of capital.

In 2023, the Group provided returns to shareholders in the form of dividends and through buying back shares. Refer to Note 24 for further details.

The Group monitors net debt which at year end was £7,290 million (2022: £7,984 million). In 2023 the Group began a share buyback programme funded by surplus free cash flow (see Note 24) in line with the Group's capital allocation policy of returning surplus cash to shareholders.

Supply chain finance

The Group participates in a supply chain finance programme (SCF) under which certain suppliers to the Group are able to access an SCF arrangement that enables them to fund their working capital. The principal purpose of this programme is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to a bank before their due date. The Group does not incur any additional interest towards the bank on the amounts due to the suppliers. As part of this facility the Group has confirmed to certain financial institutions that it will make payments of £358 million (2022: £330 million) to these suppliers as they fall due. These amounts are recorded within trade payables on the Balance Sheet and all cash flows associated with the programme are included within operating cash flows as they continue to be part of the normal operating cycle of the Group and their principal nature remains operating, being payments for the purchase of goods and services.

Notes to the Financial Statements continued

16 Cash and Cash Equivalents

	2023 £m	2022 £m
Cash at bank and in hand	**647**	662
Short-term bank deposits	**740**	495
Cash and cash equivalents	**1,387**	1,157

The Group operates in a number of territories where there are either foreign currency exchange restrictions, or where it is difficult for the Group to extract cash readily and easily in the short-term. As a result, £229 million (2022: £276 million) of cash included in cash and cash equivalents is restricted for use by the Group, yet available for use in the relevant subsidiary's day-to-day operations.

17 Financial Liabilities – Borrowings

	Note	2023 £m	2022 £m
Current			
Bank loans and overdrafts[1]		**30**	40
Commercial paper		**–**	1,190
Bonds		**1,571**	413
Lease liabilities	19	**78**	78
Total short-term borrowings		**1,679**	1,721
Non-current			
Bonds		**5,304**	5,461
Senior notes		**1,292**	1,369
Other non-current borrowings		**13**	22
Lease liabilities	19	**249**	311
Total long-term borrowings		**6,858**	7,163
Total borrowings		**8,537**	8,884
Derivative financial instruments – as shown below		**140**	257
Less overdrafts presented in cash and cash equivalents in the Cash Flow Statement		**(7)**	(1)
Total financing liabilities		**8,670**	9,140

1. Bank loans are denominated in a number of currencies: all are unsecured and bear interest based on market short-term interest rates

The Group uses derivative financial instruments to hedge certain elements of interest rate and exchange risk on its financing liabilities. The split between these items and other derivatives on the Balance Sheet is shown below:

	Assets		Liabilities	
2023 (£m)	**Current**	**Non-current[1]**	**Current**	**Non-current**
Derivative financial instruments (financing liabilities)	**45**	**50**	**(58)**	**(177)**
Derivative financial instruments (non-financing liabilities)	**19**	**–**	**(20)**	**(10)**
At 31 December 2023	**64**	**50**	**(78)**	**(187)**

1. Included within other non-current receivables on the balance sheet

	Assets		Liabilities	
2022 (£m)	Current	Non-current	Current	Non-current
Derivative financial instruments (financing liabilities)	25	–	(34)	(248)
Derivative financial instruments (non-financing liabilities)	34	–	(21)	(1)
At 31 December 2022	59	–	(55)	(249)

Reconciliation of movement in financing liabilities to the Cash Flow Statement	2023 £m	2022 £m
At 1 January	**9,140**	9,637
Proceeds from borrowings	**1,638**	2,274
Repayment of borrowings	**(1,855)**	(3,807)
Other financing cash flows	**(84)**	383
Total financing cash flows	**(301)**	(1,150)
New lease liabilities	**44**	134
Exchange, fair value and other movements	**(213)**	519
Total non-cash financing items	**(169)**	653
At 31 December	**8,670**	9,140

Notes to the Financial Statements continued

17 Financial Liabilities – Borrowings continued

Maturity of borrowings (excluding lease liabilities)	2023 £m	2022 £m
Bank loans and overdrafts repayable:		
Within one year or on demand	**30**	40
Other borrowings repayable:		
Within one year:		
Commercial paper	**–**	1,190
Bonds	**1,571**	413
After one year and in less than five years:		
Bonds	**3,205**	4,381
Senior notes	**599**	636
After five years or longer:		
Bonds	**2,099**	1,080
Senior notes	**693**	733
Other non-current borrowings	**13**	22
	8,180	8,455
Gross borrowings (unsecured)	**8,210**	8,495

18 Provisions for Liabilities and Charges

	Legal provisions £m	Other provisions £m	Total provisions £m
At 1 January 2022	180	55	235
Charged to the Income Statement	62	15	77
Utilised during the year	(8)	(3)	(11)
Released to the Income Statement	(17)	(12)	(29)
Reclassifications	(3)	5	2
Exchange adjustments	7	5	12
At 31 December 2022	**221**	**65**	**286**
Charged to the Income Statement	7	14	21
Utilised during the year	(63)	(1)	(64)
Released to the Income Statement	(17)	(11)	(28)
Reclassification	1	(2)	(1)
Exchange adjustments	(12)	(3)	(15)
At 31 December 2023	**137**	**62**	**199**

Provisions have been analysed between current and non-current as follows:

	2023 £m	2022 £m
Current	**142**	227
Non-current	**57**	59
	199	286

Provisions are recognised when the Group has a present or constructive obligation as a result of past events, it is more likely than not that there will be an outflow of resources to settle that obligation, and the amount can be reliably estimated. As at 31 December 2023, the Group recognised legal provisions of £137 million (2022: £221 million) in relation to a number of historical regulatory and other matters in various jurisdictions.

These provisions relate to matters where the Group is currently involved with, or potentially will be involved in, litigation. The provision represents the Group's best estimate of the likely settlement. Due to the uncertain nature of the resolution of the majority of these matters, £109 million (2022: £184 million) is recorded as a current provision as it is possible the matters could be settled in the next 12 months; however, it is possible that they may not be.

Other provisions include environmental obligations throughout the Group, the majority of which are expected to be utilised within five years.

19 Lease Liabilities

Maturity analysis – contractual undiscounted cash flows	2023 £m	2022 £m
Within one year	**81**	80
Later than one and less than five years	**199**	253
After five years	**103**	135
Total undiscounted lease liabilities at 31 December	**383**	468
Lease liabilities included in the statement of financial position at 31 December	**327**	389
Current	**78**	78
Non-current	**249**	311

Interest charged on lease liabilities amounted to £14 million (2022: £16 million).

Notes to the Financial Statements continued

20 Contingent Liabilities and Assets

Humidifier Sanitiser issue

The Humidifier Sanitiser (HS) issue in South Korea was a tragic event. The Group continues to make both public and personal apologies to the victims who have suffered lung injury as a result of the Oxy HS product and the role that the Oxy HS product played in the issue.

As previously reported, over the last several years the South Korean government has designated a number of diseases as HS injuries, in addition to the HS lung injury for which Reckitt Korea's compensation plan was established. These include asthma, toxic hepatitis, child interstitial lung disease (ILD), bronchitis, upper airway disease, pneumonia, skin disease (accompanied by respiratory injuries) and depression (accompanied by respiratory injuries).

The Korean National Assembly passed a bill on 6 March 2020 to amend the HS law with the main changes in the amendment relating to: (i) the definition of HS injury; (ii) the legal presumption of causation (shifting the burden of proof for causation to the defendant if the plaintiff demonstrates 'epidemiological correlation' between HS exposure and their injury), and (iii) amendments to the fund set up by the government and funded by the government and HS companies (the Special Relief Fund (SRF), now called the Injury Relief Fund (IRF)) to provide expanded support payments to HS victims which would cover all elements of court awarded damages except mental distress, aside from KRW 100 million consolation payments for death cases, and partial lost income.

The Group currently has a provision of £27 million (2022: £77 million) in relation to the HS issue in South Korea. In addition, there are further potential costs that are not considered probable and cannot be reliably estimated at the current time. The impact of the HS law amendments will require further monitoring and analysis, in particular those which will be subject to court interpretation, such as the new epidemiological correlation standard, any limitation applied by courts to damage awards, the interest rate applied by individual courts to damage awards and external factors such as the rate of future IRF applications/recognitions. Accordingly, it is not possible to make any reliable estimate of liability for individuals recognised by the government as having HS injuries.

Necrotizing Enterocolitis (NEC)

Product liability actions relating to NEC have been filed against certain Group subsidiary companies, or against Group subsidiary companies and Abbott Laboratories, in state and federal courts in the United States. The actions allege injuries relating to NEC in preterm infants. Plaintiffs contend that human milk fortifiers (HMF) and preterm formulas containing bovine-derived ingredients cause NEC, and that preterm infants should receive a diet exclusively of breast milk. The Company has denied the material allegations of the claims. It contends that its products provide critical tools to expert neonatologists for the nutritional management of preterm infants for whom human milk, by itself, is not available or nutritionally sufficient. The products are used under the supervision of medical doctors. Any potential costs relating to these actions are not considered probable. Given the uncertainty on the number of cases, their validity and range of possible outcomes on each valid case, the possible economic outflow cannot be reliably estimated, but may be significant (see note 33).

Phenylephrine

Starting in September 2023, putative class action lawsuits have been filed against the Group and competitor companies in various United States jurisdictions that generally allege that the defendants made misrepresentations about the effectiveness of products containing phenylephrine. In December 2023, the Judicial Panel on Multidistrict Litigation (JPML) transferred all currently pending federal court cases and any similar, subsequently filed cases to a coordinated multi-district litigation (MDL) in the Eastern District of New York for pre-trial purposes. The Group is defending these cases, which all remain in preliminary stages. Potential costs relating to these actions are not considered probable and cannot be reliably estimated at the current time.

Other

From time to time, the Group is involved in discussions in relation to ongoing tax matters in a number of jurisdictions around the world. Where appropriate, the Directors make provisions based on their assessment of each case (see Note 7).

21 Trade and Other Payables

	2023 £m	2022 £m
Trade payables	**2,194**	2,366
Other payables	**118**	123
Forward share purchase liability[1]	**158**	–
Other tax and social security payable	**163**	172
Interest accrued on tax balances	**122**	105
Indemnity provisions for disposed businesses	**48**	–
Accruals	**2,703**	2,781
Trade and other payables	**5,506**	5,547

1. During the year, the £167 million (Note 30) recognised through equity has been re-estimated to £158 million at 31 December 2023, resulting in a £9 million credit to other finance income

Included within accruals is £1,125 million (2022: £1,137 million) in respect of amounts payable to trade customers and government bodies for trade spend.

Other non-current liabilities

	2023 £m	2022 £m
US employee-related payables	**45**	42
Indemnity provisions for disposed businesses	**–**	51
Other	**22**	23
Other non-current liabilities	**67**	116

Notes to the Financial Statements continued

21 Trade and Other Payables continued

Financial instruments (Note 15)

At 31 December 2023, £5,276 million (2022: £5,344 million) of the current and non-current trade and other payables totalling £5,573 million (2022: £5,663 million) are financial liabilities. These mainly relate to amounts owed to suppliers in respect of goods or services and are typically non-interest bearing. Amounts that are not financial instruments comprise employee-related liabilities, social security liabilities and accrued interest.

22 Current and Non-current Tax Liabilities

	2023 £m	2022 £m
Current tax liabilities	**620**	791
Non-current tax liabilities	**28**	54
Total current and non-current tax liabilities	**648**	845

Certain tax positions taken by us are based on industry practice, tax advice and drawing similarities from our facts and circumstances to those in case law. In particular, international transfer pricing is an area of taxation that depends heavily on the underlying facts and circumstances and generally involves a significant degree of judgement.

Tax assets and liabilities are offset where there is a legally enforceable right to do so. Included within current tax liabilities is an amount of £619 million (2022: £722 million) relating to uncertain tax positions primarily in respect of transfer pricing. Within this, £187 million (2022: £194 million) relates to amounts recognised using the most likely outcome method, where the resolution of the uncertainty is concentrated on one binary outcome. There is no individual tax uncertainty calculated with this method that is material to the Financial Statements.

Also within uncertain tax positions is an amount of £432 million (2022: £528 million) recognised using the expected value method. The liabilities calculated using this method are not material in isolation, are individually assessed and cover multiple jurisdictions and issues. Therefore, it is not meaningful to provide aggregated sensitivity estimates. The sources of estimation uncertainty underlying this amount are shown in Note 1.

The recognition of uncertain tax positions is reviewed regularly for changes in circumstances and estimates are updated as potential resolutions for the tax uncertainties are encountered through specific audits or wider case law. As a result, given the size, possible range of outcomes and timing of resolution, there is a significant risk of material adjustment to the aggregate carrying amount of these liabilities within the next financial year.

The disputes underlying the liability recognised in respect of uncertain tax positions may take several years to resolve (see Note 1). Notwithstanding this, the carrying amount of £619 million (2022: £722 million) has been presented as a current liability. The associated interest accrued on uncertain tax positions of £122 million (2022: £105 million) also is presented as a current liability.

23 Pension and Post-Retirement Commitments

Plan details

The Group operates a number of defined benefit and defined contribution pension plans around the world covering many of its employees, which are principally funded. The Group's most significant pension plan (UK) is set up under Trust and is a separate entity from the Group. It has two sections, a defined contribution section which remains open and a defined benefits section, which closed to accrual from 31 December 2017. Members have a normal retirement age of 65. Trustees of the plan are appointed by the Group, active members and pensioner membership, and are responsible for the governance of the plan, including paying all administrative costs of the defined benefit section and compliance with regulations. The defined benefit section of the plan is funded by the payment of contributions as required, following each Triennial Valuation.

For the principal UK plan, a full independent actuarial valuation is carried out on a triennial basis. The most recent valuation was carried out as at 5 April 2022 and as the plan was in surplus on its technical provisions funding basis, no contributions are required to be paid by the Group in 2024 (2023: £nil). Funding levels are monitored on an annual basis.

The Group continues to monitor the impact of UK High Court rulings clarifying the requirements to equalise the Guaranteed Minimum Pension element of benefits for men and women within the UK Pension schemes from Guaranteed Minimum Pension accrued from post 17 May 1990 pensionable service. A method has been agreed with the pension trustees from all defined benefit schemes in the UK and no benefit changes or back payments have yet been made to members.

The Group also operates a number of other post-retirement plans in certain countries. The two major plans are the US Retiree Health Care Plan and the Mead Johnson & Company, LLC Medical Plan (together, the US (Medical) plans). In the US Retiree Health Care Plan, salaried participants become eligible for retiree healthcare benefits after they reach a combined 'age and years of service rendered' figure of 70, although the age must be a minimum of 55. This plan closed to new members in 2009. In the Mead Johnson & Company, LLC Medical Plan, acquired as part of the acquisition of MJN on 15 June 2017, participants become eligible for retiree healthcare benefits if they leave employment after the age of 65, leave after the age of 55 and have completed 10 years of service, or have their employment involuntarily terminated after the age of 55. A Benefits Committee is appointed by the Group for both of these plans, responsible for the governance of the US plans, including paying all administrative costs and compliance with regulations. Both of these plans are unfunded.

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

For the US (Medical) plans, a full independent actuarial valuation is carried out on an annual basis. The most recent valuation was carried out on 1 January 2024. For both of these plans, funding levels are monitored on an annual basis with contributions made equal to the claims made each year. It is expected that the combined contributions in 2024 will be £8 million (2023: £7 million).

For the purpose of IAS 19, the projected unit valuation method was used for the UK and US plans, as per the principal UK plan triennial valuation results (at 5 April 2022) and the US (Medical) plan annual valuations to 31 December 2023. The UK plans have a weighted average duration of the deferred benefit obligation of 12.4 years (2022: 13.5 years). This decrease is predominantly driven by significant rises in bond yields over the year to 31 December 2023.

Significant actuarial assumptions

The significant actuarial assumptions used in determining the Group's net liability for the UK and US (Medical) plans as at 31 December were:

	2023		2022	
	UK %	US (Medical) %	UK %	US (Medical) %
Rate of increase in pensionable salaries	**N/A**	**–**	N/A	–
Rate of increase in deferred pensions during deferment	**2.8**	**–**	3.4	–
Rate of increase in pension payments	**3.05**	**–**	3.25	–
Discount rate	**4.7**	**4.9**	5.0	5.2
Inflation assumption – RPI	**3.2**	**–**	3.4	–
Annual medical cost inflation	**–**	**5.0-8.0**	–	5.0-8.0

Assumptions regarding future mortality experience are set in accordance with published statistics and experience in each territory. The expected lifetime of a participant aged 60 and the expected lifetime of a participant who will be aged 60 in 15 years (20 years in the US) are detailed below:

	2023		2022	
	UK years	US years	UK years	US years
Number of years a current pensioner is expected to live beyond 60:				
Male	**27.2**	**25.3**	27.5	25.2
Female	**28.8**	**27.4**	29.0	27.3
Number of years a future pensioner is expected to live beyond 60:				
Male	**28.4**	**27.0**	28.8	26.9
Female	**30.0**	**28.9**	30.4	28.9

For the principal UK plan, the mortality assumptions were based on the standard SAPS mortality table 3NMA for males (scaled by 98%) and table 3NFA for females (scaled by 117%). Allowance for future changes is made by adopting the 2022 edition of the CMI series with a long-term improvement trend of 1.5% per annum from 2013 onwards. Allowance is made for future improvements in mortality by adopting the CMI's published 2022 improvement tables with a long-term improvement trend of 1.5% per annum from 2013 onwards, an initial addition to mortality improvements of 0.25% pa, the core period smoothing parameter of 7.0 and a default weighting of 0% / 0% / 25% applied to 2020 / 2021 / 2022 calendar year data. For the US plan the mortality assumptions were determined using the Pri-2012 Total Dataset and projected with Mortality Improvement Scale MP-2021.

While COVID-19 has had an impact on mortality in the year ended 31 December 2022 and 2023, the long-term impact on future mortality trends is currently unknown and consequently no adjustment has been made to mortality assumptions in this regard, beyond adjusting the weighting in the mortality tables described above.

Amounts recognised on the Balance Sheet

The amounts recognised on the Balance Sheet are as follows:

	2023 £m	2022 £m
Balance Sheet liability for:		
US (Medical)	**(73)**	(81)
Other	**(160)**	(159)
Liability on Balance Sheet	**(233)**	(240)
Balance Sheet assets for:		
UK	**206**	241
Other	**64**	53
Asset on Balance Sheet	**270**	294
Net pension asset	**37**	54

The UK surplus of £206 million (2022: £241 million) relates mainly to the Reckitt Benckiser Pension Fund. This surplus has been recognised as the Group has concluded it has an unconditional right to a refund of any surplus once all member benefits have been paid. The Group's judgement is based on legal advice that the Trustees would be unable to unconditionally wind up the plan or enhance members' benefits without the Group's consent.

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

The funded and unfunded amounts recognised on the Balance Sheet are determined as follows:

	2023				2022			
	UK £m	US (Medical) £m	Other £m	Total £m	UK £m	US (Medical) £m	Other £m	Total £m
Present value of funded obligations	**(969)**	**–**	**(400)**	**(1,369)**	(941)	–	(373)	(1,314)
Fair value of plan assets	**1,178**	**–**	**443**	**1,621**	1,186	–	426	1,612
Surplus of funded plans	**209**	**–**	**43**	**252**	245	–	53	298
Present value of unfunded obligations	**–**	**(73)**	**(139)**	**(212)**	–	(81)	(159)	(240)
Irrecoverable surplus	**(3)**	**–**	**–**	**(3)**	(4)	–	–	(4)
Net pension surplus/(liability)	**206**	**(73)**	**(96)**	**37**	241	(81)	(106)	54

Group plan assets are comprised as follows:

	2023				2022			
	UK £m	US (Medical) £m	Other £m	Total £m	UK £m	US (Medical) £m	Other £m	Total £m
Equities	**60**	**–**	**99**	**159**	134	–	92	226
Government bonds	**136**	**–**	**108**	**244**	167	–	157	324
Corporate bonds	**290**	**–**	**150**	**440**	265	–	135	400
Real estate/property – unquoted	**28**	**–**	**11**	**39**	82	–	19	101
Insurance contracts	**273**	**–**	**–**	**273**	272	–	–	272
Other assets – unquoted	**391**	**–**	**75**	**466**	266	–	23	289
Fair value of plan assets	**1,178**	**–**	**443**	**1,621**	1,186	–	426	1,612

In 2021 and 2020, the Trustees of three of the UK pension plans entered into annuity buy-in agreements which cover, in aggregate, £273 million of pension liabilities valued under IAS 19 at 31 December 2023 (£272 million of pension liabilities valued under IAS 19 at 31 December 2022). The agreements involved the purchase of bulk annuity policies under which the insurer will pay the UK pension funds amounts equivalent to the benefits payable to members. These purchases were conducted by the trustees to ensure the pension fund had an asset that would match its obligation to members. The policies are valued in accordance with IAS 19 by the plans' actuary such that the fair value on the annuity policies is deemed to be the present value of the related obligation measured using the assumptions underpinning the valuation of the defined benefit obligation. The pension liabilities remain with, and the matching annuity policies are held within, the UK pension funds. As this was an investment decision by the trustees, the immaterial reduction in the valuation of plan assets (due to the difference between the purchase price of the annuity policy and the accounting value of the buy-in asset) arising on each buy-in was recorded within other comprehensive income. The Trustees have not entered any such buy-in agreements in 2022 or 2023.

At 31 December 2023 the Group has not committed to any buy-out arrangements in respect of any of the UK pension schemes.

Included in other assets are £319 million (2022: £235 million) relating to liability driven investment funds. This is a bespoke pooled investment vehicle with underlying listed bonds, equities and structured notes. The fair value of the vehicle is provided by the fund manager based on the underlying value of the securities held within the vehicle. The trustees purchased these investments in 2021 to lower risk within the portfolio without reducing potential returns. These investments have a low leverage percentage and sufficient capital collateral in place. The remaining other assets are cash.

The present value of obligations for the combined UK plans and the US (Medical) plans at last valuation date is attributable to participants as follows:

	2023		2022	
	UK £m	US (Medical) £m	UK £m	US (Medical) £m
Active participants	**(1)**	**(19)**	(1)	(34)
Participants with deferred benefits	**(334)**	**(1)**	(307)	(1)
Participants receiving benefits	**(634)**	**(53)**	(633)	(46)
Present value of obligation	**(969)**	**(73)**	(941)	(81)

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

The movement in the Group's net surplus/(deficit) is as follows:

	Present value of obligation				Fair value of plan assets			
	UK £m	US (Medical) £m	Other £m	Total £m	UK £m	US (Medical) £m	Other £m	Total £m
At 1 January 2022	1,486	107	650	2,243	(1,788)	–	(496)	(2,284)
Current service cost	–	1	8	9	–	–	–	–
Administrative costs	3	–	–	3	–	–	–	–
Interest expense/(income)	27	4	12	43	(34)	–	(14)	(48)
	30	5	20	55	(34)	–	(14)	(48)
Remeasurements:								
Return on plan assets, excluding amounts included in interest income	–	–	–	–	565	–	96	661
(Gains) from changes in demographic assumptions	(2)	(11)	–	(13)	–	–	–	–
(Gains) from change in financial assumptions	(518)	(22)	(151)	(691)	–	–	(2)	(2)
Experience (gains)/losses	16	(3)	3	16	–	–	–	–
	(504)	(36)	(148)	(688)	565	–	94	659
Exchange differences	–	12	54	66	–	–	(41)	(41)
Contributions – employers	–	–	–	–	–	(7)	(13)	(20)
Benefit payments	(71)	(7)	(44)	(122)	71	7	44	122
As at 31 December 2022	**941**	**81**	**532**	**1,554**	**(1,186)**	**–**	**(426)**	**(1,612)**
Current service cost	–	–	10	10	–	–	–	–
Administrative costs	3	–	3	6	–	–	–	–
Interest expense/(income)	47	4	12	63	(58)	–	(13)	(71)
	50	4	25	79	(58)	–	(13)	(71)
Remeasurements:								
Return on plan assets, excluding amounts included in interest income	–	–	–	–	5	–	10	15
(Gains) from changes in demographic assumptions	(16)	–	(1)	(17)	–	–	–	–
Losses from change in financial assumptions	34	2	(15)	21	–	–	–	–
Experience (gains)/losses	21	(5)	7	23	–	–	–	–
	39	(3)	(9)	27	5	–	10	15
Exchange differences	–	(4)	(20)	(24)	–	–	20	20
Contributions – employers	–	–	–	–	–	(5)	(23)	(28)
Benefit payments	(61)	(5)	(26)	(92)	61	5	26	92
Scheme assets and obligations previously presented net[1]	–	–	37	37	–	–	(37)	(37)
As at 31 December 2023	**969**	**73**	**539**	**1,581**	**(1,178)**	**–**	**(443)**	**(1,621)**

1. During the year, the Group identified one country where the pension assets and obligation was presented net, the presentation has been corrected to show gross presentation

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

Amounts recognised in the Income Statement

The charge for the year ended 31 December is shown below:

	2023 £m	2022 £m
Defined contribution plans	**44**	49
Defined benefit plans (net charge excluding interest)		
UK	**3**	3
US (Medical)	**–**	1
Other	**13**	8
Total pension costs included in operating profit (Note 5)[1]	**60**	61
Pension net finance income included in net finance expense (Note 6)	**(8)**	(5)
Income Statement charge included in profit before income tax	**52**	56
Remeasurement gains/(losses) for[2]:		
UK	**(44)**	(61)
US (Medical)	**3**	36
Other	**(1)**	54
	(42)	29

1. The Income Statement charge recognised in operating profit includes current service cost, past service cost and administrative costs
2. Remeasurement gains excludes £1 million (2022: £nil) recognised in OCI for irrecoverable surplus

Sensitivity of significant actuarial assumptions

The sensitivity of the UK defined benefit obligation to changes in the principal assumptions is shown below:

2023	Change in assumption	Change in defined benefit obligation
Discount rate	**Increase 0.1%**	**Decrease by 1.2%**
Discount rate	**Increase 1.0%**	**Decrease by 10.7%**
RPI increase	**Increase 0.1%**	**Decrease by 1.0%**
RPI increase	**Increase 1.0%**	**Increase by 8.9%**
Life expectancy	**Members live 1 year longer**	**Increase by 3.3%**

2022	Change in assumption	Change in defined benefit obligation
Discount rate	Increase 0.1%	Decrease by 1.3%
Discount rate	Increase 1.0%	Decrease by 11.5%
RPI increase	Increase 0.1%	Increase by 0.7%
RPI increase	Increase 1.0%	Increase by 9.2%
Life expectancy	Members live 1 year longer	Increase by 3.2%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Impact of medical cost trend rates

A 1% change in the assumed healthcare cost trend rates would have an immaterial impact on the service cost, interest cost and post-retirement benefit obligation.

Risk and risk management

Through its defined benefit pension plans and post-employment medical plans, the Group is exposed to a number of risks, the most significant of which are detailed as follows:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit/reduce the surplus. The US plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short-term. However, the Group believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the plans efficiently.

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

Changes in bond yields: An increase in government and corporate bond yields will decrease plan liabilities, although this will be partially offset by a decrease in the value of the plans' bond holdings. For example, following the increase in market bond yields in the year ended 31 December 2022, the UK plans' liabilities reduced by £545 million, offset by a reduction in the plans' bond holdings by £602 million, resulting in a £57 million net decrease to the plans' surplus.

Inflation risk: Some of the Group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). In order to manage inflationary risks, the Trustees' investment strategy within the UK plan provides a high level of protection against higher expected long-term inflation through investments in index-linked gilts, liability driven investments and insurance contracts. In the US plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The majority of the plans' obligations are to provide benefits for the life of the member. Whilst the plans allow for an increase in life expectancy, increases above this assumption will result in an increase in the plans' liabilities. This is particularly significant in the UK plan, where inflationary increases to benefits result in higher sensitivity to improvements in life expectancy. In 2020 the principal UK scheme reduced its exposure by purchasing an insurance product that will pay the pensions of some of the plan's pensioners. In 2021 two other UK pension schemes purchased a similar insurance policy covering 100% of their members' benefits.

Change in regulations: The Group is aware that future changes to the regulatory framework may impact the funding basis of the various plans in the future. The Group's pensions department monitors the changes in legislation and analyses the risks as and when they occur.

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A portion of assets consists of unit linked insurance policies with underlying investments in quoted equities and quoted bonds, although the Group also invests in property and cash. The Group believes that quoted equities offer the best returns over the long term with an acceptable level of risk. The Trustees of all the UK funds have moved the majority of their assets to low-cost investment funds in consultation with the Group whilst maintaining prudent diversification and appropriate interest and inflation hedging. The Trustees and the Group have aligned goals in respect of climate risk which includes a 50% reduction in carbon footprint ambition by 2030.

24 Share Capital

Issued and fully paid	Equity ordinary shares number	Nominal value £m
At 31 December 2022	736,535,179	74
At 31 December 2023	**736,535,179**	**74**

The holders of ordinary shares (par value 10 pence) are entitled to receive dividends (Note 28) as declared from time to time and are entitled to one vote per share at meetings of the parent company.

Repurchase of ordinary shares

In October 2023, the Group announced a share buyback programme of an initial amount of £1 billion to be effected over 12 months. During 2023, as part of this share buyback programme, the Group entered into commitments to purchase £500 million of ordinary shares.

A share repurchase liability of £296 million has been recognised in the balance sheet as at 31 December 2023 (2022: £nil), reflecting contractual obligations to purchase ordinary shares (including associated costs).

During the year to 31 December 2023, 3,782,835 shares have been purchased at a total cost of £207 million. Repurchased ordinary shares have been included in the treasury shares (see below).

Allotment of ordinary shares and release of treasury shares

During the year nil ordinary shares (2022: nil ordinary shares) were allotted, 2,047,518 ordinary shares were released from Treasury (2022: 1,351,767) and 3,782,835 ordinary shares (2022: nil ordinary shares) were bought back, to satisfy vesting/exercises under the Group's various share schemes as follows:

	2023		2022	
Ordinary shares of 10p	Number of shares	Consideration £m	Number of shares	Consideration £m
Released from Treasury				
Executive Share Options – exercises	**380,348**	**19**	372,711	18
Restricted Shares Awards – vesting	**1,037,960**	**–**	313,293	–
Total under Executive Share Option and Conditional Award Schemes	**1,418,308**	**19**	686,004	18
Savings-related Share Option Schemes – exercises	**629,210**	**29**	665,763	36
Total released from Treasury	**2,047,518**	**48**	1,351,767	54
Bought into Treasury				
Repurchase of shares	**(3,782,835)**	**(207)**	–	–
Total	**(1,735,317)**	**(159)**	1,351,767	54

Notes to the Financial Statements continued

24 Share Capital continued

In 2023, 2,047,518 Treasury shares were released (2022: 1,351,767) and 3,782,835 ordinary shares (2022: nil ordinary shares) were bought back, leaving a balance held at 31 December 2023 of 22,506,530 (2022: 20,771,213). Proceeds received from the reissuance of Treasury shares to exercise share options were £48 million (2022: £54 million).

25 Share-Based Payments

The Group operates a number of incentive schemes, including a Long-Term Incentive Plan (LTIP), and various other share schemes. All schemes are equity-settled. The total charge for share-based payments for the year was £102 million (2022: £78 million).

Executive share awards

Executive share awards granted to the senior management team under the LTIP consist of Performance Share Options, Performance Shares, and Time-Vested Shares. For Performance Share Options and Performance Shares, vesting is conditional on achievement of specified performance targets over a three-year period as well as continued employment. For Time-Vested Shares, vesting is conditional only on three years of continued employment. For Performance Share Options, the exercise price is determined on the grant date and becomes payable on exercise, which may be up to seven years after the options have vested. Performance Shares and Time-Vested Shares entitle the recipient to receive shares at no cost following satisfaction of the vesting conditions.

The performance metrics and associated weightings for the 2022 and 2023 LTIP awards are as follows:

LTIP performance metrics – 2022 and 2023 awards	Weighting
Like-for-like Net Revenue growth	40%
Return on Capital Employed (ROCE)	25%
Relative Total Shareholder Return (TSR)	25%
ESG	10%

LTIP awards with a market-based TSR performance condition were first granted in 2022. For LTIP awards granted before 2022, LTIP awards included only non-market-based performance conditions.

For the Executive Committee and members of the Group Leadership Team, vesting conditions must be met over the three-year performance period and are not retested. For awards granted to other members of the senior management team before 2021, the targets can be retested in years four or five of the scheme. If any target has not been met, any remaining shares or options which have not vested will lapse. For awards granted in May 2021 and thereafter, vesting conditions must be met over the three-year period and are not retested.

Other share awards

Other share awards include savings-related share options (offered to all staff within the relevant geographic area) and a number of Senior Executive Share Ownership Policy Plan (SOPP) awards. Other share awards have contractual lives of between three and eight years and are generally not subject to any vesting conditions other than the employee's continued employment.

Individual tranches of these other share awards are not material for detailed disclosure and therefore information about these awards is presented only on an aggregated basis.

Valuation of share awards

The fair value of share options granted is calculated using a Black-Scholes model. Performance Share Options and Performance Shares which include the market-based TSR performance target are valued by a third-party expert using a Monte Carlo model. For Performance Shares with non-market-based performance conditions and for Time-Vested Shares, the fair value is the share price on the date of grant. From 2022 onwards, no adjustment to the market price at grant is required because all new Performance Shares and Time-Vested Shares accrue dividend equivalents. Performance Options do not accrue dividend equivalents.

The weighted average fair value of the LTIP Performance Share Options granted in the year and the key assumptions made in arriving at that fair value were as follows:

	Performance Share Options	
	2023	2022
Exercise price	**£58.28**	£63.32
Performance period	**2023-25**	2022-24
Share price on grant date	**£59.18**	£62.42
Volatility	**22.6%**	22.5%
Dividend yield	**3.1%**	2.2%
Expected life	**6.6 years**	4 years
Risk-free interest rate	**3.2%**	1.3%
Weighted average fair value per award	**£10.49**	£8.32

An estimate of future volatility is made with reference to historical volatility over a similar time period to the performance period of the option. Historical volatility is calculated based on the annualised standard deviation of the Group's daily share price movement, which approximates the continuously compounded rate of return on the share.

The weighted average fair value of the LTIP Performance Shares granted in the year was £51.38 per award (2022: £57.73 per award).

Notes to the Financial Statements continued

25 Share-Based Payments continued

Movements in the year

The following table shows movements in the total number of outstanding awards across all award types:

	Year ended 31 December 2023		Year ended 31 December 2022	
	Number of awards	Weighted average exercise price	Number of awards	Weighted average exercise price
Outstanding at 1 January	**18,707,602**	**£44.99**	17,985,398	£45.14
Granted	**4,806,191**	**£36.92**	5,717,048	£41.77
Exercised	**(2,084,209)**	**£23.51**	(1,388,034)	£38.56
Lapsed	**(2,866,834)**	**£45.48**	(3,606,810)	£43.09
Outstanding at 31 December	**18,562,750**	**£45.24**	18,707,602	£44.99
Exercisable at 31 December	**3,009,018**	**£61.36**	1,631,807	£57.54

The weighted average share price for the year was £58.38 (2022: £61.09).

Summary of outstanding awards

For awards outstanding at the year end the weighted average remaining contractual life is 5.3 years (2022: 4.6 years) and the range of exercise prices is as follows:

	Price to be paid £		Number of awards outstanding	
	From	To	at 31 December 2023	at 31 December 2022
LTIP – performance share options	38.06	78.00	**11,522,463**	10,545,453
LTIP – performance shares	–	–	**3,584,219**	3,815,827
LTIP – time-vested shares	–	–	**861,596**	655,717
SOPP	–	–	**150,200**	177,400
Savings-related share options	44.56	62.44	**2,444,272**	3,513,205
Total			**18,562,750**	18,707,602

For LTIP awards with non-market performance conditions, assumptions regarding the number of awards that will eventually vest are based on the Directors' expectations in light of the Group's business model and relevant published targets.

Under the terms of the schemes, early exercise may only be granted in exceptional circumstances and therefore the effect of early exercise is not incorporated into the calculation of the charge.

No material modifications have occurred requiring revision to the share-based payment charge for the outstanding awards.

26 Other Reserves

Attributable to owners of the parent	Hedging reserve £m	Foreign currency translation reserve £m	Total other reserves £m
Balance at 1 January 2022	11	(1,200)	(1,189)
Other comprehensive income/(expense):			
Fair value gains on cash flow hedges, net of tax	(32)	–	(32)
Reclassification of cash flow hedges to the income statement	34	–	34
Net exchange losses on foreign currency translation, net of tax	–	1,064	1,064
Losses on net investment hedges, net of tax	–	(115)	(115)
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	–	(56)	(56)
Total other comprehensive income/(expense) for the year	2	893	895
Balance at 31 December 2022	13	(307)	(294)
Other comprehensive income/(expense):			
Fair value losses on cash flow hedges, net of tax	(16)	–	(16)
Reclassification of cash flow hedges to the income statement	(23)	–	(23)
Net exchange losses on foreign currency translation, net of tax	–	(638)	(638)
Gains on net investment hedges, net of tax	–	42	42
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	–	(131)	(131)
Total other comprehensive expense for the year	**(39)**	**(727)**	**(766)**
Balance at 31 December 2023	**(26)**	**(1,034)**	**(1,060)**

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedge transactions that are extant at year end.

The foreign currency translation reserve contains the accumulated foreign exchange differences from the translation of the Financial Statements of the Group's foreign operations arising when the Group's entities are consolidated. The reserve also contains the translation of liabilities that hedge the Group's net exposure in a foreign currency.

During the year ended 31 December 2023, a net gain of £131 million (2022: £56 million net gain) was reclassified to the Income Statement from foreign currency reserves following the disposal or liquidation of foreign operations, of which a net gain of £130 million (2022: £69 million net gain) related to the liquidation of subsidiaries (see Note 6 for further details) and a gain of £1 million (2022: £13 million loss) comprised of £1 million (2022: £20 million) arising from the disposal of certain businesses (see Note 29), less related tax credits of £nil (2022: £7 million) (see Note 7).

Notes to the Financial Statements continued

27 Related Party Transactions

The Group has related party relationships with its Directors and key management personnel (Note 5).

28 Dividends

	2023 £m	2022 £m
Cash dividends on equity ordinary shares:		
2022 Final paid: 110.3p (2021: Final paid 101.6p) per share	**790**	726
2023 Interim paid: 76.6p (2022: Interim paid: 73p) per share	**549**	523
Total dividends for the year	**1,339**	1,249

The Directors are proposing a final dividend in respect of the financial year ended 31 December 2023 of 115.9 pence per share which will absorb an estimated £828 million of shareholders' funds. If approved by shareholders it will be paid on 24 May 2024 to shareholders who are on the register on 12 April 2024, with an ex-dividend date of 11 April 2024.

29 Acquisitions and Disposals

Acquisitions

On 25 September 2023, the Group acquired a business distributing Reckitt products in the Kingdom of Saudi Arabia. This has been accounted for as a business combination with the purchase consideration £79 million, of which a preliminary fair value of £56 million has been allocated to goodwill and intangible assets, and a preliminary fair value of £23 million to inventories acquired.

During 2022, the Group did not complete any acquisitions.

Disposals

During 2022, the Group completed the disposals of Dermicool and E45 on 25 March 2022 and 1 April 2022, respectively, with combined net cash proceeds of £243 million. The net assets disposed primarily comprised goodwill and other intangible assets at a book value of £204 million. In addition, cumulative foreign exchange losses of £10 million have been reclassified to the Income Statement.

The Group recognised a net pre-tax gain of £14 million upon disposal of these brands, recorded within net operating expenses in the Income Statement. Both Dermicool and E45 formed part of the Health operating segment.

There were no disposals during 2023.

30 Forward Purchase of Shares Held by Non-Controlling Interest

On 25 May 2023 the Group entered into an agreement pursuant to which it will proceed to acquire the remaining interests associated with the Company's majority owned activities in mainland China and Hong Kong ("RB Manon") from its existing minority shareholders. The aggregate percentage interest of the minority shareholders in each of the three relevant Reckitt subsidiaries is currently between 20% and 24.95%. RB Manon undertakes non-exclusive distribution of certain Reckitt brands in mainland China, Hong Kong and other Asian Pacific countries. The transaction will be implemented through the purchase of the non-controlling shareholdings in three subsidiaries of Reckitt held by the minority shareholders. This will occur in multiple stages, which are expected to take place through to 31 December 2038, although the agreement contains provisions for the purchase of shares to be made sooner.

The amounts payable to the minority shareholders take the form of consideration for the shares and dividends that may be paid on the shares prior to their acquisition. Amounts payable to the minority shareholders are dependent on the business performance of RB Manon. As at 25 May 2023, the estimated present value of the total amounts payable under the agreement was £298 million based on projections of future revenues and profitability of the RB Manon business, using a discount rate of 5.5% based on the Group's borrowing costs in China.

The agreement has different elements which are accounted for separately. As there are no specific accounting standards prescribing the allocation of value in this arrangement, judgment is required to allocate the total amount payable. The main elements relate (1) to a forward contract for the purchase of a non-controlling interest in RB Manon and (2) services provided by the minority shareholders in relation to the transition of leadership and shares in RB Manon. The amount allocated to the forward purchase of shares has been based on its estimated value, with the residual amount allocated to the services to transition the leadership and shares as the value of these services are not estimable on a standalone basis.

An amount of £167 million has been allocated to the forward purchase of shares, which represents the minimum exit value under the agreement that minority shareholders could realise for their shares absent any transitional arrangements. This amount has been recorded as a liability with £143 million charged to retained earnings and the remaining £24 million to extinguish the existing non-controlling interest. Any future changes to the present value of this liability will be recorded to the Income Statement. The Group considers that any reasonable possible change in key assumptions would not lead to a material adjustment to this estimated present value in the next year. The remaining £131 million has been allocated to the transitional services element, which will be recognised as a liability and charged to the Income Statement over the performance period for these services.

Notes to the Financial Statements continued

31 Assets Held For Sale

Assets and liabilities held for sale of £55 million, principally intangible assets, relate to the anticipated disposal of certain brands within the Health Operating Segment for which the relevant sale progress is ongoing. The relevant disposal is expected to complete in the first half of 2024 and contribute c.0.5% revenue into the Group's 2023 Net Revenue.

32 Discontinued Operations

The income from discontinued operations of £9 million (2022: £7 million loss) relates to the Group's disposal of the RB Pharmaceuticals business (now Indivior plc).

33 Post Balance Sheet Events

On 13 March 2024, a state court jury in Belleville, Illinois awarded $60 million to a mother of a child who was born prematurely and died 25 days later from Necrotizing Enterocolitis (NEC). Reckitt believe the allegations from the plaintiff's lawyers in this case were not supported by the science or the experts in the medical community. Reckitt are actively considering all options, and at this time an economic outflow is not considered probable. There is a possible outcome that may be unfavourable, however, the Group may benefit from relevant product liability insurance subject to limits and deductibles that the Group considers to be reasonable. All policies contain exclusion and limitations and there can be no assurance that insurance will be available or adequate to cover this case. More details on NEC claims generally can be found in Note 20.

Five Year Summary (Unaudited)

The five-year summary below is presented on an IFRS basis. The years ending 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 show the results for continuing operations.

Income Statement	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Net Revenue	**14,607**	14,453	13,234	13,993	12,846
Operating profit/(loss)	**2,531**	3,249	(804)	2,160	(1,954)
Net finance (expense)/income	**(130)**	(161)	547	(286)	(153)
Share of loss and impairment of equity-accounted investees, net of tax	**–**	(21)	(3)	(1)	–
Profit/(loss) before income tax	**2,401**	3,067	(260)	1,873	(2,107)
Income tax (charge)/credit	**(753)**	(711)	208	(720)	(665)
Attributable to non-controlling interests	**(14)**	(19)	(11)	(16)	(13)
Net profit/(loss) attributable to owners of the parent company from continuing operations	**1,634**	2,337	(63)	1,137	(2,785)
Balance Sheet					
Net assets	**8,469**	9,483	7,453	9,159	9,407
Key Statistics – IFRS basis					
Operating margin	**17.3%**	22.5%	(6.1%)	15.4%	(15.2%)
Diluted earnings per share, continuing	**227.4p**	325.7p	(8.8p)	159.3p	(393.0p)
Declared total dividends per ordinary share	**192.5p**	183.3p	174.6p	174.6p	174.6p

Parent Company Balance Sheet

As at 31 December 2023

	Note	2023 £m	2022 £m
Fixed assets			
Investments	2	**15,174**	15,078
Current assets			
Debtors due within one year	3, 6	**185**	40
Debtors due after more than one year	4, 6	**14**	21
		199	61
Current liabilities			
Creditors due within one year	5, 6	**(5,361)**	(7,846)
Share repurchase liability	8	**(296)**	–
Net current liabilities		**(5,458)**	(7,785)
Total assets less current liabilities		**9,716**	7,293
Provisions for liabilities and charges	7	**(26)**	(44)
Net assets		**9,690**	7,249
EQUITY			
Share capital	8	**74**	74
Share premium		**254**	254
Retained earnings		**9,362**	6,921
Total equity		**9,690**	7,249

Reckitt Benckiser Group plc has made a profit of £4,135 million (2022: £4,276 million) for the financial year.

The Financial Statements on pages 202-217 were approved by the Board of Directors and signed on its behalf on 21 March 2024 by:

Christopher Sinclair
Director
Reckitt Benckiser Group plc

Kris Licht
Director
Reckitt Benckiser Group plc

Company Number: 06270876

Parent Company Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 1 January 2022	**74**	**253**	**3,763**	**4,090**
Comprehensive income				
Profit for the financial year	–	–	4,276	4,276
Total comprehensive income	**–**	**–**	**4,276**	**4,276**
Transactions with owners				
Treasury shares reissued	–	1	53	54
Share-based payments			1	1
Capital contribution in respect of share-based payments	–	–	77	77
Cash dividends	–	–	(1,249)	(1,249)
Total transactions with owners	**–**	**1**	**(1,118)**	**(1,117)**
Balance at 31 December 2022	**74**	**254**	**6,921**	**7,249**
Comprehensive income				
Profit for the financial year	–	–	4,135	4,135
Total comprehensive income	**–**	**–**	**4,135**	**4,135**
Transactions with owners				
Treasury shares reissued	–	–	48	48
Purchase of ordinary shares by employee share ownership trust	–	–	(2)	(2)
Repurchase of shares	–	–	(503)	(503)
Share-based payments	–	–	6	6
Capital contribution in respect of share-based payments	–	–	96	96
Cash dividends	–	–	(1,339)	(1,339)
Total transactions with owners	**–**	**–**	**(1,694)**	**(1,694)**
Balance at 31 December 2023	**74**	**254**	**9,362**	**9,690**

Reckitt Benckiser Group plc has £8,521 million (2022: £6,182 million) of its retained earnings available for distribution. Details of Treasury shares and other equity transactions are included in Note 24 of the Group Financial Statements.

Notes to the Parent Company Financial Statements

1 Parent Company Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information and basis of accounting

Reckitt Benckiser Group plc is a company incorporated in the United Kingdom, registered in England and Wales under the Companies Act 2006, and is a public limited company. The address of the registered office is given on page 230.

The Company is the parent of the Reckitt Benckiser Group and its principal activity is to act as a holding company for the Group. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 2 to 61.

New standards, amendments and interpretations

The following amended standards and interpretations were adopted by the Company during the year ending 31 December 2023. This amended standard has not had a significant impact on the Company Financial Statements.

– Amendments to FRS 102 – International tax reform – Pillar Two model rules

Statement of compliance

The Financial Statements have been prepared under the historical cost convention and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of Reckitt Benckiser Group plc is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

As permitted by s408 of the Companies Act 2006, a Statement of Comprehensive Income is not presented for Reckitt Benckiser Group plc.

Going concern

Having assessed the principal risks and other matters discussed in connection with the Group's Viability Statement as set out on page 61 of the Group Annual Report, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Company Financial Statements. When reaching this conclusion, the Directors took into account the Company's overall financial position and exposure to principal risks.

Financial Reporting Standard 102 – Reduced Disclosure Exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the following exemptions:

(i) from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and the Group Cash Flow Statement, included in these Financial Statements, includes the Company's cash flows; and

(ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

The Company's results are included in the publicly available consolidated Financial Statements of Reckitt Benckiser Group plc and these Financial Statements may be obtained from 103-105 Bath Road, Slough, Berkshire SL1 3UH or at www.reckitt.com.

Foreign currency translation

Transactions denominated in foreign currencies are translated using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Taxation

The tax charge/credit is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax liabilities are provided for in full and deferred tax assets are recognised to the extent that they are considered recoverable.

A net deferred tax asset is considered recoverable if it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is measured on an undiscounted basis.

The Company has applied the temporary mandatory exception from accounting for deferred taxes arising from the Pillar Two model rules as set out in 'International Tax Reform – Pillar Two Model Rules (Amendments to FRS102)' issued by the FRC in July 2023.

Notes to the Parent Company Financial Statements continued

1 Parent Company Accounting Policies continued

Fixed asset investments

Fixed asset investments are stated at the lower of cost or their recoverable amount, which is determined as the higher of net realisable value and value-in-use. A review of the potential impairment of an investment is carried out by the Directors if events or changes in circumstances indicate that the carrying value of the investment may not be recoverable. Such impairment reviews are performed in accordance with FRS 102 Section 27 'Impairment of assets'.

Employee share schemes

Incentives in the form of shares are provided to employees under equity-settled share option and restricted share schemes, which have various combinations of market-based and non-market performance conditions, service conditions, and non-vesting conditions.

The fair value determined at the award grant date takes into account the probability of any relevant market-based performance conditions and non-vesting conditions being satisfied and is subsequently expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. This estimate takes into account the expected outcome for relevant non-market performance conditions and service conditions but assumes satisfaction of all market-based performance conditions and non-vesting conditions. At each Balance Sheet date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Comprehensive Income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Additional employer costs, including social security taxes, in respect of options and awards are charged to the Statement of Comprehensive Income over the same period with a corresponding liability recognised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the Company Financial Statements.

Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual obligations of the instrument.

(i) Financial assets

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts. Such assets are subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in comprehensive income or expense.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments. Debt instruments are subsequently carried at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Derivative Financial Instruments

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently re-measured at their fair value.

The Company designates certain derivative financial instruments as fair value hedges against certain debtors in USD. Gains or losses arising from changes in the foreign exchange retranslation of the hedged item and instrument are netted in profit or loss in the period in which they arise.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that there will be an outflow of resources to settle that obligation; and the amount can be reliably estimated. Provisions are valued at the present value of the Directors' best estimate of the expenditure required to settle the obligation at the Balance Sheet date. Where it is possible that a settlement may be reached or it is not possible to make a reliable estimate of the estimated financial impact, appropriate disclosure is made but no provision recognised.

Where a company enters into a financial guarantee contract to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Company will be required to make a payment under the guarantee.

Share capital transactions

When the Company purchases equity share capital, the amount of the consideration paid, including directly attributable costs, is recognised as a charge to equity. Purchased shares are either held in Treasury in order to satisfy employee options, or cancelled and, in order to maintain capital, an equivalent amount to the nominal value of the shares cancelled is transferred from retained earnings.

Notes to the Parent Company Financial Statements continued

1 Parent Company Accounting Policies continued

Repurchase and reissuance of ordinary shares

When shares recognised as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a charge to equity. Repurchased shares are classified as Treasury shares and are presented in retained earnings. When Treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus is presented within share premium.

Dividend distribution

Dividends to owners of the parent company are recognised as a liability in the period in which the dividends are approved by the company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Accounting estimates and judgements

In preparing these Financial Statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts and results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Each year, management is required to make a number of assumptions regarding the future. The related year end accounting estimates will, by definition, seldom equal the final actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Tax provisions

Current tax liabilities include an amount of £156 million (2022: £132 million) relating to uncertain tax positions in respect of tax deductibility of management expenses. The exposure recognised is calculated based on the expected value method and the most likely amount method. The accounting estimates and judgements considered include:

- status of the unresolved matter;
- clarity of relevant legislation and related guidance;
- advice from related party specialists and unrelated third parties;
- range of possible outcomes; and
- statute of limitations.

The recognition of uncertain tax positions is reviewed regularly for changes in circumstances and estimates are updated as potential resolutions for the tax uncertainties are encountered through specific audits or wider case law. As a result, given the size, possible range of outcomes and timing of resolution, there is a significant risk of material adjustment to the aggregate carrying amount of these liabilities within the next financial year.

Legal provisions

The Company recognises legal provisions in line with the Company's provisions policy. The level of provisioning in relation to civil and/or criminal investigations is an area where management and legal judgment is important, with individual provisions being based on best estimates of the probable loss, considering all available information, external advice and historical experience. As at 31 December 2023, the Company recognised legal provisions of £26 million (2022: £44 million) in relation to a number of historical regulatory matters. Refer to Note 7 of the Company Financial Statements for further information.

The Company's Directors are of the opinion that there are no other judgements and no further key sources of estimation uncertainty in applying the Company's accounting policies.

2 Investments

	Shares in subsidiary undertakings £m
Cost	
At 1 January 2022	15,001
Additions during the year	77
At 31 December 2022	15,078
Additions during the year	96
At 31 December 2023	15,174
Provision for impairment	
At 1 January 2022	–
At 31 December 2023	–
Net book value	
At 31 December 2022	15,078
At 31 December 2023	15,174

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The subsidiary undertakings as at 31 December 2023, all of which are included in the Group Financial Statements, are shown in Note 12 of the Company Financial Statements.

Notes to the Parent Company Financial Statements continued

2 Investments continued

With the exception of Reckitt Benckiser Limited, none of the subsidiaries are directly held by Reckitt Benckiser Group plc. All subsidiaries have a financial year ending 31 December with the exception of: Reckitt Benckiser (India) Private Limited, Reckitt Benckiser Healthcare India Private Limited, Mead Johnson Nutrition (India) Private Limited, RB Hygiene Home India Private Limited, Reckitt Piramal Private Limited and Scholl Latin America Limited which have a year ending 31 March; Reckitt Benckiser Health Kenya Limited which has a year ending 30 April; Reckitt Benckiser (Czech Republic) spol. s r.o which has a year ending 31 May; Lloyds Pharmaceuticals which has a year ending 24 August; RBHCR Health Reckitt Costa Rica Sociedad Anónima which has a year ending 30 September and Pt Reckitt Benckiser Indonesia which has a year ending 29 October.

Additions during the year, and in 2022, relate to the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group.

3 Debtors Due Within One Year

	2023 £m	2022 £m
Amounts owed by Group undertakings	**178**	30
Other debtors	**7**	10
	185	40

Amounts owed by Group undertakings are unsecured, interest free and are repayable on demand (2022: same).

4 Debtors Due After More Than One Year

	2023 £m	2022 £m
Deferred tax assets	**1**	1
Other receivables	**13**	20
	14	21

Deferred tax assets consist of short-term timing differences.

5 Creditors Due Within One Year

	2023 £m	2022 £m
Amounts owed to Group undertakings	**5,196**	7,707
Taxation and social security	**157**	133
Derivative liabilities	**1**	2
Other creditors	**7**	4
	5,361	7,846

Included in the amounts owed to Group undertakings is an amount of £5,123 million (2022: £7,609 million) which is unsecured, carries interest at the official ISDA fallback rate and is repayable on demand (2022: same). All other amounts owed to Group undertakings are unsecured, non-interest bearing and are repayable on demand (2022: same).

Included within taxation and social security creditors is an amount recognised in respect of uncertain tax positions may take several years to resolve (Note 1). Notwithstanding this, the presentation of corporation tax liabilities has been assessed to reflect that there is not an unconditional right to defer settlement of these liabilities and the carrying amount of £156 million (2022: £132 million) has been presented as a current liability.

6 Financial instruments

	2023 £m	2022 £m
Financial assets measured at amortised cost		
Amounts owed by Group undertakings	**178**	30
Other receivables – current and non-current	**20**	30
	198	60
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss		
Derivative liabilities	**(1)**	(2)
Financial liabilities measured at amortised cost		
Amounts owed to Group undertakings	**(5,196)**	(7,707)
Share repurchase liability	**(296)**	–
Other payables	**(7)**	(4)
	(5,500)	(7,713)

Notes to the Parent Company Financial Statements continued

7 Provisions for Liabilities and Charges

	Legal provisions £m	Total provisions £m
At 1 January 2022	41	41
Charged to the Statement of Comprehensive Income	14	14
Utilised during the year	(7)	(7)
Released to the Statement of Comprehensive Income	(4)	(4)
At 31 December 2022	44	44
Charged to the Statement of Comprehensive Income	1	1
Utilised during the year	(18)	(18)
Released to the Statement of Comprehensive Income	(1)	(1)
At 31 December 2023	**26**	26

Provisions have been analysed between current and non-current as follows:

	2023 £m	2022 £m
Current	**26**	43
Non-current	**–**	1
	26	44

Provisions relate to legal provisions in relation to a number of historical matters.

8 Share Capital

Issued and fully paid	Equity ordinary shares	Nominal value £m
At 31 December 2022	736,535,179	74
At 31 December 2023	**736,535,179**	**74**

The holders of ordinary shares (par value 10 pence) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Parent Company. Dividends proposed and paid are disclosed in Note 28 of the Group Financial Statements.

The allotment of ordinary shares and release of Treasury shares are disclosed in Note 24 of the Group Financial Statements.

In addition, the Company announced a share buyback programme also disclosed in Note 24 of the Group Financial Statements.

9 Related Party Transactions

There were no transactions with related parties other than wholly owned companies within the Group

10 Contingent Liabilities

The Company has issued a guarantee to the trustees of the Reckitt Benckiser Pension Fund covering the obligations of certain UK subsidiaries of the Group who are the sponsoring employers of the UK defined benefit pension fund. The guarantee covers any amounts due to the pension fund from these subsidiaries if they fail to meet their pension obligations.

The Company issued a guarantee on behalf of Reckitt Benckiser Treasury Services plc in relation to the issuance of a $4,500 million bond (2022: $5,000 million bond), made up of one tranche of $2,500 million and one tranche of $2,000 million (2022: one tranche of $2,500 million, one tranche of $2,000 million and one tranche of $500 million). The Company has issued a further guarantee in relation to the issuance of a £500 million bond (2022: £500 million). Details are included in Note 15 of the Group Financial Statements.

During the year, the Company issued a guarantee on behalf of Reckitt Benckiser Treasury Services plc in relation to the issuance of a €1,400 million bond, made up of one tranche of €750 million and one tranche of €650 million. The Company has issued a further guarantee in relation to the issuance of a £300 million bond. Details are included in Note 15 of the Group Financial Statements.

The Company issued a guarantee on behalf of Reckitt Benckiser Treasury Services plc in relation to committed borrowing facilities totalling £4,500 million (2022: £4,500 million). Details of the facilities are included in Note 15 of the Group Financial Statements.

The Company issued a guarantee on behalf of Mead Johnson Nutrition Company in relation to outstanding senior notes of $1,550 million (2022: $1,550 million) issued by Mead Johnson Nutrition Company prior to acquisition. The senior notes consist of one tranche of $750 million, one tranche of $500 million and one tranche of $300 million (2022: same).

The Company has also issued a guarantee on behalf of Reckitt Benckiser Treasury Services (Nederland) BV in relation to the issuance of two €850 million bonds (2022: two €850 million bonds). Details are included in Note 15 of the Group Financial Statements.

The Company has provided a guarantee to certain subsidiary undertakings to exempt them from audit under Section 479a of the Companies Act 2006. The companies to which a guarantee has been issued for this purpose are highlighted in Note 12.

Other contingent liabilities are disclosed in Note 20 of the Group Financial Statements.

11 Post Balance Sheet Events

There are no events subsequent to the balance sheet date that require disclosure.

Notes to the Parent Company Financial Statements continued

Key
+ In liquidation * Audit exemption # Branch ◊ Registered office different to country of registration

12 Subsidiary Undertakings

In accordance with Section 409 of the Companies Act 2006 (the 'CA 2006') and Schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, a full list of related undertakings as at 31 December 2023 is disclosed below. All undertakings are indirectly owned by Reckitt Benckiser Group plc, unless otherwise stated. All shares detailed below are 100% owned, unless specified otherwise. The percentage held by the Group reflects both the proportion of nominal capital and voting rights unless stated otherwise.

From time to time, management reviews the Group structure and seeks to remove redundant, dormant or non-trading entities. During the year ended 31 December 2023, five legal entities were dissolved, liquidated or otherwise disposed of (2022: 17 legal entities). The removal of legal entities ultimately allows management to focus on the core business, reduces compliance obligations and cost, and improves transparency of the Group to external parties.

All subsidiary undertakings of Reckitt Benckiser Group plc are included in the consolidated Financial Statements of the Group. The subsidiary undertakings marked with * are exempt from the requirements under section 479A of the CA 2006 relating to the audit of their individual accounts, as Reckitt Benckiser Group plc has guaranteed them under Section 479C of the CA 2006.

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Argentina			
Bucarelli 2608 PB "A", Ciudad Autonoma de Buenos Aires, Argentina			
Reckitt Benckiser Argentina S.A.			Ordinary
Reckitt Benckiser Health Argentina S.A.			Ordinary
Australia			
King & Wood Mallesons, 'Governor Phillip Tower' Level 61, 1 Farrer Place, Sydney NSW 2000, Australia			
Mead Johnson Nutrition (Australia) Pty Ltd			Ordinary
Level 47, 680 George Street, Sydney NSW 2000, Australia			
RB (Hygiene Home) Australia Pty Limited			Ordinary
Reckitt Benckiser (Australia) Pty Limited			Ordinary, Preference
Reckitt Benckiser Healthcare Australia Pty Limited			Ordinary
SSL Australia Pty Ltd			Ordinary
Austria			
Guglgasse 15, 1110, Vienna, Austria			
RB Hygiene Home Austria GmbH			Ordinary
Reckitt Benckiser Austria GmbH			Ordinary
Bahamas			
c/o 103-105 Bath Road, Slough, Berkshire SL1 3UH, United Kingdom			
Scholl Latin America Limited	+	–	Ordinary
Bahrain			
Building 330, Road 1506, Block 115, Bahrain International Investment ParK, Hidd. Kingdom of Bahrain, Bahrain			
Reckitt Benckiser Bahrain W.L.L			Ordinary
Bangladesh			
58-59 Nasirabad Industrial Area, Chittagong 4209, Bangladesh			
Reckitt Benckiser (Bangladesh) PLC		82.9612	Ordinary
Belarus			
of. 166, 66, K Liebknekhta st., Minsk, 220036, Belarus			
Reckitt Benckiser BY LLC			Charter Capital
Belgium			
20 Allée de la Recherche, 1070 Anderlecht, Belgium			
RB Hygiene Home Belgium SA/NA			Ordinary
Reckitt Benckiser (Belgium) SA/NV			Ordinary
Bermuda			
Clarendon House, Church Street, Hamilton HM11, Bermuda			
Suffolk Insurance Limited			Common
Brazil			
Av Guarapari, S/N, Galpao1 – Modulos 05 Ao 14cond Log Vianaii Bus/Park, Viana, Es, 29.136-344, Brazil			
Reckitt Benckiser (Brasil) Comercial de Produtos de Hygiene, Limpeza e Cosméticos Ltda. – Branch Viana	#	–	
Av. Portugal, nº 1.100, Setor Rua 6 Parte A12, Bairro Itaqui, Itapevi, São Paulo, 06696-060, Brazil			
Reckitt Benckiser Health Comercial Ltda	#	–	
Avenida Presidente Juscelino Kubitschek, nº 1909, 24º andar, Parte B, Torre Norte, Condomínio São Paulo Corporate Towers, Vila Nova Conceição, Sao Paulo – SP, CEP 04.543-907, Brazil			
Reckitt Benckiser (Brasil) Comercial de Produtos de Hygiene, Limpeza e Cosméticos Ltda.			Ordinary
Mead Johnson do Brasil Comércio e Importação de Produtos de Nutrição Ltda.			Ordinary
Reckitt Benckiser Health Comercial Ltda			Ordinary
Est Dona Maria Jose Ferraz Prado, 1481, Cond Dist. Park Embu, Brazil			
Reckitt Benckiser (Brasil) Comercial de Produtos de Hygiene, Limpeza e Cosméticos Ltda. – Branch Embu	#	–	
Estm Maria Margarida Pinto Dona Belinha, 742, GalpaO3, Bloco I/A, Brazil			
Reckitt Benckiser (Brasil) Comercial de Produtos de Hygiene, Limpeza e Cosméticos Ltda. – Branch Extrema	#	–	
Estrada Fukutaro Yida, n. 930, Bairro Cooperativa, Sao Bernardo Do Campo, Sao Paulo, 09852-060, Brazil			
Apenas Boa Nutrição Indústria de Alimentos Ltda.			Ordinary
Rod Dom Gabriel Paulino Bueno Couto, 1606, Brazil			
Reckitt Benckiser (Brasil) Ltda – Branch Itupeva	#	–	
Rod Governador Mario Cova, 7270, KM 264 Parte RB, Brazil			

Notes to the Parent Company Financial Statements continued

Key
+ In liquidation * Audit exemption # Branch ◊ Registered office different to country of registration

12 Subsidiary Undertakings continued

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser (Brasil) Comercial de Produtos de Hygiene, Limpeza e Cosméticos Ltda. – Branch Serra	#	–	
Rodovia Antonio Heil, SC 486, km 4, Bairro Itaipava, "Armazém 1B", Itajaí, São Paulo, CEP 88316-003, Brazil			
Mead Johnson Do Brasil Comércio E Importação De Produtos De Nutrição Ltda.	#	–	
Rodovia Raposo Tavares, 8015 km 18, Jardim Arpoador, Sao Paolo, CEP 05577-900, Brazil			
Fenla Indústria, Comércio e Administração Ltda			Ordinary
Reckitt Benckiser (Brasil) Ltda			Ordinary
Bulgaria			
22 Zlaten rog Street, Floor 3, Office 4, District of Lozenets, City of Sofia, Bulgaria			
Reckitt Benckiser Romania, representative office	#	–	
Canada			
Suite 600, 1741 Lower Water Street, Halifax NS B3J 0J2, Canada			
Mead Johnson Nutrition (Canada) Co.			Common
Suite 2300, 550 Burard Street, Vancouver BC V6C 2B5, Canada			
RB Health (Canada) Inc.			Common
1680 Tech Avenue, Unit 2, Mississauga ON L4W 5S9, Canada			
Reckitt Benckiser (Canada) Inc.			Common
Cayman Islands			
PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands			
Reckitt Benckiser (Cayman Islands) Limited			Ordinary
Chile			
Avenida Presidente Kennedy Lateral 5454, Oficina 1602, Vitacura, Región Metropolitana, Chile			
Reckitt Benckiser Chile S.A.			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
China			
16/F, Xu Jia Hui International Plaza, No.1033 Zhao Jia Bang Road, Shanghai, China			
RB & Manon Hygiene Home (Shanghai) Limited	+	80.0000	Ordinary
B01, Suite 401, Unit 2, No. 9 Dongdaqiao Road, Chaoyang District, Beijing, China, China			
RB (China) Holding Co. Limited			Capital Contribution
C6-8 Site 6F, No.333 Futexi Road, Waigaoqiao Free Trade Zone, Shanghai City, China			
Reckitt Benckiser Home Chemical Products Trading (Shanghai) Co. Limited			Ordinary
Dangtu Economic Development District, Maanshan City, Anhui Province, China			
Guilong Health Technology (Anhui) Co., Limited			Capital Contribution
Anhui Guilong Pharmaceutical Trading Company Limited			Capital Contribution
Guilong Pharmaceutical (Anhui) Company Limited			Capital Contribution
Ketian Aquatic Science and Technology Industrial Park, No. 3949 Kunlunshan Avenue, Lanzhou New Area, Lanzhou City, Gansu Province, China			
Lanzhou Keshi Xixili Healthcare Technologies Co. Ltd		80.0000	Ordinary
No. 3, Canglian 1 road, ETDZ, Guangzhou, China			
Reckitt & Colman (Guangzhou) Limited			Ordinary
No. 34 East Beijing Road, Jingzhou, Hubei, 434001, China			
Reckitt Benckiser Household Products (China) Company Limited			Capital Contribution
No. 99, Changjiang Da Road, Fuqiao Town, Taicang City, China			
RB (Suzhou) Co. Ltd			Capital Contribution
No.1-13 Shangma, Aodong Road, High-tech Industrial Development Zone, Qingdao City, Shandong Province, China			
Qingdao London Durex Co., Limited			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Qingdao New Bridge Corporate Management Consulting Company Limited			Ordinary
Room 1605, No.660 Shangcheng Road, Pudong District, Shanghai City, China			
SSL Healthcare (Shanghai) Limited			Ordinary
Room 1701, No. 1033, Zhao Jia Bang Road, Xuhui District, Shanghai, China			
RB & Manon Business Co. Limited		75.0000	Capital Contribution
Room 2109, Floor 2, No.10 Chaoyangmenwai Street, Chaoyang District, Beijing City, China			
Tai He Tai Lai Culture Communication Co Limited			Ordinary
Unit 02, 11/F, Tower A Hedonic Center, 6 Songyue Road, Siming District, Xiamen, China			
Guilong Pharmaceutical (Anhui) Co. Ltd – Xiamen branch	#	–	
Colombia			
Calle 76 No 11-17, Edificio Torre, Los Nogales Piso 2, Bogota, CO, Colombia			
Mead Johnson Nutrition Colombia Ltda			Ordinary
RB (Health) Colombia S.A.S.			Ordinary
Carrera 6 #45-105, Cali, Colombia			
Reckitt Benckiser Colombia S.A			Ordinary
Costa Rica			
San Jose-Escazu En Escazu Corporate Center, Setimo Piso, Costado Sur De Multiplaza Escazu, Costa Rica			
RBHCR Health Reckitt Costa Rica Sociedad Anónima			Common
Reckitt Benckiser (Centroamérica) S.A.			Ordinary
Croatia			
Ulica Grada Vukovara 269d, 10 000 Zagreb, Hrvatska, Croatia			
Reckitt Benckiser d.o.o.			Ordinary

Notes to the Parent Company Financial Statements continued

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12 Subsidiary Undertakings continued

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Cyprus			
1 Lampousas Street, P.C. 1095, Nicosia, Cyprus			
Gainbridge Investments (Cyprus) Limited			Ordinary
Czech Republic			
Vinohradská 2828/151, 130 00 Praha 3-Žižkov, Czech Republic			
RB (Hygiene Home) Czech Republic, spol. s.r.o.			Ordinary
Reckitt Benckiser (Czech Republic) spol s.r.o.			Partnership Interest
Denmark			
Vandtårnsvej 83 A, 2860, Søborg, Denmark			
RB Health Nordic A/S			Ordinary
RB Hygiene Home Nordic A/S			Ordinary
Dominican Republic			
Av. Winston Churchill No. 1099 Torre Acrópolis, Piso 12, Santo Domingo, República Dominicana			
Mead Johnson Nutrition (Dominicana), S.A.	#	–	
Ecuador			
Av CoruñaN27-88 y Orellana, Edificio Coruña Plaza 7mo Piso, Quito, 170150, Ecuador			
RB Health Ecuador Cía. Ltda			Ordinary
Oficina 4C, Av. 12 de Octubre, #26-48 y Orellana, Edificio Mirage, Piso 4, Quito, 170525, Ecuador			
Reckitt Benckiser Ecuador S.A.			Ordinary
Egypt			
Polyom Building, 22 Off Road 90, Fifth District, Fifth Settlement, New Cairo, Cairo, Egypt			
Reckitt Benckiser Egypt Limited			Ordinary
Building A1, Second Floor, Plot #A14b01, Cairo Festival City, First District, Fifth Settlement, New Cairo, Cairo, Egypt			
Reckitt Benckiser Hygiene Home Egypt Limited	+		Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Estonia			
Harju maakond, Rae vald, Rae küla, Raeküla tee 5, 75310, Estonia			
Reckitt Benckiser (Latvia) SIA Eesti filiaal	#	–	
Finland			
Itsehallintokuja 6, 02600 Espoo, Finland, Finland			
RB Health Nordic A/S sivuliike Suomessa	#	–	
RB Hygiene Home Nordic A/S, sivuliike Suomessa	#	–	
France			
38 rue Victor Basch- 91300 Massy, France			
Airwick Industrie SAS			Ordinary
RB Holding Europe Du Sud SAS			Ordinary
RB Hygiene Home France SAS			Ordinary
Reckitt Benckiser Chartres SAS			Ordinary
Reckitt Benckiser France SAS			Ordinary
Reckitt Benckiser Healthcare France SAS			Ordinary
Germany			
Darwinstrasse 2-4, 69115, Heidelberg, Germany			
RB Hygiene Home Deutschland GmbH			Capital Contribution
Reckitt & Colman Sagrotan Verwaltungsgesellschaft GmbH			Common
Reckitt Benckiser Detergents GmbH			Ordinary
Reckitt Benckiser Deutschland GmbH			Common
Reckitt Benckiser Holding GmbH & Co KG			Capital Contribution
Heinestrasse 9, 69469, Weinheim, Germany			
Kukident GmbH			Common
Robert-Koch-Straße 1, 69115, Heidelberg, Germany			

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Propack Produkte fur Haushalt und Korperpflege GmbH			Ordinary
Reckitt Benckiser Global R&D GmbH			Common
Greece			
7 Taki Kavalieratou Street, Kifissia, 145 64, Greece			
Reckitt Benckiser Hellas Healthcare S.A.			Ordinary
Reckitt Benckiser Hellas Hygiene Home S.A.			Ordinary
Guernsey			
1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, GY1 1EW, Guernsey			
Reckitt Benckiser Holdings (Channel Islands) Limited			Bonus, Ordinary
Hong Kong			
Room 2001, 20/F, Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong			
RB & Manon Hygiene Home Limited		80.0000	Ordinary
Rooms 2206-11, 22 Floor, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong			
London International Trading (Asia) Limited			Ordinary
Oriental Medicine Company Limited			Ordinary
Reckitt Benckiser Hong Kong Limited			Ordinary
Unit 2001, 20/F, Greenfield Tower Concordia Plaza, No. 1 Science Museum Road, Kowloon, Hong Kong			
RB & Manon Business Limited		75.0000	Ordinary
Hungary			
Bocskai út 134-146, Budapest, H-1113, Hungary			
RB (Hygiene Home) Hungary Kft			Ordinary
Reckitt Benckiser Kereskedelmi Kft			Partnership Interest
Reckitt Benckiser Tatabánya Kft			Ordinary

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12 Subsidiary Undertakings continued

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
India			
DLF Cyber Park, 6th & 7th Floor (Tower C), 405 B, Udyog Vihar Phase III, Sector 20, Gurugram, Haryana, 122016, India			
RB Hygiene Home India Private Limited			Ordinary
Reckitt Benckiser (India) Private limited			Equity
Reckitt Benckiser Healthcare India Private Limited		99.9999	Ordinary
Unit No. 54, 5th Floor, Kalpataru Square, Andheri-Kurla Road, Andheri (East), Mumbai, Maharashtra, 400059, India			
Mead Johnson Nutrition (India) Private Limited			Ordinary
Reckitt Piramal Private Limited		99.9999	Ordinary
Indonesia			
Jl. Raya Narogong, Chamber A.I, Kel. Pasirangin, Kec Cileungsi, Kab. Bogor. Provinsi. Jawa Barat, 16820, Indonesia			
PT Reckitt Benckiser Trading Indonesia			Ordinary
Treasury Tower 58th Floor, District 8, SCBD, Jalan Jendral Sudirman Kav 52-53, Jakarta, 12190, Indonesia			
PT Mead Johnson Indonesia		90.1000	Ordinary
PT Reckitt Benckiser Indonesia			Ordinary
Pt. Reckitt Benckiser Hygiene Home Indonesia	+		Ordinary
Pt. Reckitt Benckiser Hygiene Home Trading Indonesia	+		Ordinary
Iran, Islamic Republic of			
1st Floor, unit 11, No.88 Baran Building, Sayed Road, Opposite Mellat Park, Vali-e-Asr Avenue, Tehran, Iran, Islamic Republic of			
Reckitt Benckiser Pars PJSC			Ordinary
Ireland			
c/o TMF Group, Ground Floor, Two Dockland Central, Guild Street, North Dock, Dublin 1, D01 K2C5, Ireland			
Dorincourt Holdings (Ireland) Limited			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Ireland Limited			Ordinary
Reckitt Benckiser Management Services Unlimited Company			Ordinary-A, B, C, D, E, F, G, H, I, J K
6th Floor, 2 Grand Canal Square, Dublin 2, Ireland			
RB Ireland Hygiene Home Commercial Limited			Ordinary
Israel			
6A Hangar Street, PO Box 6440, I.Z., Neve Nee'man B, Hod Hasharon, 457703, Israel			
Reckitt Benckiser (Near East) Limited			Ordinary
Italy			
Via Spadolini 7, 20141, Milano, Italy			
Reckitt Benckiser Commercial (Italia) Srl			Quota
Reckitt Benckiser Healthcare (Italia) S.p.A.			Ordinary
Reckitt Benckiser Holdings (Italia) Srl			Quota
Reckitt Benckiser Italia SpA			Ordinary
Japan			
3-20-14 Higashi Gotanda, Shinagawa-ku, Tokyo, 141-0022, Japan			
Reckitt Benckiser Asia Pacific Limited	#	–	
Sumitomo Fudosan Takanawa Park Tower 14F, 3-20-14 Higashi-Gotanda, Shinagawa-ku, Tokyo, 141-0022, Japan			
Reckitt Benckiser Japan Ltd			Ordinary
Jersey			
44 Esplanade, St Helier, JE4 9WG, Jersey			
SSL Capital Limited			Ordinary
IFC 5, St. Helier, JE1 1ST, Jersey			
Reckitt & Colman (Jersey) Limited			Ordinary
Reckitt & Colman Capital Finance Limited			Ordinary-A, Ordinary-B

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Jersey (No.3) Limited			Ordinary
Reckitt Benckiser Jersey (No.5) Limited			Ordinary
Reckitt Benckiser Jersey (No.7) Limited			Ordinary, Redeemable Preference – Class A/C/D
Kazakhstan			
Bld. 15/A, Koktem-1, Almaty, 050040, Kazakhstan			
Reckitt Benckiser Health Kazakhstan LLP			Charter Capital
Office 302, Building 15a, Koktem-1, Micro District, Almaty City, Kazakhstan			
Reckitt Benckiser Kazakhstan LLP			Ordinary
Kenya			
14 Riverside Drive, Arlington Building, 3rd Floor, Nairobi, 209/19, Kenya			
Reckitt Benckiser Health Kenya Limited			Ordinary
LR.NO.1870/1/569, 2nd Floor, Apollo Centre, Ring Road Westlands, Kenya			
Reckitt Benckiser Services (Kenya) Limited			Ordinary
Plot 209/2462, Likoni Road, Nairobi, Kenya			
Reckitt Benckiser East Africa Limited		99.9899	Ordinary
Korea, Republic of			
24th Floor, Two IFC, 10 Gukjegeumyung-ro, Youngdeungpo-gu, Seoul, 07326, Korea, Republic of			
Oxy Reckitt Benckiser LLC			Capital Contribution
Latvia			
Strēlnieku iela 1A – 2, Rīga, LV-1010, Latvia			
Reckitt Benckiser (Latvia) SIA			Ordinary
Lithuania			
Vilniaus m. sav. Vilniaus m. Olimpiečių g. 1A, Lithuania			

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12 Subsidiary Undertakings continued

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser (Latvia) SIA LT filialas	#	–	
Luxembourg			
1 Rue de la Poudrerie, Leudelange, L-3364, Luxembourg			
Canterbury Square Holdings S.à.r.l			Ordinary-A
RB Holdings (Luxembourg) S.à.r.l			Ordinary-A
RB Holdings Luxembourg (2018) S.à.r.l			Ordinary
Reckitt Benckiser Investments (No. 1) S.à.r.l			Ordinary
Reckitt Benckiser Investments (No. 2) S.à.r.l			Ordinary
Reckitt Benckiser Investments (No. 4) S.à.r.l			Ordinary
Reckitt Benckiser Investments (No. 5) S.à.r.l			Ordinary
Reckitt Benckiser Investments (No. 7) S.à.r.l			Ordinary
Reckitt Benckiser Investments (No. 8) S.à.r.l			Ordinary
Reckitt Benckiser S.à.r.l.			Ordinary-A
Reigate Square Holdings S.à.r.l.			Ordinary
Reckitt Benckiser N.V.	#	–	
Reckitt Benckiser Holdings (USA) Limited	#	–	
Malaysia			
Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights 50490, Wilayah Persekutuan, Kuala Lumpur, Malaysia			
Mead Johnson Nutrition (Malaysia) Sdn Bhd			Ordinary
RB (Health) Malaysia Sdn Bhd			Ordinary
Reckitt Benckiser (Malaysia) Sdn Bhd			Ordinary
Mexico			
Av de las Granjas 972, Col. Santa Barbara, Azcapotzalco, CDMX, 02230, Mexico			
Manufactura MJN, S. de R.L. de C.V.			Ordinary
Av. Ejército Nacional No.769, Corporativo Miyana Torre B, Piso 6, Alcaldía Miguel Hidalgo, Colonia Granada, CP 11520, Mexico			
Mead Johnson Nutricionales de México, S. de R.L. de C.V.			Ordinary
RB Health México, S.A. de C.V.			Ordinary-A, Ordinary-B
RB Health Services, S.A. de C.V.			Ordinary
Reckitt Benckiser Mexico, S.A. de C.V.			Ordinary
Servicios Nutricionales Mead Johnson S.de R.L. de C.V.			Ordinary
Calzada de Tlalpan No. 2996, Col. Ex Hacienda Coapa, Del. Coyoacán, Cd. de México, C.P. 04980, Mexico			
RB Salute Mexico S.A. de C.V.			Ordinary
Circuito Dr Gustavo Baz, 7, No. 7, Fracc Industrial El Pedregal, Atizapan de Zaragoza, Edomex, Mexico			
Reckitt Benckiser Services S.A. de C.V.			Ordinary
Morocco			
59 Boulevard Zerktouni, Residence Les Fleurs 6eme étage, Casablanca, Morocco			
Reckitt Benckiser Morocco SARL/AU			Ordinary
Netherlands			
225 North Canal Street, Floor 25, Chicago IL IL 60606, United States			
Mead Johnson One C.V.	◊		Membership Interest
Mead Johnson Two C.V.	◊		Membership interest
Schiphol Boulevard 267, 1118 BH, Schiphol, Netherlands			
Reckitt Benckiser (ENA) B.V.			Ordinary
Reckitt Benckiser Treasury Services (Nederland) B.V.			Ordinary
Siriusdreef 14, 2132 WT, Hoofddorp, The Netherlands			
Beleggingsmaatschappij Lemore B.V.			Ordinary
Central Square Holding B.V.			Ordinary
Grosvenor Square Holding B.V.			Ordinary
Hamol NL B.V.			Ordinary
Maddison Square Holding B.V.			Ordinary
MJN Global Holdings B.V.			Ordinary
MJN Holdings (Netherlands) B.V.			Ordinary
MJN Innovation Services B.V.			Ordinary
New Bridge Holdings B.V.			Ordinary
RB Hygiene Home Netherlands BV			Ordinary
RB NL Brands B.V.			Ordinary
Reckitt Benckiser (South America) Holding B.V.			Ordinary
Reckitt Benckiser (Spain) B.V.			Ordinary
Reckitt Benckiser Brands Investments B.V.			Ordinary
Reckitt Benckiser Calgon BV			Ordinary
Reckitt Benckiser Fabric Treatment B.V.			Ordinary
Reckitt Benckiser Finish B.V.			Ordinary
Reckitt Benckiser FSIA B.V.			Ordinary
Reckitt Benckiser Healthcare B.V.			Ordinary
Reckitt Benckiser Laundry Detergents (No. 1) B.V.			Ordinary
Reckitt Benckiser Laundry Detergents (No. 2) B.V.			Ordinary
Reckitt Benckiser Lime-A-Way B.V.			Ordinary
Reckitt Benckiser Marc B.V.			Ordinary
Reckitt Benckiser N.V.			Ordinary
Reckitt Benckiser Oven Cleaners BV			Ordinary
Reckitt Benckiser Power Cleaners B.V.			Ordinary

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12 Subsidiary Undertakings continued

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Tiret B.V.			Ordinary
Reckitt Benckiser Vanish B.V.			Ordinary
RB LATAM Holding B.V.			Ordinary
Reckitt Benckiser Hygiene Home Brands B.V.			Ordinary
New Zealand			
2 Fred Thomas Drive, Takapuna, Auckland, 0622, New Zealand			
RB (Hygiene Home) New Zealand Limited			Ordinary
Reckitt Benckiser (New Zealand) Limited			Ordinary
SSL New Zealand Limited			Capital contribution
Nigeria			
12, 11th Floor Heritage Place, 21 Lugard Avenue Ikoyi, Ikoyi, Lagos State, Nigeria			
Reckitt Benckiser Nigeria Limited			Ordinary
Norway			
Henrik Ibsens gate 60A, 0255 Oslo, Norway			
RB Health Nordic, NUF	#	–	
RB Hygiene Home Nordic NUF	#	–	
Pakistan			
Tenancy 04 & 05, 3rd Floor, Corporate Office Block, Dolmen City, HC, Block 4, Scheme 5, Clifton, Karachi, 75600, Pakistan			
Reckitt Benckiser Pakistan Limited		98.6846	Ordinary
Panama			
Apartment 6G, 6th Floor, Edificio Bladex, Calle Avenida La Rotonda. Business Park, Corregimiento de Juan Diaz, Urbanización Costa Del Este, Provincia De Panamá, Distrito de Panama, Panama			
Mead Johnson Nutrition (Panama), S.de R.L.			Ordinary
Peru			
Av. Republica de Panama # 2577, Urb. Santa Catalina, La Victoria, Lima, Peru			
Reckitt Benckiser Peru S.A.			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Calle Dean Valdivia No. 148, Torre 1, Ofic. 501, Urb. Jardín, San Isidro, Lima, Peru			
RB Health Peru S.R.L			Ordinary
Philippines			
2309 Don Chino Roces Avenue Extension, Makati City, PH 1321, Philippines			
2309 Realty Corporation		44.6606	Ordinary-A, Ordinary-B
Mead Johnson Nutrition (Philippines), Inc.		99.9996	Ordinary
Sphinx Holdings Company, Inc.		32.8125	Common, Preference
3rd Floor Mead Johnson Nutrition Philippines Inc., 2309 Don Chino Roces Extension, Makati City, 1231, Philippines			
Reckitt Benckiser Healthcare (Philippines), Inc.		99.9978	Common, Preference
Poland			
Nowy Dwór Mazowiecki, Ul. Okunin 1, 05-100, Poland			
RB (Hygiene Home) Poland Sp. Z.o.o.			Ordinary
Ul. Okunin 1, 05-100 Nowy Dwor Mazowiecki, Poland			
Reckitt Benckiser (Poland) S.A.			Ordinary
Reckitt Benckiser Production (Poland) SP Z.o.o.			Ordinary
Ul. Wołoska 22, 02-675, Warsaw, Poland			
Reckitt Business Services Sp. z.o.o.			Partnership Interest
Mead Johnson Nutrition Trading Poland S.p z.o.o.			Membership Interest
Portugal			
Estrada Malhada dos Carrascos, 12, Porto Alto, 2135-061, Samora Correia, Portugal			
Reckitt Benckiser Porto Alto Lda			Quota
Rua D. Cristóvão da Gama, n.º 1, 1º, C/D, 1400-116, Lisboa, Portugal			
Reckitt Benckiser (Portugal), S.A.			Ordinary
Reckitt Benckiser Healthcare, Lda			Quota

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Puerto Rico			
Los Frailes Industrial Park, Ave. Esmeralda, Calle C # 475, Guaynabo, 00969, Puerto Rico			
Mead Johnson Nutrition (Puerto Rico) Inc.	#	–	
Romania			
Iancu de Hunedoara Boulevard, Nr. 48, 11th Floor, Crystal Tower Building, 1st District, Bucharest, 011745, Romania			
Reckitt Benckiser (Romania) S.R.L			Partnership Interest
Str. Grigore Alexandrescu 89-97, Aripa Vest, Et. 5, Finish room, Sect. 1, Bucuresti, 010624, Romania			
RB (Hygiene Home) Romania S.R.L.			Ordinary
Russian Federation			
3rd Floor, 4 Shluzovaya emb., Zamoskvorechye Municipal district, Moscow, 115114, Russia			
Reckitt Benckiser Healthcare LLC			Charter Capital
Reckitt Benckiser IP LLC			Charter Capital
4 Shluzovaya emb., Zamoskvorechye Municipal district, Moscow, 115114, Russia			
Reckitt Benckiser LLC			Charter Capital
Klin City, Tereshkovoy Street, 1, 14160052 /1, Moscow Region, Russian Federation			
Branch of Reckitt Benckiser LLC in city Klin, Moscow region, Russia	#	–	
Saudi Arabia			
Office number 51, Fifth floor, Mukmal Plaza Center, Al Hamra District Palestine Street, Jeddah City, Saudi Arabia			
Reckitt Sanabil for Trading Co LLC		51.0000	Ordinary
Singapore			
12 Marina Boulevard, #19-01 Marina Bay Financial Centre, 018982, Singapore			
Mead Johnson Nutrition (Asia Pacific) Pte. Ltd.			Ordinary

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12 Subsidiary Undertakings continued

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Mead Johnson Nutrition (Singapore) Pte. Ltd.			Ordinary
Mead Johnson Nutrition Holdings (Singapore) Pte. Ltd.			Ordinary
Reckitt Benckiser (Singapore) Pte. Limited			Ordinary
Slovakia			
Drieňová 3, 821 08 Bratislava, Slovakia			
RB (Hygiene Home) Slovakia spol. s.r.o			Ordinary
Reckitt Benckiser (Slovak Republic), spol s.r.o.			Partnership Interest
South Africa			
Ground Floor, North Wing, Allandale Building, 39 Magwa Crescent, Waterfall City, Midrand, Gauteng, 2090, South Africa			
Reckitt Benckiser Pharmaceuticals (Proprietary) Limited			Ordinary
Reckitt Benckiser South Africa Health Holdings (Pty) Limited			Ordinary
Reckitt Benckiser South Africa Proprietary Limited			Ordinary
Spain			
Carrer de Mataró, 28, 08403, Granollers, Barcelona, Spain			
Reckitt Benckiser Healthcare S.A.U.			Ordinary-A, Ordinary-B
Norwich Square Holdings S.L.U.			Ordinary
RB Square Holdings (Spain) S.L.			Ordinary-A, Ordinary-B
Reckitt Benckiser (España), S.L.U			Ordinary
Reckitt Benckiser (Granollers) SL			Ordinary
Fray Carbo, 24, 08400, Granollers, Spain			
Relcamp Aie	+		Ordinary
No. 151, Avda. Can Fatjó, Rubi, Barcelona, Spain			
SSL Healthcare Manufacturing S.A.U	+		Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Sri Lanka			
No.25, Shrubbery Garden, COLOMBO-04, Sri Lanka			
Reckitt Benckiser (Lanka) Limited		99.9991	Ordinary
Sweden			
Box 190, 101 23 Stockholm, Sweden			
SSL Healthcare Sverige AB			Ordinary
c/o Reckitt Benckiser Nordic A/S, Danmark Filial, Regeringsqatan 29, 111 53, Stockholm, Sweden			
RB Health Nordic A/S, filial	#	–	
Vretenvägen 2, 4th Floor, 171 54 SOLNA, Sweden			
RB Hygiene Home Nordic A/S, filial	#	–	
Switzerland			
Richtistrasse 5, 8304 Wallisellen, Switzerland			
RB Hygiene Home Switzerland AG			Ordinary
Reckitt Benckiser (Switzerland) AG			Ordinary
Reckitt Benckiser AG			Ordinary
Taiwan			
6F, No. 136, Sec. 3, Ren-Ai Rd., Da-An Dist., Taipei City 10, 10657, Taiwan			
Reckitt Benckiser HK Limited Taiwan branch	#	–	
8 of 6F, No. 205, Section 1, Dunhua South Road, Da'an District, Taipei, Taiwan (Province of China)			
RB & Manon Business Limited Taiwan Branch	#	–	
Thailand			
100 Moo 5, Bangsamak Sub-District, Bangpakong District, Chachoengsao Province 24180, Thailand			
SSL Manufacturing (Thailand) Limited		44.9999	Ordinary-A, Ordinary-B
65 Moo 12 Lardkrabang-Bangplee Road, Bangplee Yai District, Bangplee, Samutprakarn, 10540, Thailand			
Reckitt Benckiser Healthcare Manufacturing (Thailand) Limited		45.0000	Ordinary, Preference

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
No. 388 Exchange Tower, 14th Floor, Sukhumvit Road, Klongtoey, Bangkok, TH 10110, Thailand			
Reckitt Benckiser (Thailand) Limited		44.9999	Ordinary
Reckitt Benckiser Holding (Thailand) Limited		45.0000	Common, Preference
RB Hygiene Home (Thailand) Limited		99.5749	Common
Mead Johnson Nutrition (Thailand) Ltd			Common/ Equity
Turkey			
Esentepe Mah., Büyükdere Cad., Tekfen Blok No:209/2, Şişli, İstanbul, Turkey			
Reckitt Benckiser Ev ve Hijyen Ürünleri Levent Şubesi	#	–	
Esentepe Mahallesi Büyükdere Caddesi Tekfen, Tower No: 209 A Blok D:2 34394 4., Levent, Şişli, İstanbul, Turkey			
Reckitt Benckiser Temizlik Malzemesi Sanayive Ticaret A.S.			Capital Contribution
Orta Mahallesi Demokrasi, Caddesi Benckiser Sitesi No.92, Tuzla, Istanbul, Turkey			
Reckitt Benckiser Ev ve Hijyen Ürünleri A.Ş.			Capital contribution
Ukraine			
28A Stepana Bandery Prospect, Bld.G, Office 80., Kiev, 04073, Ukraine			
Reckitt Benckiser Household and Health Care Ukraine LLC			Charter Capital
Reckitt Benckiser Hygiene Home Ukraine LLC			Charter Capital
40-Richchia Zhovtnia avenue, 120, 1 Block, Kyiv, 03127, Ukraine			
Medcom Marketing and Prodazha Ukraine LLC			Charter Capital
United Arab Emirates			
309, Floor 3, Dubai Science Park Labrotory Complex, Dubai, United Arab Emirates			
Reckitt Benckiser Arabia	#	–	
Al Seer Corporate Office, Behind Al Tayer Motors, Sheikh Zayed Road, Al Quoz Industrial Area 3, Dubai, 31587, United Arab Emirates			

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12 Subsidiary Undertakings continued

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Arabia Trading LLC		48.6897	Ordinary
Level 27, Tower B, JAFZA One,Jebel Ali Free Zone, Dubai, PO Box 16834, United Arab Emirates			
RB Hygiene Home Arabia FZE			Ordinary
Reckitt Benckiser Arabia FZE		51.2555	Ordinary
Office 1801, 1803, 1804, Emaar Real Estate Burj Khalifa, Dubai, United Arab Emirates			
Reckitt Benckiser (RUMEA) Limited – Dubai Branch	#	–	
Unit 05, Level 3, Gate Village Building 04, Dubai Investment Financial Centre, PO BOX 677, United Arab Emirates			
RB Investment Company Limited		0.5000	Ordinary-A, Ordinary-B

United Kingdom

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
103-105 Bath Road, Slough, Berkshire, SL1 3UH, United Kingdom			
103-105 Bath Road Limited (Company number: 07415344)	*		Ordinary
Access VC Limited		70.5900	Ordinary, Preference
Benckiser			Ordinary, Bonus
Crookes Healthcare Limited			Ordinary, Bonus
Cupal, Limited			Ordinary, Bonus
Dakin Brothers Limited			Ordinary, Bonus
Durex Limited			Ordinary
eRB Trading Limited			Ordinary
FF Homecare & Hygiene Limited		70.5882	Ordinary, Preference
Glasgow Square Limited			Ordinary, Bonus
Green,Young & Company Limited			Ordinary, Bonus

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Hamol Limited			Ordinary, Bonus
Helpcentral Limited			Ordinary, Bonus
Howard Lloyd & Company,Limited (Company number: 00124747)	*		Ordinary
LI Pensions Trust Limited			Ordinary
Linden Germany A Limited			Ordinary
Linden Germany B Limited			Ordinary
Lloyds Pharmaceuticals			Ordinary, Bonus
London International Group Limited (Company number: 00488344)	*		Ordinary B
LRC Products Limited			Ordinary
LRC Secretarial Services Limited			Ordinary
MJ UK Holdings Limited			Ordinary
MJN International Holdings (UK), Ltd. (Company number: 10773207)	*		Ordinary
Nurofen Limited			Ordinary
Optrex Limited (Company number: 00301618)	*		Ordinary
Pharmalab Limited			Ordinary, Bonus
R&C Nominees Limited (Company number: 03646801)	*		Ordinary
R&C Nominees One Limited			Ordinary
R&C Nominees Two Limited			Ordinary
RB (China Trading) Limited		80.0000	Ordinary
RB Asia Holding Limited			Ordinary
RB Holdings (Nottingham) Limited (Company number: 04367123)	*		Ordinary, Bonus
RB Luxembourg (2016) Limited (Company number: 10490698)	*		Ordinary
RB Luxembourg Holdings (TFFC) Limited			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
RB Mexico Investments Limited (Company number: 10141275)	*		Ordinary
RB Reigate (2019) Ltd.			Ordinary
RB Reigate (UK) Limited			Ordinary, Bonus
RB UK Commercial Limited			Ordinary
RB UK Hygiene Home Commercial Limited			Ordinary
RB USA (2019) Ltd.			Ordinary
Reckitt & Colman (Overseas) Health Limited			Ordinary
Reckitt & Colman (Overseas) Hygiene Home Limited			Ordinary
Reckitt & Colman (Overseas) Limited (Company number: 00593047)	*		Ordinary
Reckitt & Colman (UK) Limited (Company number: 00341605)	*		Ordinary, Irredeemable Cumulative Preference
Reckitt & Colman Holdings Limited			Ordinary, Bonus
Reckitt & Colman Pension Trustee Limited			Ordinary
Reckitt & Sons Limited (Company number: 00561576)	*		Ordinary
Reckitt Benckiser (Brands) Limited			Ordinary
Reckitt Benckiser (Grosvenor) Holdings Limited (Company number: 05698731)	*		Bonus
Reckitt Benckiser (Health) Holdings Limited			Ordinary
Reckitt Benckiser (Hygiene Home) Holdings Limited			Ordinary
Reckitt Benckiser (RUMEA) Limited			Ordinary
Reckitt Benckiser (UK) Limited			Ordinary
Reckitt Benckiser (USA) Limited			Ordinary

Notes to the Parent Company Financial Statements continued

Key
+ In liquidation * Audit exemption # Branch ◊ Registered office different to country of registration

12 Subsidiary Undertakings continued

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Asia Pacific Limited			Ordinary
Reckitt Benckiser Corporate Services Limited			Ordinary
Reckitt Benckiser Expatriate Services Limited			Ordinary
Reckitt Benckiser Finance (2005) Limited			Ordinary, Bonus
Reckitt Benckiser Finance (2007)			Ordinary
Reckitt Benckiser Finance (2010) Limited (Company number: 07415340)	*		Ordinary, Bonus
Reckitt Benckiser Finance Company Limited (Company number: 04749202)	*		Ordinary
Reckitt Benckiser Health Limited			Ordinary
Reckitt Benckiser Healthcare (Central & Eastern Europe) Limited (Company number: 03368448)	*		Ordinary
Reckitt Benckiser Healthcare (CIS) Limited (Company number: 03376759)	*		Ordinary
Reckitt Benckiser Healthcare (MEMA) Limited			Bonus
Reckitt Benckiser Healthcare (UK) Limited			Ordinary
Reckitt Benckiser Healthcare International Limited			Ordinary
Reckitt Benckiser Holdings (Channel Islands) Limited	#	–	
Reckitt Benckiser Holdings (Luxembourg) Limited			Ordinary
Reckitt Benckiser Holdings (Overseas) Limited (Company number: 04617051)	*		Ordinary
Reckitt Benckiser Holdings (TFFC) Limited			Ordinary, Bonus

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Holdings (USA) Limited (Company number: 04906543)	*		Ordinary
Reckitt Benckiser Jersey (No.3) Limited	#	–	
Reckitt Benckiser Jersey (No.5) Limited	#	–	
Reckitt Benckiser Investments Limited			Ordinary, Bonus
Reckitt Benckiser Limited			Ordinary
Reckitt Benckiser Luxembourg (2010) Limited (Company number: 07323959)	*		Ordinary
Reckitt Benckiser Luxembourg (No. 1) Limited			Ordinary
Reckitt Benckiser Luxembourg (No.2) Limited			Ordinary
Reckitt Benckiser Luxembourg (No.3) Limited			Ordinary, Bonus
Reckitt Benckiser Luxembourg (No.4) Limited			Ordinary, Bonus
Reckitt Benckiser Service Bureau Limited (Company number: 03605068)	*		Ordinary
Reckitt Benckiser Treasury (2007) Limited (Company number: 06365837)	*		Ordinary-B
Reckitt Benckiser Treasury Services plc			Ordinary
Reckitt Benckiser Treasury Services (Nederland) B.V.	#	–	
Reckitt Benckiser USA (2010) LLC	#	–	
Reckitt Benckiser USA (2013) LLC	#	–	
Reckitt Benckiser USA Finance (No.1) Limited (Company number: 04902703)	*		Ordinary
Reckitt Benckiser USA Finance (No.2) Limited (Company number: 04902747)	*		Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser USA Finance (No.3) Limited (Company number: 04902776)	*		Ordinary
Reckitt Colman Chiswick (OTC) Limited (Company number: 00593046)	*		Ordinary, Bonus
Reckitt Seton Limited (Company number: 01914860)	*		Ordinary, Convertible, Cumulative Preference
Reckitt Sonet (UK) Limited (Company number: 02285039)	*		Ordinary
Scholl Consumer Products Limited			Ordinary
Sonet Dormant Company No.1 Limited (Company number: 00220272)	*		Ordinary, Deferred
Sonet Investments Limited			Ordinary, Bonus
Sonet Overseas Investments Limited			Ordinary, Bonus
Sonet Prebbles Limited (Company number: 00710779)	*		Ordinary
Sonet Products Limited			Ordinary
Sonet Seton UK Limited			Ordinary
SSL (MG) Polymers Limited			Ordinary
SSL (RB) Products Limited			Ordinary
SSL International plc			Ordinary
SSL Products Limited (Company number: 01026788)	*		Bonus
Tubifoam Limited			Ordinary, Bonus
W.Woodward, Limited			Ordinary
United States			
2400 W. Lloyd Expressway, Evansville IN 47721, United States			
Mead Johnson & Company, LLC			Ordinary
Mead Johnson Nutrition Company			Ordinary
399 Interpace Parkway, Parsipanny NJ 07054, United States			

Notes to the Parent Company Financial Statements continued

Key
+ In liquidation * Audit exemption # Branch ◊ Registered office different to country of registration

12 Subsidiary Undertakings continued

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Biofreeze IP Holdings, LLC			Membership Interest
Blisa, LLC			Ordinary
Exponential Health LLC			Ordinary
Lanai Holdings 1.5, Inc.			Common
Mead Johnson Nutrition (Dominicana) S.A.			Ordinary
Mead Johnson Nutrition (Puerto Rico) Inc.			Ordinary
Mead Johnson Nutrition (Venezuela) LLC			Ordinary
Mead Johnson Nutrition Nominees LLC			Membership Interest
MJ USA Holdings LLC			Ordinary
MJN Asia Pacific Holdings LLC			Ordinary
MJN U.S. Holdings LLC			Ordinary
RB Health (US) LLC			Ordinary
RB Health Manufacturing (US) LLC			Ordinary
Reckitt Health Pain (US) LLC			Ordinary
TheraPearl LLC			Ordinary
Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County DE 19808, United States			
LRC North America Inc.			Common/ Equity, Preference
RB Manufacturing LLC			Ordinary
RB USA Holdings LLC			Ordinary
Reckitt Benckiser LLC			Ordinary
Reckitt Benckiser USA (2010) LLC			Ordinary
Reckitt Benckiser USA (2012) LLC			Membership Shares
Reckitt Benckiser USA (2013) LLC			Ordinary
SSL Holdings (USA) Inc.			Ordinary
Venezuela, Bolivarian Republic of			
251 Little Falls Drive, Wilmington DE 19808, United States			
Mead Johnson Nutrition Venezuela SCA	# ◊	–	
Avenida Mara con Calle San José, Centro Comercial Macaracuay Plaza, Nivel C3, Locales 5 y 12. Urb. Colinas de la California., Caracas, Venezuela, Bolivarian Republic of			
Reckitt Benckiser Venezuela S.A.			Ordinary
Urb. Las Mercedes, Av. Orinoco cruce con Mucuchies Torre Nordic, Piso 1, Oficina 1 y 2, Municipio Baruta Caracas, Venezuela, Bolivarian Republic of			
Mead Johnson Nutrition Venezuela, S.C.A.			Partnership Interest
Vietnam			
Suite 402, 4th Floor, No. 235 Dong Khoi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam			
The Representative Office of Reckitt Benckiser (Thailand) Ltd in Ho Chi Minh City	#	–	
Unit 401, 4th Floor, Metropolitan Building, No. 235 Dong Khoi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam			
Mead Johnson Nutrition (Vietnam) Company Limited			Capital Contribution

Climate-Related Financial Disclosures

In addition to these Climate-related Financial Disclosures, we provide further information on our environmental performance and greenhouse gas emissions on page 48. We consider the potential financial impacts of climate change in the scenario modelling within our Viability Statement on page 61 and impairment/intangibles note on page 173-177. Comprehensive detail on our scenario modelling can be found in our Basis of Reporting Criteria available at www.reckitt.com/reporting-hub.

Governance

Board oversight

The Board, supported by the Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee, oversees sustainability, including climate-related risks and opportunities. The Board receives quarterly updates on sustainability matters from the CRSEC Committee, including progress and performance against Reckitt's climate targets. Sustainability, including climate risk, is considered as part of the Board's annual review of our principal and emerging risks alongside at least an annual review of our Sustainability Ambitions. In November, the Board also held a listening session on the impacts of climate change on global health.

See pages 71-82 **See pages 96-99**
for more detail on our governance framework and mechanisms, remuneration policy and the CRSEC Committee's activities during the year.

Management's role

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

Our sustainability ambitions are delivered through the Group Executive Committee (GEC) and management team who are responsible for ensuring adequate action plans and investment are in place. The Corporate Affairs and Sustainability function leads sustainability-related strategy development and compliance. Programmes to meet our operational and product footprint targets are implemented by our Brands, Supply Chain, R&D, and Safety, Quality and Regulatory Compliance teams. Following Kris Licht's appointment as CEO on 1 October, the GEC conducted a deep dive on Reckitt's carbon footprint to build awareness and understanding across the Group and agree the key steps needed to deliver on Reckitt's Sustainability Ambitions, specifically on Scope 3 emissions. We identified three cross-functional priorities across IT and Data, Procurement and R&D/Innovation to help accelerate progress. These include the enhanced capture and visibility of supplier and materials carbon data, conducting feasibility studies on the use of alternative and new materials, and further developing our carbon reduction roadmaps.

We conduct monthly environmental reporting at site, regional and functional level. Progress against our targets is reviewed monthly at supply chain leadership forums and quarterly through business unit and global business risk reviews, enabling us to manage activity and deal with emerging issues on an ongoing basis.

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

Risk management

Reckitt operates an integrated company-wide risk management process for financial and non-financial risks performed at the functional, business unit and corporate levels. Sustainability, including the risk of climate-related impacts, was first identified as a principal risk in 2019 and is considered in our annual Group risk assessment within 'ESG transition risk', which includes the identification and monitoring of potential impacts, mapping current controls and developing action plans.

The Group principal and emerging risk assessment is part of our integrated risk management framework, identifying the principal and emerging risks with the greatest potential to have a substantive or strategic impact on the Group. The assessment is completed annually in advance of the business unit and corporate strategic planning process, taking into consideration the outcomes of detailed risk assessments conducted in specific areas throughout the year, for example, climate-related physical and transition risk scenario analysis. Additionally, through our ESG issues materiality assessment, sustainability risks are reviewed every two to three years. Operational risks are assessed across sites through annual global asset and environmental risk reviews. Our progressive work on decarbonisation, product innovation and supply chain resilience help mitigate these risks. Within specific climate-related financial risks we undertake a range of analysis, evaluation and mitigation activities summarised in this report.

See pages 55-56
for more detail on the group's risk management approach and updates during the year.

Since 2018, we have conducted scenario analyses to consider the longer-term impacts of climate change on our business and support our modelling of climate risks in greater detail (see below). We consider physical and transition risks from climate change over the short term (up to three years) in line with our Group risk assessment, over the medium term (three to five years) in line with our strategic planning cycle, and over the longer term (10 years+) in line with the useful life of the brand intangible assets, through our work with Risilience and Cambridge Centre for Risk Studies. The Risilience climate and enterprise analytics technology provides quantitative analytics that inform risk management and decision-making across our brands and wider organisation. This has helped extend existing corporate risk management activity on business continuity, which might be created in terms of extreme weather events and which are also considered in our climate risk activity.

The Risilience analysis provides quantitative earnings value at risk estimations across risk categories over a five- and 10-year timeframe which supports financial and operational planning. We focus activity through routine business and financial planning within our brands and supply chain, in annual and three-year cycles, in order to manage risks and deliver against our Sustainability Ambitions.

Monitoring emerging policy and regulatory frameworks, together with financial tracking of fiscal policy requirements on taxation, informs our planning activity and response to address transition risks from climate-related policy. We continue to track litigation, functionally and within our business units and markets, and are monitoring emerging regulations on climate-related reporting and disclosure requirements.

Climate-Related Financial Disclosures continued

During the year, we continued to enhance and refine our climate risk analysis by increasing the breadth and depth of data in the digital twin of our business, specifically in relation to our product categories and raw materials footprint, while also further embedding the management of climate-related risks and opportunities into our enterprise risk management processes. We have reviewed the Group's physical and transition risks and opportunities, and quantified the financial values at risk.

Strategy

We remain committed to delivering our science-based targets and working towards becoming net zero by 2040. Our Sustainability Ambitions are embedded into our business strategy for growth, and support both resilience and opportunity for our operations and brands.

Climate scenario analysis

Our approach to understanding climate-related risks and opportunities is underpinned by our scenario analysis. In partnership with Risilience, we continued to develop our internal data-driven model of the business (or 'digital twin') which captures Reckitt's commercial and physical footprint and allows us to assess the impact of the five climate scenarios specified by the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report for both physical and transition risks (SSP1–SSP 8.5). SSP1-1.9 (1.5°C) represents the most rapid transition pathway as extreme actions are taken to reduce emissions globally with widespread policy changes to achieve net zero by 2050. SSP3-7.0 (3°C) is defined by the climate-related policies in place today i.e. if no further policy action is taken. These two pathways highlight the variation in risks and opportunities in meeting our science-based targets by 2030 and net zero ambition by 2040.

See our Basis of Reporting Criteria
for detail on the modelled pathways used at reckitt.com/reporting-hub.

We modelled the potential impact of five transition risks derived from policy development, consumer preference change, investor sentiment, asset liabilities, climate activism and litigation, together with acute and chronic physical risks to the value chain, including disruption to our direct and upstream operations and the supply of natural raw materials. Specifically, we model the potential financial impacts of climate change by region, product, facility and hazard i.e. drought, flooding, heatwave. The output provides a five-year, quantitative earnings value at risk estimation across risk categories and a long-term qualitative risk outlook up to 20 years. For the purposes of our disclosure, we aggregate and present consolidated results for the Group global business. The potential material earnings value at risk is quoted as a range reflecting the uncertainty and assumptions associated with climate-related modelling.

Climate-related risks and opportunities over the short, medium and long term

We assume that all aspects of our value chain will be susceptible to climate-related transition and physical risks to varying degrees. This is accounted for within our potential earnings value at risk estimations which represent gross risk for the Group as a whole.

Short to medium term

From our analysis over the past three years, two of the modelled transition risk categories (consumer market and policy risk) consistently emerge as having the greatest potential impact in the short to medium term, specifically from changing consumer preference in favour of low impact products and policy-driven carbon price increases, both of which are greatest in a 1.5°C scenario. Potential risks and opportunities identified include energy and commodity cost rises across our operations, upstream and downstream value chain. A more likely phased policy approach and changes in consumer preference, alongside our ongoing mitigation activity to reduce emissions across our supply networks and innovation in more sustainable products, would not be material for Reckitt. Physical risk represents a significantly smaller proportion of total earnings value than transition risk.

Long term

In the longer term, we expect increases in the frequency and severity of extreme weather events, water stress and higher ambient temperatures to impact our global sites, supply networks and consumer value chains. Changes to regional climates may lead to a reduction in the availability of natural raw materials and associated costs and the nature of products that are most viable in certain regions may change. The aggregate impact of all modelled physical risks is currently not material.

The tables on page 220 summarise the potential earnings value at risk associated with our modelled risks over the short to medium term (up to five years) and a qualitative assessment of how these risks could evolve over the longer term (10 to 20 years). The modelled impacts are based on a 1.5°C pathway aligned to the Paris Ambition and a 3°C pathway aligned to current policy which are considered to represent a best and worst case scenario.

Consumer market risk

This risk models the impact of changing consumer preferences and sustainable purchasing trends. It considers the potential uptake rates of consumers transitioning from conventional to less emissions-intensive products and services, including single use vs reusable packaging, organic vs chemical cleaners, concentrates, and dairy vs alternative proteins. The 1.5°C pathway assumes a fast adoption of sustainable alternatives and a significant reduction in consumer demand for less sustainable and more carbon intensive products, whereas the 3°C pathway assumes a limited reduction in current demand.

There is potential for Reckitt brands to be variably exposed to demand loss, depending on the environmental impact of products (including raw material composition, manufacturing and consumer use). While we continue to see increased consumer interest in more sustainable products, there remains a 'say-do' gap for the vast majority, with consumers remaining focused primarily on value and efficacy. This exposure therefore has negligible current impact. Nonetheless, our sustainable product innovation programme continues to inform our product development pipeline and supports our ambition for 50% of net revenue to be derived from more sustainable products by 2030. Using our Sustainable Innovation Calculator to inform new and existing product development helps us design for lower carbon and water footprints in use, which mitigates physical risks in the marketplace and helps us to meet emerging consumer preferences. Further details on our approach to innovation can be found on pages 22-24.

Climate-Related Financial Disclosures continued

The risk values below represent gross risk to the Group and assume none of the mitigating actions outlined above are in place.

Pathway	Unmitigated potential annual impact 5-year horizon	5–10-year modelled scenario impacts and assumptions	10–20-year modelled scenario impacts and assumptions
3°C	Not material	– Conventional shopping preferences continue, with existing levels of uptake for sustainable options continuing, resulting in only minimal decline in demand for conventional products	
1.5°C	£0–£130m	– Consumers increasingly switch from non-sustainable products to more sustainable options – Low-carbon alternative products progressively increase market share, supported by policy frameworks including carbon labelling	– Market demand for sustainable products and services becomes mainstream – As we move towards 2050, consumer habits have to shift more dramatically to meet global emissions reduction targets

Other transition and physical risks

Other modelled risk categories include:

- **Policy risk** – an increase in future carbon pricing where carbon pricing policies (either emissions trading systems or carbon taxes) are implemented variably in all jurisdictions
- **Technology risk** – the risk of asset impairment under different climate-related economic transitions
- **Investor sentiment** – the risks and effects stemming from changes to the discount rate, relative to the economic sector, transition pathway, debt and equity structure
- **Litigation/Reputation** – the potential for litigation or civil/criminal penalties for a company's climate-related activities, including greenwashing and pollution, and the risk of consumer boycotts
- **Market disruption** – the disruption to sales due to customer demand fluctuations induced by regional-scale climate threats including heatwaves, droughts and freezes
- **Facility disruption risk** – the risk of physical damage to assets from extreme weather events, financial losses from stock, contents and buildings damage, and operational disruption due to the reduction in capacity
- **Raw materials supply risk** – changes in the supply of raw materials under the influence of a changing climate and the potential impact of decreases in yield

Individually, these modelled risk categories are not material to our business under the five scenarios assessed. The aggregate potential impact of these risks manifesting in a 1.5°C pathway (which represents a worst-case-scenario) is outlined below. The risk values below represent gross risk to the group and assume no mitigating actions are in place.

Pathway	Unmitigated potential annual impact 5-year horizon	5–10-year modelled scenario impacts and assumptions	10–20-year modelled scenario impacts and assumptions
3°C	Not material	– Carbon prices remain between $5-8 ($/tCO_2e) up to 2050, with inconsistent global implementation. Sectors covered by policies today remain static and are not expanded – Inaction by governments and corporates results in an acceleration of climate change, increasing public and consumer activism is used as a mechanism for corporate accountability – Exposure to climate-related litigation varies depending on historical emissions responsibility and the extent of current commitment and action on addressing future emissions – The 'consumer staples' sector experiences relatively low exposure to risk capital flight during economic transition – Local distribution of goods from warehouse to point of sale is disrupted and/or consumer demand fluctuates as a result of climate-related weather events – Increase in the severity of climate hazards and extreme weather events including heatwaves, freezes, droughts, flooding and windstorms – Raw materials production fluctuates as a result of climate variability and long-term climate change	
1.5°C	£0–£130m	– Carbon prices increase to $83 ($/tCO_2e) over the next five years, radical action by governments to reduce emissions, driven by carbon price mechanisms – Assets intrinsically linked to the use of fossil fuels become impaired in direct proportion to the rate at which fossil fuels are phased out – Public sentiment towards climate change remains strong and persistent and decarbonsation pathways are met or exceeded without major disruption to economic activity. 'Consumer staples' sector experiences relatively low exposure to risk capital flight during economic transition	– Radical action by governments to reduce emissions, driven by carbon price mechanisms. Carbon prices increase significantly, with rapid adoption across developed economies

Climate-Related Financial Disclosures continued

Impact on business, strategy and financial planning

The rate of global decarbonisation and implementation of associated policy frameworks are critical determinants of the magnitude of climate-related impacts on Reckitt.

We are actively working to reduce our GHG emissions in line with our 2030 reduction targets for Scopes 1 and 2 and our total product carbon footprint, and our commitment to achieving net zero by 2040. Our net zero roadmap identifies where we are targeting decarbonisation opportunities in our operations, products and value chain. Raw materials and packaging account for around 60% of Reckitt's carbon footprint. Downstream logistics in our control account for 12% and retail (including customer operations, customer travel and e-commerce) accounts for 17%. The complexity of our global value chain requires multiple interventions with our suppliers and customers to decarbonise. Specifically, we are focusing on several initiatives to reduce CO_2e in materials by:

- targeting suppliers to use renewable energy in their operations;
- using less ingredients while maintaining the efficacy of products;
- using alternative ingredients with a lower CO_2e footprint. Such substitution may take longer if different ingredients require qualification, particularly in regulated products;
- reducing the water in our products by developing concentrates which reduces the transport footprint and packaging use; and
- using recycled materials – our targeted switch to 25% PCR and using less virgin plastic will deliver CO_2e savings that we will model across the value chain.

This activity contributes to reducing our exposure to increases in carbon pricing and other transition related risks. We have assumed that together with shifts in consumer behaviour and general market pricing we are able to mitigate the risks identified above.

Our strategy concentrates on three key areas:

1. Our operations

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

For Scopes 1 and 2, we are targeting progressive improvements in carbon reduction. Switching from gas in low-mid thermal energy needs is a near-term focus alongside the continued sourcing of renewable electricity. Energy efficiency is now considered a business-as-usual focus more than a driver of carbon reduction. Capital allocation for environmental improvements on carbon are built into current planning and progress is reviewed monthly.

Potential damage to assets and the frequency of such events arising from extreme weather and other potential climate-related events (including associated remediation costs) are reviewed through our risk management and business continuity programmes, and connect into our financial programmes on insurance. Site location planning and building design considers temperature, adverse weather and water stress risks. Additionally, water stress risks are mitigated by our water efficiency and catchment area management activity, which aims for all sites in water-stressed locations to be water positive by 2030. Further details on our wider environmental targets and performance can be found on pages 48-50.

2. Product innovation

Meeting emerging consumer demand for more sustainable products, developing products that are well placed for a low-carbon, low-water policy and physical environment, alongside increased use of recycled and recyclable materials

A range of tools assesses climate-related factors across the product lifecycle from material sourcing to consumer use, as part of our innovation process. These provide insights into the climate-related risks and opportunities associated with our products via our Sustainable Innovation Calculator, which help steer our R&D teams during development of new, more sustainable products. The calculator considers water and carbon footprint, plastics and packaging, and ingredients metrics. Such product innovation provides opportunity for growth, by meeting emerging consumer demands and expectations and developing products that are well placed for emerging fiscal policy and physical environments.

3. Supply chain resilience

Building more resilient supply chains at site level and for key natural raw materials, and engaging our suppliers to help measure, track and reduce supplier-related carbon emissions

Our procurement teams continually review supply chains to mitigate the impact of commodity cost rises. In the longer term, this may also involve the use of alternative ingredients and materials with evaluation and development through our R&D function. We are also working directly with copackers through our partnership with Manufacture 2030 to help them measure and progressively reduce their emissions which will build resilience to physical and transition risks from climate change both within our supply chain, and for our suppliers. Further details on how we're building supply chain resilience can be found on pages 25-27.

Our overall carbon footprint has reduced year-on-year reflecting changes in volume and product mix, alongside a review of the modelled footprint in our retail channels. Overall, our principle remains to abate first, and offset last, meaning that we remain focused on reducing the footprint of our operations and products in the first instance. We are however, considering appropriate carbon market management approaches for the longer term. Our existing Trees for Change programme was our first step in this programme, securing four million tonnes of carbon via afforestation projects. We will evaluate similar opportunities during 2024.

Climate-Related Financial Disclosures continued

Resilience of strategy to different climate scenarios (including 2°C or lower)

Collective climate change impacts may present risks to Reckitt's activity, however our strategy, targets, activity and progress help mitigate these risks, build resilience and create opportunities. Our targets for 50% of net revenue to be derived from more sustainable products, 50% product footprint reduction, and 65% reduction in operational carbon emissions, all by 2030, collectively enable Reckitt's brand portfolio and supply chain to become more resilient.

We have assessed that the modelled scenarios and associated climate-related risks outlined above are not material to ongoing business operations, and that our business has an increasingly strong resilience across a spectrum of scenarios, including one where warming is limited to 1.5°C. This assessment is based on a number of factors, which include:

- the strength of our market-leading portfolio of health, hygiene and nutrition products and core capabilities in adapting and innovating our existing ranges while launching new products to meet emerging consumer demands;
- an active programme to improve the carbon, water, plastic, chemical and packaging footprint of our products (more sustainable products) which accounts for 29.6% of net revenue and which we continue to grow; and
- an extensive global and geographically diverse sourcing base characterised by strong and established strategic relationships with suppliers, which gives us a natural hedge against weather extremities.

Metrics and targets

We have considered all cross-industry climate-related metrics set out in the TCFD All Sector guidance. The metrics set out below are those considered to be material.

GHG emissions

Reckitt has established sustainability metrics and targets to drive performance on climate change in areas both directly controlled and across our value chain, including two science-based targets (SBT):

1. reduce our product carbon footprint by 50% by 2030 versus 2015
2. reduce absolute Scope 1 and 2 GHG emissions by 65% by 2030 versus 2015

Supporting these goals is our commitment to RE100 and increasing the use of renewable electricity to 100% by 2030, improving energy efficiency for gas use across our operations.

See pages 48-50

for more information on our net zero, emissions, energy, water, waste and packaging performance, and our GHG emissions data, including Scopes 1, 2 and selected Scope 3 disclosures.

Climate-related physical and transition risks and opportunities

Please refer to pages 219-220.

Capital deployment and internal carbon pricing

We are currently considering an internal carbon pricing approach, which will allow us to strengthen the assessment of climate impact in future investment decisions.

Remuneration

Since 2022, our Long Term Incentive Plan (LTIP) has included net revenue from more sustainable products (which includes our product carbon footprint and reduction in GHG emissions from our operations, see page 125). The CEO and CFO's bonus opportunities are based on the delivery of Reckitt's strategy, including progress against our 2030 Sustainability Ambitions as a whole, see pages 112-114. For more information on remuneration measures see page 104.

Other metrics

- We track stakeholder sentiment through routine dialogue and engagement with our key stakeholders including investors, customers and NGOs. See more in the stakeholder section on pages 37-40. We strive to maintain and improve our performance in external benchmarks and ratings, including MSCI, Sustainalytics and CDP Climate
- We track consumer spending patterns through sales data and broader consumer insight and research at brand and sector level, which informs our product innovation programme and R&D pipeline

Next steps

Our priorities in 2024 will include further in-depth analysis of consumer market risk across our product categories and markets, increasing the breadth and depth of data-driven analysis across the supply chain to better identify and mitigate emissions-intensive activities, and continued development of internal capabilities. Our product innovation programme has a heightened focus on product carbon emissions reduction and we are using the Transition Plan Taskforce framework, Science Based Targets initiative (SBTi) and Forest, Land and Agriculture (FLAG) guidance to guide our actions.

Listing Rule 9.8.6R Compliance Statement

Reckitt plc has complied with the requirements of LR 9.8.6R by including applicable and material climate-related financial disclosures in this section (and by reference as indicated), consistent with the TCFD recommendations. We consider our disclosure to be consistent with all the TCFD Recommendations and Recommended Disclosures including section C of the 2021-TCFD Annex entitled 'Guidance for all Sectors' and section E of the TCFD Annex entitled 'Supplemental Guidance for Non-Financial Groups'.

Alternative Performance Measures

The Annual Report and Accounts include financial information prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as well as information presented on an adjusted (non-IFRS) basis.

Financial information presented on an adjusted basis excludes certain cash and non-cash items. These items have a pattern of recognition that is largely uncorrelated with the trading performance of the business. Management reviews the business on this basis for the purpose of making operating decisions and showing these adjusted measures in addition to the IFRS measures provides useful additional information on trading performance to the users of the Financial Statements. These adjusted measures should not be considered in isolation from, as substitutes for, or superior to the financial measures prepared in accordance with IFRS.

The following items (adjusting items) are excluded from IFRS earnings in calculating adjusted earnings.

- **Impact of business combinations,** and similar purchases of equity**,** where IFRS accounting results in the recognition of certain costs that are not comparable with those for internally generated assets, (although the net revenues and other costs of these business combinations are not adjusted for):
  - amortisation of (a) acquired brands, trademarks and similar assets and (b) certain other intangible assets recorded as the result of a business combination;
  - inventory fair value adjustments;
  - professional and advisor costs recorded as the result of a business combination;
  - changes in the amount of consideration paid or expected to be paid (including changes in fair value) and associated tax impacts; and
  - changes to deferred tax liabilities relating to (a) acquired brands, trademarks and similar assets and (b) certain other intangible assets recorded as the result of a business combination as the amortisation or profit on disposal of these brands would be treated as an adjusting item
- **Profits or losses relating to the sale of brands and related intangible assets** as the continued active management of our portfolio results in the recognition of profits or losses relating to disposals of brands and related intangible assets which are largely uncorrelated with the trading performance of the business
- **Re-cycled foreign exchange translation reserves** upon the sale, liquidation, repayment of share capital or abandonment of a subsidiary previously controlled by the Group, as the gain or loss relates to mainly exchange movements in previous periods rather than the current period
- **The reclassification of finance income/(expenses) on tax balances into income tax expense,** to align with the Group's tax guidance. As a result, the income/(expenses) are presented as part of income tax expense on an adjusted basis
- **Other individually material items of expense or income.** Some of these items are resolved over a period of time such that the impact may affect more than one reporting period

Adjusted measures

- **Adjusted Operating Profit and Adjusted Operating Profit margin:** Adjusted operating profit reflects the IFRS operating profit excluding items in line with the Group's adjusted items policy. See page 226 for details on the adjusting items and a reconciliation between IFRS operating profit and adjusted operating profit. The adjusted operating profit margin is the adjusted operating profit expressed as a percentage of net revenue
- **Adjusted tax rate:** The adjusted tax rate is defined as the adjusted continuing income tax expense as a percentage of adjusted profit before tax
- **Adjusted diluted EPS:** Adjusted diluted EPS is the IFRS diluted EPS excluding items in line with the Group's adjusted items policy. See page 226 for details on the adjusting items and a reconciliation between IFRS net income and adjusted net income. The weighted average number of shares for the period is the same for both IFRS diluted EPS and adjusted diluted EPS
- **Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation):** Adjusted operating profit less depreciation and amortisation (excluding adjusting items)

Other non-GAAP measures

- **Like-for-like (LFL):** Net revenue growth or decline at constant exchange rates (see below) excluding the impact of acquisitions, disposals and discontinued operations. Completed disposals are excluded from LFL revenue growth for the entirety of the current and prior years. Acquisitions as at the balance sheet date are included in LFL revenue growth twelve months after the completion of the relevant acquisition. LFL growth also excludes countries with annual inflation greater than 100% (Venezuela and Argentina). LFL policy will be updated in 2024 to exclude low margin manufacturing revenues agreed at the time of sale of a brand or business. In 2023, net revenue included £10 million of such low margin revenues
- **Constant exchange rate (CER):** Net revenue and profit growth or decline adjusting the actual consolidated results such that the foreign currency conversion uses the same exchange rates as were applied in the prior year, and excludes the effect of applying hyperinflation accounting in the relevant subsidiaries
- **Brand Equity Investment (BEI):** BEI is the marketing support designed to capture the voice, mind and heart of our consumers
- **Net working capital (NWC):** NWC is the total of inventory, trade and other receivables and trade and other payables less interest accrued on tax balances, indemnity provisions for disposed businesses and forward purchase liabilities. NWC is calculated as a % of last twelve months net revenue to compare changes in NWC to the growth of the business
- **Net Debt:** The Group's principal measure of net borrowings being the total of cash and cash equivalents, short-term and long-term borrowings, lease liabilities and derivative financial instruments on debt
- **Free Cash Flow and Free Cash Flow Conversion:** The Group's principal measure of cash flow defined as net cash generated from continuing operating activities less net capital expenditure. A reconciliation of cash generated from operations to Free Cash Flow is shown on page 225. The Group tracks Free Cash Flow as a % of adjusted net income to understand the conversion of adjusted profit into cash

Alternative Performance Measures continued

Other definitions and terms

- **Category Market Unit (CMU):** Reckitt analyses its market share by CMUs, which represent country and either brand or category, e.g., US Lysol. This allows us to analyse the components of market share growth taking into account both geography and brand/category. Management has identified those Core CMUs that are the most strategically important. The list of Core CMUs is kept under continual review and will change over time based on strategic decisions. Currently, Core CMUs cover c.65% of Group net revenue and between c.55% to c.80% of each Global Business Unit's (GBU) net revenue. As a measure of competitiveness, management tracks the percentage of Core CMUs holding or gaining market share, weighted by net revenue
- **E-commerce:** E-commerce channel net revenue is direct sales from Reckitt to online platforms or directly to consumers. Estimates of total E-commerce sales as a percentage of Group net revenues are calculated by adding E-commerce channel net revenue to an estimate of E-commerce sales achieved by our brands through omnichannel distributors and retailer websites
- **Discontinued operations:** Includes credits or charges related to the previously demerged RB Pharmaceuticals business that became Indivior plc. Net profit/(loss) from discontinued operations is presented as a single line item in the Group Income Statement
- **Return on Capital Employed (ROCE):** Defined as adjusted operating profit after tax divided by monthly average capital employed. Capital employed comprises total assets less current liabilities other than borrowings-related liabilities. Total assets exclude cash, retirement benefit surplus, current tax and a technical gross-up to goodwill that arises because of deferred tax liabilities recorded against identified assets acquired in business combinations. Total assets have been adjusted to add back impairments of Goodwill except where the impaired asset has been disposed or partially disposed. Current liabilities exclude the share repurchase liability, legal provisions recorded as a result of adjusting items and current tax
- **Net revenue attributable to 'more sustainable' products:** A product is defined as 'more sustainable' when it scores a total of 10 or more points across five parameters (carbon, water, plastics, packaging and ingredients) at time of launch using our Sustainable Innovation Calculator (a streamlined Lifecycle Assessment tool that models the environmental impacts of products). The net revenue from 'more sustainable' products is expressed as a percentage of total net revenue. The calculation is done on the basis of a 12 month period ending September (to allow for the assembling of the related data)

Reconciliation of IFRS to Like-for-Like Net Revenue (by GBU)

	For the year ended 31 December			
Net revenue	Hygiene £m	Health £m	Nutrition £m	Group £m
2022 IFRS	5,960	5,992	2,501	14,453
M&A	–	(40)	(12)	(52)
Exchange and hyperinflation	(37)	(7)	1	(43)
2022 Like-for-like	**5,923**	**5,945**	**2,490**	**14,358**
2023 IFRS	6,135	6,062	2,410	14,607
M&A	–	(8)	(7)	(15)
Exchange and hyperinflation	93	190	(13)	270
2023 Like-for-like	**6,228**	**6,244**	**2,390**	**14,862**
Like-for-like growth	**5.1%**	**5.0%**	**(4.0%)**	**3.5%**

Like-for-Like Net Revenue Growth

%	Hygiene	Health	Nutrition	Group
2020	19.5%	13.9%	0.1%	13.9%
2021	7.5%	(0.8%)	2.7%	3.5%
2022	(3.1%)	14.7%	22.9%	7.6%
2023	5.1%	5.0%	(4.0%)	3.5%
4 year Compound Annual Growth Rate (CAGR)	**6.9%**	**8.0%**	**4.9%**	**7.0%**

This shows net revenue growth since Reckitt set out our strategy for rejuvenating sustainable growth in February 2020 to rebuild like for like revenue growth to the mid-single digit range.

Alternative Performance Measures continued

Reconciliation of Operating Cash Flow to Free Cash Flow

	31 Dec 2023 £m	31 Dec 2022 £m
Cash generated from continuing operations	**3,829**	3,430
Less: net interest paid	**(263)**	(209)
Less: tax paid	**(922)**	(831)
Less: purchase of property, plant & equipment	**(348)**	(362)
Less: purchase of intangible assets	**(101)**	(81)
Plus: proceeds from the sale of property, plant & equipment	**63**	84
Free cash flow	**2,258**	2,031
Free cash flow conversion	**97%**	83%

12 months Adjusted EBITDA to Net Debt

Adjusted EBITDA	31 Dec 2023 £m	31 Dec 2022 £m
Operating profit	**2,531**	3,249
Excluding: adjusting items	**842**	190
Adjusted operating profit	**3,373**	3,439
Excluding: adjusted depreciation and amortisation	**444**	402
Adjusted EBITDA	**3,817**	3,841

Net debt	31 Dec 2023 £m	31 Dec 2022 £m
Cash and cash equivalents (inc. overdrafts)	**1,380**	1,156
Financing liabilities	**(8,670)**	(9,140)
Net debt	**(7,290)**	(7,984)
Net debt/Adjusted EBITDA (times)	**1.9**	2.1

Dividend Cover

	31 Dec 2023 £m	31 Dec 2022 £m
Interim dividend paid in year	**549**	523
Final dividend proposed	**828**	789
Total dividends	**1,377**	1,312
Adjusted net income	**2,323**	2,452
Dividend cover (times)	**1.7**	1.9

Net Working Capital

	31 Dec 2023 £m	31 Dec 2022 £m
Inventories	**1,637**	1,825
Trade and other receivables	**2,062**	2,082
Trade and other payables	**(5,506)**	(5,547)
Less: Forward purchase liability	**158**	–
Less: Interest accrued on tax balances	**122**	105
Less: Indemnity provisions for disposed businesses	**48**	–
Net working capital	**(1,479)**	(1,535)
Net working capital as percentage of 12-month net revenue	**(10%)**	(11%)

ROCE Calculation

	31 Dec 2023 £m	31 Dec 2022 £m
Adjusted operating profit	**3,373**	3,439
Less: taxation on adjusted operating profit	**(850)**	(753)
Adjusted net operating profit after tax	**2,523**	2,686
IFRS total assets	**27,136**	28,742
IFRS total current liabilities	**(8,338)**	(8,341)
IFRS total assets less current liabilities	**18,798**	20,401
Excluding IFRS items not included in capital employed:		
Short-term borrowings	**1,679**	1,721
Current tax liabilities	**620**	791
Legal provisions	**30**	90
Interest accrued on tax balances	**122**	105
Share repurchase liability	**296**	–
Cash and cash equivalents	**(1,387)**	(1,157)
Current tax recoverable	**(80)**	(155)
Retirement benefit surplus	**(270)**	(294)
IFRS balances included in capital employed	**19,808**	21,502
Add back: impact of unrealised impairments	**4,078**	3,490
Less: goodwill due to deferred tax on intangibles	**(4,265)**	(4,385)
Impact of average in year vs closing balance	**531**	(289)
Average capital employed	**20,152**	20,318
Return on capital employed	**12.5%**	13.2%

Alternative Performance Measures continued

The table below reconciles the Group's IFRS measures to its adjusted measures for the year ended 31 December 2023.

		Adjusting items					
	IFRS £m	Impact of business combinations £m	Gain on disposal of brands £m	Reclassified foreign exchange translation on liquidation of subsidiaries £m	Finance income reclass £m	Other individually material items of income and expense £m	Adjusted £m
Net revenue	14,607	–	–	–	–	–	14,607
Cost of sales	(5,847)	–	–	–	–	–	(5,847)
Gross profit	**8,760**	**–**	**–**	**–**	**–**	**–**	**8,760**
Net operating expenses	(6,229)	28	1	–	–	813	(5,387)
Operating profit	**2,531**	**28**	**1**	**–**	**–**	**813**	**3,373**
Net finance expense	(130)	(9)	–	(130)	22	–	(247)
Profit before income tax	**2,401**	**19**	**1**	**(130)**	**22**	**813**	**3,126**
Income tax charge	(753)	(4)	(9)	–	(22)	(1)	(789)
Net income from continuing operations	**1,648**	**15**	**(8)**	**(130)**	**–**	**812**	**2,337**
Less: Attributable to non-controlling interests	(14)	–	–	–	–	–	(14)
Net income from continuing operations attributable to owners of the parent company	**1,634**	**15**	**(8)**	**(130)**	**–**	**812**	**2,323**
Net profit from discontinued operations	**9**	**–**	**–**	**–**	**–**	**(9)**	**–**
Total net income attributable to owners of the parent company	**1,643**	**15**	**(8)**	**(130)**	**–**	**803**	**2,323**
Earnings per share (EPS)							
Continuing operations[1]							
Basic	227.9	2.1	(1.1)	(18.1)	–	113.3	324.1
Diluted	227.4	2.1	(1.1)	(18.1)	–	113.1	323.4
Discontinued operations[1]							
Basic	1.3	–	–	–	–	(1.3)	–
Diluted	1.3	–	–	–	–	(1.3)	–
Total operations[1]							
Basic	229.2	2.1	(1.1)	(18.1)	–	112.0	324.1
Diluted	228.7	2.1	(1.1)	(18.1)	–	111.8	323.4

1 EPS is calculated using 716.7 million shares (basic) and 718.3 million shares (diluted)

Impact of business combinations comprises:

- £27 million relates principally to amortisation of certain intangible assets recognised as a result of historical business combinations and a related £4 million tax credit; and
- £9 million finance credit relating to reduction in the liability under the agreement to purchase the non-controlling interest in RB Manon (note 30), and £1 million of related professional fees.

Net gain on disposal of brands includes charge of £2 million relating to remeasurement on held for sale of certain small developing market brands (note 31), a related £9 million tax credit and £1 million of residual income relating to previous brand sales.

Reclassified foreign exchange translation on liquidation of subsidiaries of £130 million relates to a gain following the liquidation of legal entities as part of simplification of the Group's legal entity structure.

Reclassification of finance income of £22 million relates to the reclassification of net interest expense on income tax balances from net finance expense to income tax.

Other individually material items of income and expense comprise:

- £810 million impairment of goodwill in IFCN (note 9);
- £3 million expense relating to costs incurred in relation to the Korean HS issue; and
- £9 million income from discontinued operations which relates to the DoJ settlement in 2019.

Alternative Performance Measures continued

The table below reconciles the Group's IFRS measures to its adjusted measures for the year ended 31 December 2022.

		Adjusting items					
	IFRS £m	Impact of business combinations £m	Gain on disposal of brands £m	Reclassified foreign exchange translation on liquidation of subsidiaries £m	Finance income reclass £m	Other individually material items of income and expense £m	Adjusted £m
Net revenue	14,453	–	–	–	–	–	14,453
Cost of sales	(6,092)	–	–	–	–	–	(6,092)
Gross profit	**8,361**	**–**	**–**	**–**	**–**	**–**	**8,361**
Net operating expenses	(5,112)	33	(14)	–	–	171	(4,922)
Operating profit	**3,249**	**33**	**(14)**	**–**	**–**	**171**	**3,439**
Net finance expense	(161)	–	–	(69)	(26)	–	(256)
Share of loss and impairment of equity-accounted investments	(21)	–	–	–	–	–	(21)
Profit before income tax	**3,067**	**33**	**(14)**	**(69)**	**(26)**	**171**	**3,162**
Income tax charge	(711)	(11)	(7)	–	26	12	(691)
Net income from continuing operations	**2,356**	**22**	**(21)**	**(69)**	**–**	**183**	**2,471**
Less: Attributable to non-controlling interests	(19)	–	–	–	–	–	(19)
Net income from continuing operations attributable to owners of the parent company	**2,337**	**22**	**(21)**	**(69)**	**–**	**183**	**2,452**
Net loss from discontinued operations	**(7)**	**–**	**–**	**–**	**–**	**7**	**–**
Total net income attributable to owners of the parent company	**2,330**	**22**	**(21)**	**(69)**	**–**	**190**	**2,452**
Earnings per share (EPS)							
Continuing operations[1]							
Basic	326.7	3.1	(2.9)	(9.6)	–	25.5	342.8
Diluted	325.7	3.1	(2.9)	(9.6)	–	25.4	341.7
Discontinued operations[1]							
Basic	(1.0)	–	–	–	–	1.0	–
Diluted	(1.0)	–	–	–	–	1.0	–
Total operations[1]							
Basic	325.7	3.1	(2.9)	(9.6)	–	26.5	342.8
Diluted	324.7	3.1	(2.9)	(9.6)	–	26.4	341.7

1 EPS is calculated using 715.3 million shares (basic) and 717.5 million shares (diluted)

Impact of business combinations of £33 million relates principally to amortisation of acquired intangible assets recognised through historical business combinations. Income tax relates to an £11 million tax credit in relation to this amortisation.

Gain on disposal of brands and related intangible assets of £14 million relates to the disposal of Dermicool (£49 million loss) and E45 and related brands (£63 million gain). Included within income tax expense is a deferred tax credit of £28 million arising on the derecognition of deferred tax liabilities, offset by a £21 million tax charge incurred in relation to the disposals.

Reclassified foreign exchange translation on liquidation of subsidiaries of £69 million is the gain following the liquidation of legal entities as part of simplification of the Group's legal entity structure.

Reclassification of finance income of £26 million relates to the reclassification of net interest income on income tax balances from net finance expense to income tax.

Other individually material items of income and expense of £171 million is composed of:

- £152 million expense relating to the impairment of Biofreeze goodwill;
- £14 million expense relating to the reorganisation of the Nutrition business subsequent to the disposal of IFCN China in 2021; and
- £5 million expense relating to costs incurred in relation to the Korean HS issue.

Included within income tax expense is a £12 million net tax charge in relation to the IFCN China strategic review.

Shareholder Information

Annual General Meeting

Our Annual General Meeting (AGM) will be held on Thursday 2 May 2024 at 14:00 at the London Heathrow Marriott Hotel, Bath Road, Hayes, Middlesex UB3 5AN.

The Notice convening the AGM meeting, together with the business to be considered at the meeting, is contained in a separate document for shareholders and is available on our website at www.reckitt.com/investors/annual-general-meetings.

2024 financial calendar and key dates

Announcement of Quarter 1 trading statement	24 April 2024
Annual General Meeting	2 May 2024
Record date for 2023 final dividend	12 April 2024
Payment of 2023 final ordinary dividend	24 May 2024
Announcement of 2024 interim results	24 July 2024
Record date for 2024 interim dividend	2 August 2024
Payment of 2024 interim ordinary dividend	13 September 2024
Announcement of Quarter 3 trading statement	23 October 2024

Dividend

The Directors recommend a final dividend of 115.9 pence per share for the year ended 31 December 2023. Subject to shareholder approval at the 2024 AGM, payment of the final dividend will be made on 24 May 2024 to all shareholders on the register as at 12 April 2024. The latest date for receipt of new applications to participate in the Dividend Reinvestment Plan (DRIP) in respect of the 2023 final dividend is 2 May 2024. Details on how to join the DRIP can be found below.

Dividend Reinvestment Plan (DRIP)

Shareholders participating in the DRIP receive additional shares purchased in the market instead of receiving a cash dividend. You can elect to join the DRIP by registering on the Computershare Investor Centre at www.investorcentre.co.uk. Alternatively, you can request a DRIP mandate form and terms and conditions by contacting Computershare on +44 370 703 0118.

Mandatory direct credit

We no longer pay dividends by cheque. Instead, cash dividends are now paid directly to shareholders' bank accounts. This is known as 'mandatory direct credit'. Receiving dividends this way means that shareholders receive dividend funds quicker. It also means the Company reduces its environmental impact, incurs lower administration costs and reduces the risk of cheque fraud.

To have your dividends paid directly into your bank account, please provide your bank details to our Registrar, Computershare, either by accessing Computershare's Investor Centre at www.investorcentre.co.uk or by telephone on +44 370 703 0118. We will hold your dividends for you until you provide valid bank details and charges may be applied to reissue any outstanding dividend payments.

If you are based overseas, Computershare can offer an international payment option to have your dividends paid into your local account in a preferred currency. Please register online by visiting www.investorcentre.co.uk, where you can review the full details and associated fees.

Share dealing facility

The Company's shares can be traded through most banks, building societies, stockbrokers or 'share shops'. In addition, UK-based shareholders can buy or sell the Company's shares using a share dealing facility made available by Computershare, which includes internet and postal share dealing.

Internet share dealing

Internet share dealing is available to shareholders residing in the UK. This service offers shareholders a straightforward way to buy or sell the Company's shares on the London Stock Exchange. The commission is 1.4%, subject to a minimum charge of £40. In addition, stamp duty, currently 0.5%, is payable on purchases. Real-time dealing is available during UK market hours (08:00 to 16:30). In addition, you can place a sale instruction outside of market hours.

To access the service, log on to www.computershare.com/dealing/uk. Shareholders must have their Shareholder Reference Number (SRN) available. The SRN appears on share certificates. Internet share dealing is only available to residents in either the UK, Channel Islands or Isle of Man.

Postal share dealing service

The postal share dealing service offers a way to sell or purchase shares (subject to availability). To use the service you must be a resident of the UK or one of the permitted jurisdictions. A full list of permitted jurisdictions can be found at www.computershare.com/dealing/uk. If you wish to use the service, you can download a postal share dealing form and the terms and conditions at www.computershare.com/dealing/uk. The fee for this service is 1.4% of the value of each sale or purchase and is subject to a minimum charge of £40. Stamp duty of 0.5% may be payable on purchases.

Detailed terms and conditions for both internet and postal dealing are available upon request by calling +44 370 702 0000.

Shareholder Information continued

Electronic shareholder communications

We encourage all shareholders to receive an email notification when shareholder documents become available online, to reduce our impact on the environment. An election to receive electronic shareholder communications will:

- result in cost savings to the Company since less paper documentation will need to be produced and posted;
- allow for quicker and more effective communications with shareholders; and
- support Reckitt's corporate responsibility profile.

Shareholders can register for electronic communications by registering at www.investorcentre.co.uk.

Shareholders who have elected for electronic communications will receive an email whenever shareholder documents are available on the Company's website. Shareholders who have elected by deemed consent, in accordance with the CA 2006, will receive a hard copy notice of availability of a document on the Company's website and are entitled to request a hard copy of any such document, at any time, free of charge from Computershare. Shareholders can revoke their consent to receive electronic communications at any time by contacting Computershare.

The Company's 2023 Annual Report and Notice of the 2024 AGM are available to view at www.reckitt.com. The Investor section of the website also contains up-to-date information for shareholders to view throughout the year, including:

- detailed share price information;
- financial results;
- regulatory announcements;
- dividend history, payment dates and amounts;
- access to shareholder documents including the Annual Report and Notice of AGM; and
- share capital information.

Analysis of shareholders as at 31 December 2023

Distribution of shares by type of shareholder	No. of holdings	Shares
Nominees and institutional investors	2,948	728,445,231
Individuals	9,948	8,089,948
Total	**12,896**	**736,535,179**

Size of shareholding	No. of holdings	Shares
1–500	7,324	1,391,393
501–1,000	2,032	1,473,968
1,001–5,000	2,006	4,167,361
5,001–10,000	310	2,226,412
10,001–50,000	541	13,290,266
50,001–100,000	202	14,190,441
100,001–1,000,000	371	123,087,357
1,000,001 and above	108	576,707,981
Total	**12,896**	**736,535,179**

American Depositary Receipts (ADRs)

ADRs are dollar-denominated securities that represent the ownership of ordinary shares in a non-US company, quoted and traded in US dollars in the US securities market. ADRs facilitate the purchase, holding and sale of non-US shares by US investors. Dividends are paid to investors in US dollars.

Reckitt Benckiser Group plc ADRs are traded on the over-the-counter (OTC) market under the symbol RBGLY. Five ADRs represent one ordinary Reckitt share. J.P. Morgan Chase Bank N.A. is the Depositary. The table below provides details of the identification of Reckitt securities on the US market place and the London Stock Exchange.

Symbol	Security	Listing/Trading	CUSIP/ISIN
RBGLY	US security (ADR)	OTC Pink	756255204
RKT.L.	Ordinary share	London Stock Exchange	GB00B24CGK77

Shareholder Information continued

ADR Depositary Bank

J.P. Morgan Chase Bank N.A. sponsors and administers the Reckitt ADR facility. J.P. Morgan ADR shareholder services can be contacted as follows:

J.P. Morgan Chase Bank N.A.
383 Madison Avenue, Floor 11, New York, NY 10179

Telephone number for general queries: +1 800 990 1135
Telephone number from outside the US: +1 651 453 2128

Website: www.shareowneronline.com

Company Secretary

Catheryn O'Rourke

Registered office

103-105 Bath Road, Slough, Berkshire SL1 3UH, United Kingdom
Telephone: +44 1753 217800
Registered in England and Wales, No. 6270876

Company status

Public Limited Company

Auditor

KPMG LLP

Solicitors

Slaughter and May

Registrar

The company's Registrar, Computershare, is responsible for maintaining and updating the shareholder register and making dividend payments to shareholders. If you have any queries relating to your shareholding, please contact Computershare.

Computershare Investor Services PLC
The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

Shareholder helpline
Telephone: +44 370 703 0118
Website: www.computershare.com/uk

Charity donation

ShareGift is a UK registered charity (No.1052686) which specialises in realising the value locked up in small shareholdings for charitable purposes. The resulting proceeds are donated to a wide range of charities, reflecting suggestions received from donors. If you have only a small number of Reckitt shares which are uneconomic to continue holding, you may wish to consider donating them to ShareGift. Please visit www.sharegift.org/donate-shares or telephone +44 207 930 3737 for more information.

Unsolicited mail

We are legally obliged to make our register of shareholders available to the public, subject to a proper purpose test. As a result, some shareholders might receive unsolicited mail. Shareholders wishing to limit the amount of such mail should write to the Mailing Preference Service, MPS FREEPOST 29 LON20771, London W1E 0ZT or register online at www.mpsonline.org.uk.

Share fraud and 'boiler room' scams

Share fraud is a deceptive practice that induces investors to make sales and purchases based on inaccurate information and in violation of security laws. In boiler room scams, fraudsters will entice investors into scams through increased persuasion and high-pressure tactics through cold calling or random contact.

Reckitt is aware of these deceptions and urges shareholders who are offered unsolicited investment advice, discounted shares, a premium price for shares, or free company or research reports to investigate thoroughly before making any decision.

If you receive any form of unsolicited investment advice, please take the following steps:

- Confirm the name of the person and/or organisation
- Check the Financial Conduct Authority's (FCA) Financial Services Register at www.register.fca.org.uk/ to ensure they are authorised
- Use the details on the Financial Services Register to contact the firm
- Call the FCA Consumer Helpline on +44 800 111 6768 (freephone) or 0300 500 8082 (from the UK), if there are no contact details on the Register or if they are out of date
- Search the FCA's list of unauthorised firms and individuals at www.fca.org.uk/consumers/unauthorised-firms-individuals to avoid doing business with reported offenders
- If you are approached by fraudsters please contact the FCA using its helpline, or share fraud reporting form
- Consider getting independent financial advice

Using an unauthorised firm to buy or sell shares or other investments will prohibit access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) should the investment be unsuccessful. Remember: if it sounds too good to be true, it probably is. If you think you have been a victim of these scams, the matter should be reported to the Police and to Action Fraud. For more information, please visit the Serious Fraud Office website at www.sfo.gov.uk/contact-us/reporting-serious-fraud-bribery-corruption.

Shareholder Information continued

Cautionary note concerning forward-looking statements

This Annual Report and Financial Statements contains statements with respect to the financial condition, results of operations and business of Reckitt Benckiser Group plc and the Reckitt group of companies (the Group) and certain of the plans and objectives of the Group that are forward-looking statements. Words such as 'intends', 'targets', or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including targets for net revenue, operating margin and cost efficiency, are forward-looking statements. Such statements are not historical facts, nor are they guarantees of future performance.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including many factors outside the Group's control. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: the general economic, business, political, geopolitical and social conditions in the key markets in which the Group operates; the Group's ability to innovate and remain competitive; the Group's investment choices in its portfolio management; the ability of the Group to address existing and emerging environmental and social risks and opportunities; the ability of the Group to manage regulatory, tax and legal matters, including changes thereto; the reliability of the Group's technological infrastructure or that of third parties on which the Group relies including the risk of cyber-attack; interruptions in the Group's supply chain and disruptions to its production facilities; economic volatility including increases in the cost of labour, raw materials and commodities; the execution of acquisitions, divestitures and business transformation projects; product safety and quality, and the reputation of the Group's global brands; and the recruitment and retention of key management.

These forward-looking statements speak only as of the date of this Annual Report and Financial Statements. Except as required by any applicable law or regulation, Reckitt expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Any information contained in the 2023 Annual Report and Financial Statements on the price at which shares or other securities in Reckitt Benckiser Group plc have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.

Notes

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