

CHAIR'S STATEMENT

PROGRESS AND RESILIENCE IN AN EVENTFUL YEAR



CHRIS SINCLAIR
CHAIR

Reckitt today is a well-invested, resilient business with a clear strategy and purpose, a strong culture, dynamic and committed leadership and an excellent portfolio of leading and trusted brands.



CHAIR'S STATEMENT CONTINUED

Reckitt saw strong all-round performance in 2022, delivering 7.6% LFL net revenue growth¹. We executed effectively and delivered on our priorities, whilst advancing on our transformation journey during what was yet another challenging year.

Last year I wrote about the company being at an inflection point. I suggested then that the benefits from our transformation journey would become increasingly apparent, and they have – in the progress, flexibility and resilience Reckitt has demonstrated this year, against a backdrop of market volatility, inflation and economic disruption.

Our problem-solving, innovative culture has been a driving force in helping us successfully navigate both supply bottlenecks and demand spikes. When the war in Ukraine threatened sunflower oil supplies, we acted fast to source alternatives and sustain production. Faced with a sudden shortage of infant formula in the US, we swiftly ramped up supply to help ensure babies continued to have access to the nutrition they needed. These are clear examples of the organisation's ability to manage and excel through dynamic change.

Business performance

There is also momentum in our financial performance, and we remain on track to meet our medium-term targets.

With respect to our transformation, the business has now pivoted from focusing on foundational changes to enjoying the benefits of those changes already implemented. Sharper execution, a more flexible and resilient supply chain, expanded capacity, better customer service and continually improving digital capabilities have all helped to deliver strong underlying performance across our portfolio of purpose-led brands.

Reckitt's Purpose to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world remains central to our future and we remain focused on delivering our strategy.

At the same time, governance and risk management continue to be very important areas of focus for the Board. Alongside our sustainability agenda, all three elements are key to our investments and initiatives and enhance the safety and efficacy of our products.

Talent and culture

Also key to our investments and initiatives is our cultural agenda. For example, we have expanded and deepened our commitments on diversity, equity and inclusion. More broadly, we are building a vibrant culture founded on purpose and governed by our Compass. Both affect the way we operate, how we think of ourselves and our approach to the wider world. Progress here is increasingly making Reckitt a place where everyone has a real opportunity to succeed and grow.

Executive change

Reckitt saw the departure of our former CEO, Laxman Narasimhan, in September. We were fortunate that Nicandro Durante was willing and ready to step in for an interim period, to help steer the company on our continued transformation journey, and to give the Board time to find the right permanent successor.

As Reckitt's longest-serving Non-Executive Director, Nicandro already knew our company well. This, along with his experience as a global FMCG CEO and strong track record of managing change, equipped him for the task. Nicandro is ably supported by a strong and committed leadership team.

The process for naming a new CEO is well underway with assessments of both internal and external candidates. We look forward to updating shareholders and the market as soon as we are able.

Finally, I'd like to express my gratitude to Laxman for his important contribution over the past three years. Reckitt today is a stronger company with excellent talent and well positioned for the future.

Changes to the Board

Recent appointments have refreshed and strengthened the Board. In February 2022, we were pleased to welcome Alan Stewart as a Non-Executive Director. As former CFO at Tesco, Alan brings a wealth of experience, and his insights are already helping to inform our approach to strengthening retail partnerships. Alan was also appointed as Chair of the Remuneration Committee, replacing Mary Harris in that role. Mary continues to be a valued member of the Remuneration Committee.

Following Nicandro becoming CEO, Jeremy Darroch joined us as Senior Independent Non-Executive Director in November and was appointed to the Remuneration Committee and the Nomination Committee. Formerly Executive Chairman and Group Chief Executive of Sky, Jeremy is an outstanding leader with considerable expertise in the consumer retail environment, built up over a successful career at some of the UK's highest-profile companies.

We are also delighted to welcome Tamara Ingram OBE as a Non-Executive Director and member of the Audit Committee from February 2023. With many years of experience at major advertising firms, including as Global Chair of Wunderman Thompson and CEO of McCann Worldgroup in London, Tamara's informed

perspective, on marketing and communication issues especially, will add tremendously to the quality of our deliberations.

In February 2020, the Board committed to maintain the dividend at 2019 levels as investments were made to benefit long-term sustainable growth. The Board has updated its dividend policy and now aims to deliver sustainable dividend growth in future years, subject to any significant internal or external factors. Accordingly, the 2022 dividend has been increased by 5% in line with this objective.

The Board of Directors recommends a final 2022 dividend of 110.3 pence, which when added to the interim dividend of 73.0 pence, gives a full-year dividend of 183.3 pence (2021: 174.6 pence). Subject to shareholder approval at the Annual General Meeting, this will be paid on 24 May 2023 to shareholders on the register at the record date of 11 April 2023.

Conclusion

In summary, Reckitt today is a well-invested, resilient business with a clear strategy and purpose, a strong culture, dynamic and invested leadership and an excellent portfolio of leading and trusted brands.

With good momentum and a strategy fit for the times, we are well placed to both manage upcoming challenges and respond to opportunities.

We approach the future with confidence. We will continue to drive sustainable growth and deliver on our priorities and purpose. We know these are the right priorities and we will continue forging our path to long-term success for Reckitt, its shareholders and its stakeholders.

1. Adjusted and other non-GAAP measures, definitions and terms are defined on page 75