



reckitt

# POWERBRANDS WITH IMPACT

Annual Report and Accounts 2024



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## Our Powerbrands

# POWERBRANDS WITH IMPACT

Reckitt is focused on a portfolio of market-leading Powerbrands that support health and wellbeing. These brands have a high level of consumer trust, premium positioning and competitive advantage.

That enduring competitive advantage is built through the powerful combination of Reckitt's unique consumer insight, science and entrepreneurial spirit. It helps drive attractive earnings models for our 11 Powerbrands, with high gross margins that in turn fuel ongoing reinvestment and innovation, such as the 2024 introduction of Mucinex Mighty Chews, the first over-the-counter medicated children's soft chewable tablet for cough relief (see page 11 for more information on how we build our Powerbrands).

With a pipeline of superior products that address people's everyday needs, we create, build and broaden our iconic brands, taking advantage of significant, long-term runways for growth, driven by population dynamics, economic opportunities and consumer trends. This also drives expansion in our four core categories: Self Care, Germ Protection, Household Care and Intimate Wellness.


In addition to our Powerbrands, which make up more than 80% of our core business, we have likely future Powerbrands including Move Free and Biofreeze, as well as local heroes including Lemsip, Jik and Veja. Together, this portfolio serves both the universal and unique health and hygiene needs of people around the world, while delivering sustainable growth and long-term value creation.

## OUR PORTFOLIO OF POWERBRANDS



### SELF CARE


Strepsils, Mucinex, Gaviscon and Nurofen are our over-the-counter (OTC) Powerbrands, trusted by consumers and healthcare professionals to treat a range of symptoms.

 Read more on page 22



### GERM PROTECTION


These Powerbrands, Lysol, Dettol and Harpic, protect against the spread of germs, enabling good hygiene, which we see as the foundation of health.

 Read more on page 24



### HOUSEHOLD CARE


Two Powerbrands, Finish and Vanish, are global leaders in their respective categories. Their growth is fuelled by opportunities for premiumisation and penetration.

 Read more on page 26



### INTIMATE WELLNESS

Durex and Veet are global leaders in their respective categories, condoms and depilatories, driven by innovation and premiumisation as we serve growing consumer interest and engagement.

 Read more on page 28



## Our Powerbrands continued



Mucinex



Strepsils

SELF CARE

GAVISCON

HOUSEHOLD  
CARE



NUROFEN 

OUR CATEGORIES  
AND POWERBRANDS

finish



GERM  
PROTECTION



INTIMATE  
WELLNESS

durex



## Chair's Statement



**Sir Jeremy Darroch**  
Chair

# SECURING OUR FUTURE SUCCESS



**We are confident of Reckitt's strengths and potential to deliver growth and value creation.**

2024 was an important year, in which we laid out a new direction for our business. We have revamped our strategy to streamline our portfolio, simplify our organisation and refresh our leadership team and Board.

We believe this will improve our performance and ensure Reckitt is a leader, fit for the future. We have much work to do but we are clear on the plan we have in place, confident of Reckitt's strengths and potential to deliver strong growth and value creation.

### **A world-class company in resilient categories**

Reckitt is a company with an important near-200-year history, a global footprint and an enviable portfolio of well-loved and trusted brands that improve people's lives. Our Powerbrands are market leaders and play in resilient categories with long-term runways for growth due to favourable demographic and consumer trends. All of this makes for a strong and attractive foundation.

Alongside this, the Company has an entrepreneurial and inclusive culture, a talented and motivated workforce and a clear set of priorities that will serve Reckitt well as it evolves as a world-class consumer health and hygiene company.



## Chair's Statement continued



Our objective, therefore, is to create one of the strongest growth and margin profiles of our peer group, overseen by new leadership with a structure that will bring greater focus, faster decision-making and improved execution. Becoming a simpler, more agile organisation will better enable us to navigate a more complex world, to both seize the opportunities and deal with the challenges arising from the likes of climate change, technology and macroeconomics.

### Shareholder focus

Underpinning this is a drive to better deliver for our shareholders. We recognise that in 2024 our share price has underperformed, but I want you to know that we are doing all we can to demonstrate the enduring value of our business to the market and to turn this performance around.

In July 2024, our Chief Executive Officer Kris Licht presented the details of our new strategy and organisational change. Our teams spent the second half of 2024 laying the important foundations for the future, with the new structure taking effect from 1 January 2025. We are working to exit a group of strong homecare brands, now called Essential Home, which we are on track to do by the end of 2025.

Mead Johnson Nutrition is now considered non-core and we will consider all options to maximise its value for shareholders, taking the time required to achieve the right solution.

Shareholder returns are a foremost priority, and the Board is confident that our new strategy and structure will generate value for shareholders going forward. This confidence is reflected in the second £1 billion share buyback programme that we initiated in July 2024, following completion of a previous £1 billion programme launched in 2023. The first two tranches of the current programme, worth £500 million, are complete, with the third tranche, worth another £500 million, expected to complete by 30 June 2025. We expect the programme to continue in the coming years, consistent with our capital allocation principles.

### 2024 performance showing progress

The financial performance we have delivered shows progress and sets a strong base for future growth. Like-for-like net revenue rose 1.4%, in line with our guidance and adjusted operating profit rose at 3%<sup>1</sup>.

Delivery of these results came at a time of uncertainty for many of our teams at Reckitt, but right across our business our colleagues have been working extremely hard and doing an excellent job of staying focused on performance.

### Engaging with external stakeholders

One of the key responsibilities of the Board is to both constructively challenge and support the CEO and Executive Committee, overseeing execution of the Company strategy. We do this by providing critical internal and external perspectives, honed by our engagement with individuals and groups from across our stakeholder universe, from investors and consumers to non-governmental organisations and other members of civil society.

In 2024, Board members met with senior government representatives from the United Kingdom and attended valuable gatherings as part of the Global Leadership Foundation as well as New York Climate Week, where we engaged with policy makers and leaders from the worlds of academia, politics, technology and business about advancing solutions for health and hygiene across markets.

<sup>1</sup> IFRS operating profit declined 4% and was impacted mainly by an intangible asset impairment charge and restructuring costs, see page 226 for more details

## Our objective is to create one of the strongest growth and margin profiles of our peer group.

As a Board, we value external perspectives, and in 2024 we created an action plan to build on the results of a large survey we conducted across a broad spectrum of respondents in our top markets, from business stakeholders to general consumers. The results showed that while there is more to be done to increase familiarity with Reckitt, people who were familiar with us had a high degree of trust in the Company. I know that our employees, executives and the Board are proud of that trust, and keep it front of mind in our decision-making.

### Board changes

During 2024 we made good progress in strengthening the Board. I'm happy to note several recent Board changes. In 2024, we were joined by Marybeth Hays and Fiona Dawson, and of course I took over as Chair from Chris Sinclair. I want to thank Chris for his nine years of service to this great Board. We benefited greatly from his judgement and experience.

Following on from that, the Board was bolstered further with the appointments of Mahesh Madhavan and Stefan Oschmann, who both have many years of experience as CEOs of global businesses. I know their insight and experience, as well as that from other Board members, will serve our Group well, as we oversee this exciting chapter in Reckitt's history.

As we look to the future, I want to thank all our colleagues. I am always struck by the quality, enthusiasm, talents and commitment of the people in this business. They work tirelessly, often unseen, each and every day, in service of our consumers, our customers and all of us as stakeholders.

I also want to thank you, our shareholders, for your long-term perspective. Seeing this commitment from all of our stakeholders, even during such change, gives me much confidence in what we can achieve together in the future.

### Sir Jeremy Darroch

Chair

## Chief Executive Officer's Statement



**Kris Licht**  
Chief Executive Officer

# A YEAR OF STRATEGIC CLARITY AND DELIVERY



It was a year of delivery against our strategic plan, of top and bottom-line growth and substantial cash returns to shareholders.

2024 was a foundational year for Reckitt. It was a year of strategic clarity as we announced a sharpened focus on Powerbrands and a simpler, more effective operating model.

It was also a year in which we delivered against our strategic plan despite a volatile environment and challenges to our business. Against that backdrop, we have driven top and bottom-line growth and substantially increased cash returns to shareholders.

### Powerbrands with impact

Reckitt owns great brands, which rank amongst the world's best loved in their categories. They offer superior, efficacious solutions that serve the health and hygiene needs of consumers globally. We have invested diligently over the past four years to ensure these brands receive the world class support from our R&D and Supply organisations they deserve.

LFL net revenue growth<sup>1</sup>

**+1.4%**

Adjusted earnings per share growth<sup>1</sup>

**+7.9%**

Cash returns to shareholders<sup>1</sup>

**+75%**

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



## Chief Executive Officer's Statement continued



We bring our brands to life through premium products that extend and deepen their equities through science-based innovation. This supported the welcome return of volume growth across our brand portfolio as the year progressed and a growth algorithm better balanced between volume, price and mix.

Strong contributions from our innovation platforms in Hygiene enabled Lysol to drive volume-led growth through our Air and Laundry Sanitiser products, and Finish through our premium thermoformed dishwasher tablets, despite the return to a more competitive environment in developed markets.

In Health, the success of our new hyaluronic acid condoms helped secure another strong year for Durex in China. Alongside strong performances from Gaviskon and our Vitamins, Minerals and Supplements business, this helped offset softer demand for our seasonal OTC products following a cold and flu season that both ended weak in 2023 and started late in 2024.

### Commitment to deliver shareholder returns

Despite this seasonality and the supply impact of the tornado that hit our Nutrition storage facility in July, we were successful in delivering LFL net revenue growth and adjusted operating profit growth in 2024, as well as a 75% increase in cash returns to shareholders.

Changes in the regulatory environment for infant formula and a more challenging marketplace for topical pain relief resulted in a £838 million goodwill impairment to these assets (see page 173). Nonetheless, at the Group level we achieved our ambition of growing adjusted operating profit ahead of net revenue. This enabled us to increase investment in our brands and grow earnings by 7.9%, resuming an important cadence in adjusted EPS growth that has been lacking in recent years. It also supported a record £2.7 billion in cash returned to shareholders through our dividend and continued share buyback programme.

### Investing for growth

Returning cash has not been at the expense of investing for our long-term growth. In December, I was delighted to raise the Reckitt flag at our newest manufacturing facility in Wilson, North Carolina, which as the cornerstone manufacturing site for our US OTC business will enhance our agility in meeting seasonal demand in our largest market.

In January 2025, I was proud to be at the commissioning of our new R&D centre in Shanghai. This will provide us with a dedicated innovation platform for China to complement our state-of-the-art manufacturing facility in Taicang, which has already helped to deliver the double-digit growth we enjoyed in China in 2024.

These investments in our growth exemplify our commitment to enhancing the resilience of our supply footprint while deepening our R&D capabilities. They will help ensure we continue to innovate the very best products and strengthen execution in market with local capabilities that promote their future growth.

### Harnessing our people and culture

In July, I was pleased to bring strategic clarity to our future by introducing a new Reckitt focused on 11 core Powerbrands. The change I set out draws on our value creation principles, which ensure that every brand we possess works hard for its place in our portfolio.

These Powerbrands are at the heart of our growth model. Supporting them now is a new organisational structure that will enable us to execute in our markets at a level of excellence we expect from the world class consumer health and hygiene company we are becoming.

We have moved at pace to reshape Reckitt and bring about this change. We entered 2025 as an area-led business positioned to maximise the value of our new Self Care, Germ



## Uniting us now is a clear direction: a shared compass through which to navigate opportunity and harness the entrepreneurial energy of our people.

Protection, Household Care and Intimate Wellness categories across three global Areas. Of these, Emerging Markets is now our largest and fastest growing, delivering 5.5% growth in 2024 led by China's double-digit performance.

This change has enabled us to eliminate duplication and accelerate decision making through the organisational delayering we have achieved. It also supports an ambitious target to reduce our fixed costs over the next three years under our Fuel for Growth programme while releasing these to increase brand investment and drive earnings growth in the meantime.

In announcing these changes, I was pleased to appoint some of our longest-serving and most accomplished global leaders to our new businesses, who now join our leadership team on our Group Executive Committee. With these appointments, I am confident we are bringing the skills and experiences of our very best to each.

### A year of opportunity

Across emerging markets and developed economies, 2025 offers an abundance of opportunity for Reckitt. We possess a cohesive, world-class portfolio of Powerbrands and a proven playbook for how to grow and expand them. We enjoy scale across our value chain and our balanced global footprint. And we are undertaking a step-change in organisational effectiveness that will materially improve our ability to execute with excellence in market.

Uniting us now is a clear direction: a shared compass through which to navigate opportunity and harness the entrepreneurial energy of our people to deliver a brighter future and a cleaner, healthier world.

### Kris Licht

Chief Executive Officer

## People and Culture

# UNLEASHING THE POTENTIAL OF OUR PEOPLE, PERFORMANCE AND PURPOSE

In 2024, Reckitt announced the strategic reshaping of our business to sharpen our portfolio and simplify our organisation for accelerated growth. To achieve this, we are reorganising into three businesses: core Reckitt, Essential Home and Mead Johnson Nutrition, reducing organisational layers to foster greater accountability and speed of decision making.

Within core Reckitt we have also adopted a geography-category organisation and leveraged our global functions to further enable our commercial organisation. This work has led to new appointments to Reckitt's Group Executive Committee (see page 64) as well as changes to our Category, Area and Centre of Excellence teams. The vast majority of these appointments have been internal promotions of leaders who have rich commercial, cross-market experience at Reckitt. This is a testimony of past leadership development initiatives.

As we position our portfolio for the future, it is our people who unite us. Our spirit, drive and determination are evident in every one of our markets, categories and functions. Our ambition is to be a world-class consumer health and hygiene company and our Leadership Behaviours: Own, Create, Deliver and Care are critical enablers to our success. We Do the Right Thing. Always.



Building on the foundation created to date, we have put in place plans to continue strengthening our culture. Our culture places people and purpose at the heart of our business. It recognises that how we work is as important as what we do. It is inclusive and values everyone's unique perspective, where everyone has potential to grow and we all hold accountability for making Reckitt a great place to work.

### Nurturing talent

We believe everyone has the potential to grow and develop, including those within specialised roles, those making lateral moves, and those with potential for bigger impact.



**We have a special culture, delivered through our people and brands. We do the right thing, always, and are passionate about delivering performance that is purpose driven, entrepreneurial, fast paced and action oriented.**

### Ranjay Radhakrishnan

Chief Human Resources Officer

In November 2023, we brought together all of our learning programmes for professional growth onto a single platform that offers personalised learning and development options. The uptake of MyDevelopment Learning has shown strong momentum over the past year, with over 17,000 individual learners.

Supported by changes to the way we define and nurture talent, we will continue to provide tailored development and learning journeys for every colleague to grow, feeding our talent pipeline and building Reckitt's next generation of leaders.

### Recognising and rewarding performance

Reckitt strives for sustained high performance in a globally competitive world. We have updated several elements of how we set and measure performance, supported by our established cycle of objective setting, performance reviews and assessment, and development conversations. These changes ensure that we not only further strengthen our performance culture, but also ensure that our colleagues remain purpose led and values driven. Our performance, talent and reward philosophy is aligned to 'who we are' and recognises both 'what' we do and 'how' we do it.

Central to our remuneration philosophy are the principles of pay for performance alongside shareholder and strategic alignment. Combined with our Compass and business model, these principles inform how decisions are made, how leaders lead and how we reward them.



## People and Culture continued



### INCLUSIVE LEADERSHIP

We continue to strive to embed inclusion into our DNA and believe that building an inclusive culture is everyone's responsibility. Enhancing our global Conscious Inclusion programme, in 2024 we launched our Inclusive Leadership programme, encouraging our most senior leaders to review their role and contribution to inclusion within their teams, and supporting them to complete a self assessment and action plan.

We plan to enhance this programme in 2025 as we continue our ongoing partnership with our Wellbeing partner, Hintsia, and introduce new methods to promote, review and action colleague feedback.



Our Global Inclusion Board, chaired by Reckitt's CEO, provides strategic leadership and governance for our inclusion agenda and how it is deployed for our people, within our brand identities and across our supply chain. The Board works with market-based Local Inclusion Boards and Global Employee Resource Groups (ERGs), to ensure our global direction is meaningful across all of our markets.

Our four Global ERGs lead the activation of our inclusion strategy, representing four groups of colleagues and allies: Women, Race & Ethnicity, LGBTQ+ and Disability. Each contributes to moments of celebration throughout the year, amplifying the voices of their members and building allyship throughout our employee population.

### Creating employee dialogue

We paused our annual employee survey for 2024 in order to reassess our employee feedback strategy. Committing to greater transparency on the points that matter most to our people, in 2025 we are introducing new methods of listening to our colleagues throughout the year.

Anchored by an annual global survey, supported by shorter 'Pulse' surveys throughout the year and targeted requests for feedback at key moments, our new methodology will bring together feedback and sentiment from across multiple colleague check points to inform decisions and drive action planning.

### Commitment during change

Change is a continuous reality within our business as we adapt and grow. Throughout these changes we remain committed to our people, sharing our ambitions for the future and ensuring our culture reflects their enthusiasm, drive and professionalism.



For the majority of colleagues, their performance will feed into our Annual Performance Plan (APP) alongside our collective performance against key performance metrics, tailored to individual markets.

Reckitt's most senior managers participate in our Long-Term Incentive Plan (LTIP). Participation has been expanded for 2025, extending a longer-term element of reward to balance in-year performance, enhancing our culture of ownership and supporting us in recruiting, retaining and developing the best global talent.



Read more in our Directors' Remuneration Report on page 96

### Reflecting the countries and communities we serve

As a global organisation that reaches a diverse group of customers, consumers, suppliers and partners, conscious inclusion is at the heart of everything we do. We recognise that our people are a source of competitive advantage. The fact that every one of us is unique, with our own identity, background and experience gives us diversity of thought and enables creative solutions. Our ambition is for everyone to be welcomed, respected and heard. We want everyone to be able to fully contribute to our business and to thrive as we represent and reflect the countries and communities that we serve. We are proud to be recognised as a Global Living Wage employer (see page 49).

## Value Creation Model

# MANAGING OUR PORTFOLIO FOR VALUE CREATION

Our business model is rooted in three fundamental principles that drive the value we create through our brands and the categories in which we play.


These principles define our brand portfolio by setting the expectations against which each must deliver, and guide our strategic choices as we manage our portfolio for value creation.




## HOW WE CREATE VALUE

Reckitt's business model harnesses our value creation principles to a proven playbook on how we grow and expand Powerbrands. Our sharpened portfolio and simpler organisation enable us to create value guided by strategic priorities that support sustainable, long-term growth.


### Portfolio Value Creation

 Read more page 10


### Reckitt Playbook

 Read more page 11


### Strategic Priorities

 Read more page 16

### Simpler Organisation

 Read more page 17

### Stakeholder Value Creation

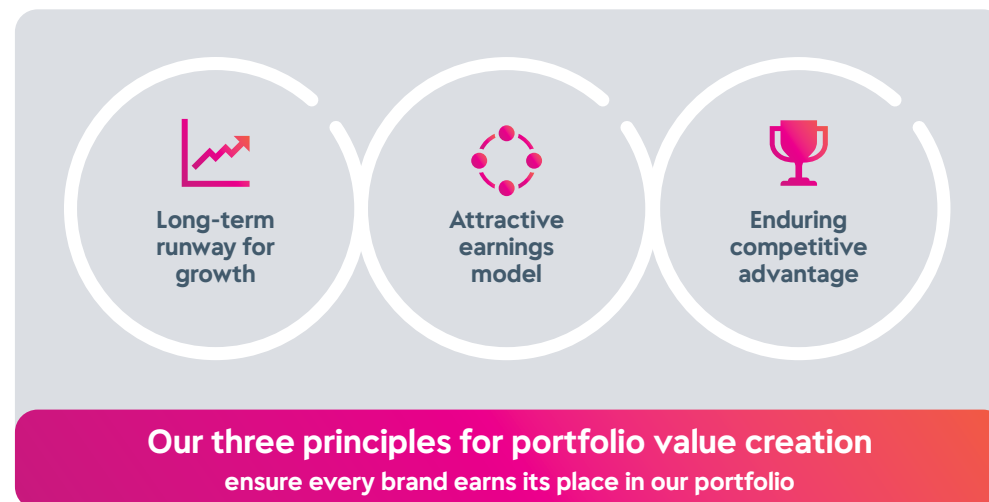
 Read more page 21

### Our three portfolio principles

Our first principle requires each brand to demonstrate a clear, long-term runway for growth.

This can be driven in several ways. First, through premiumisation by leveraging our innovation platforms to develop superior products that anticipate consumer needs as they evolve. Second, through category creation by innovating to establish entirely new categories or expanding existing brands into adjacent ones. Third, through household penetration by increasing our reach and driving adoption of our products in new households and across markets with low penetration rates.

The second principle requires each brand to possess an attractive earnings model. The primary metric we look at is the strength of its gross margin, which must be high and towards the upper end of its category. This approach supports continued reinvestment and innovation, which in turn fuel additional growth through premiumisation and category creation. It also ensures each brand can deliver profit contributions consistent with the Group's gross margin, which is amongst the highest in the industry.



Third, each brand must demonstrate an enduring competitive advantage. This is rooted in strong brand equity, built through decades of consumer loyalty and trust and extended through a superior, innovative product range that sets the brand apart in the marketplace.

These three principles provide the strategic lens through which we evaluate every brand in our portfolio. They inform our capital allocation choices and ensure we play in categories that offer the best long-term opportunities for growth and sustainable value creation.

### July 2024 strategic update

These principles drove the strategic choices we announced in July 2024 to sharpen our portfolio focus on 11 Powerbrands in four consumer health and hygiene categories (see page 18 for details). Drawn from those with the strongest equity, these brands capture the essence of Reckitt's growth potential.

Together, they comprise a portfolio with the potential to deliver one of the most attractive growth and profitability profiles in the industry.

Alongside this core portfolio are two businesses, Essential Home and Mead Johnson Nutrition, which although strong and growing, do not fully align with these three principles. We have therefore embarked on a process to find market opportunities for each.

From 1 January 2025, these two non-core businesses operate and are managed independently alongside core Reckitt, replacing our Global Business Units as our operating segments in the Group's financial reporting.

We plan to exit Essential Home by the end of 2025 while exploring all options for Mead Johnson Nutrition, where we will take the time necessary to determine the path that maximises shareholder value for this market-leading business.



## Value Creation Model continued

## WE CREATE AND GROW POWERBRANDS

Reckitt's Playbook captures the way we create, build and expand our iconic brands.

Our Playbook brings together the capabilities that enable us to deliver sustainable, long-term growth across our brand portfolio. It has been honed over many decades of learning and enables us to create, build and expand our brands through the 'Science Inside' our innovation platforms. This drives the creation

of superior products that anticipate consumer needs through premiumisation and the development of new categories. It extends to engaging with consumers in local markets and executing with excellence, which we continuously strive to enhance.

## CONSUMER OBSESSED

People are at the heart of everything we do. To truly understand their needs, we begin by developing deep insight into their lives. We immerse ourselves in their worlds, bringing everyday problems to life in our sensory and consumer science labs around the world to fully understand and test the local challenges they face. This ensures we solve people's problems by applying science in a way that adds value to their lives.

Using proprietary advanced analytics and machine learning, we uncover valuable insights that reveal hidden patterns in consumer behaviour and sentiment, which are often overlooked in traditional research methods. This enables us to assess why people choose specific products and to map their behaviour in demand spaces where they engage.

By combining deep behavioural understanding with our data-driven analysis, we can identify unmet needs, high-potential categories and methods to unlock demand in those spaces. This is how we keep consumers at the heart of our strategy and drive demand-centric growth through superior solutions across our portfolio of market-leading brands.

## The Reckitt Playbook

## CONSUMER OBSESSED

- Deep consumer insights
- Evolving category needs
- Understanding demand spaces

## ICONIC BRANDS

- Creating and growing categories
- Global Powerbrands
- Local heroes

## SUPERIOR INNOVATION

- The 'Science Inside' Reckitt
- Breakthrough propositions that delight consumers
- Innovation-led growth

## EXECUTION EXCELLENCE

- Optimised supply organisation
- Global success model
- Excellence on shelf and on screen

Premiumisation

Category creation

Household penetration

## Value Creation Model continued



### VANISH: SUSTAINABLE PRODUCT INNOVATION

When developing the new Vanish Oxi Action, our goal was to help consumers reduce their energy bills and carbon footprint while maintaining exceptional performance. Our research revealed that while consumers appreciated the convenience of shorter washes and the potential for energy savings, they were hesitant to switch to colder washes, which are the key element in reducing CO<sub>2</sub> emissions in the wash cycle. This reluctance stemmed from concerns about poor stain removal and lingering odours at lower temperatures.



To address this, we unlocked an exclusive new cold wash catalyst through our innovation capabilities. This catalyst allows the bleaching system to react faster, enabling effective stain removal even in colder washes, tackling tough stains and odours. We enriched our existing formula with this catalyst and used machine learning to rebalance the ingredients, optimising the formula to speed up stain removal in just 30 minutes.

To test the new formula's effectiveness, we pioneered a first-of-its-kind, two-phase Life Cycle Assessment. In the first phase, we

evaluated the efficacy and environmental impact of our laundry booster in the wash cycle. In the second phase, we extended our evaluation to the impact on garment lifespan. Our results were striking: using our laundry booster on a 20°C shorter wash cycle can reduce CO<sub>2</sub> emissions by up to 30% compared to using detergent alone on a 40°C longer wash cycle, while still providing excellent stain removal. Additionally, our testing showed that washing with our laundry booster on a colder, milder cycle can double the lifetime of a garment, with better colour maintenance, thanks to lower mechanical and thermal stress. This has significant positive implications for reducing the environmental footprint considered in our Life Cycle Assessment.

Our new formula was successfully launched in the UK, our largest market for Vanish, in 2023 and has reached at least 350,000 new households since launch.

#### Link to strategy

-  Portfolio value creation
-  Product superiority

### ICONIC BRANDS

Reckitt has been growing brands for almost two centuries. Today, the superior, efficacious products they represent provide health and hygiene solutions to people in almost every country.

Most of our Powerbrands are global leaders in their category. We leverage our global footprint to drive brand expansion through the breadth of our go-to-market networks and the scale of our manufacturing capabilities.

Our brands are the foundation of our value proposition and the medium through which we engage with consumers. Whether it's Dettol, launched in 1933 and synonymous with antiseptic liquid for consumers across the world, or Finish, a pioneer in auto dishwash since 1953, the brand equity we build represents a unique and powerful source of our competitive advantage.

Each of the Powerbrands in our core portfolio has earned its place by meeting our three

principles of value creation. Collectively, they match the high expectations we set around long-term growth, earnings power and competitive advantage.

Alongside our Powerbrands are a number of local hero brands which enjoy strong levels of consumer loyalty in their local markets. They include Temptra, Lemsip, Jik and Veja, which meet our value creation criteria but do not possess the multi-geography reach of our Powerbrands.

Certain brands have the potential to grow into Powerbrands over time. These include Move Free, our joint health supplement, which has enjoyed strong levels of adoption in China and contributed to the double-digit growth we enjoyed there in 2024.

Together, our Powerbrands, future Powerbrands and local heroes comprise a cohesive and proven brand portfolio, to which we can apply our Playbook to build on the strong structural economics of the regional businesses that deliver them.

Our ongoing investment in brand equity is a vital component of our success and is enabled though the high gross margins our products enjoy. Investment broadens the shoulders of our brands and boosts their ability to create value.

Our ability to premiumise products and extend them to new categories lies at the heart of this process as we deliver superior solutions that draw on the deep science of our innovation platforms.



**Finish Ultimate Plus All in 1** uses breakthrough CycleSync™ technology to release the right ingredient at the right time to deliver intensive clean and shine. 75% of Finish tablet net revenue comes from thermoformed tablets, which have contributed almost £500 million additional net revenue in 2024 versus 2019.



## Value Creation Model continued

### SUPERIOR INNOVATION

Innovation is a vital driver of our growth. Through our world class, science-backed innovation capabilities, we create value for our Powerbrands and delight consumers by premiumising solutions and introducing new categories.

#### The 'Science Inside' Reckitt

At the heart of our innovation capabilities is deep scientific expertise. Our innovation platforms fuel our growth and build brand market leadership by providing a pipeline of strong, trusted solutions for our brands. We leverage the strength of nine interconnected science and technology platforms to our products, each dedicated to discoveries that drive impactful solutions for high-potential categories we identify through our consumer insights. These capabilities channel the 'Science Inside' our products.

Our microbiome platform, which looks at six targeted areas including the built environment biome to understand the microbes in our surroundings, is a great example of how we apply our scientific rigour. This understanding helps us to innovate in categories such as laundry and demonstrates the clear connection between hygiene and good health.

Our approach focuses on developing fewer, bigger and better propositions from each of our science and technology platforms. We harness breakthrough science and enable it to travel across categories. This helps to maximise the value of new discoveries by applying it across multiple Powerbrands to address a multitude of unmet consumer needs.

We keep sustainability, regulatory compliance and consumer safety core to this end-to-end process, ensuring that 'safety-by-design' is at the

heart of all product development stages while also aiming to reduce our environmental impact.

Our worldwide team of Regulatory and Safety Scientists work end to end across our product portfolio to ensure compliance with all product-related competent authority regulations as well as early detection, assessment and mitigation of emerging regulatory trends and concerns about ingredients, contaminants, degradants and impurities. Through proactive Product Stewardship processes, we strive not just to be compliant anytime and anywhere but to be ahead of regulations and societal concerns so that we can deliver maximum product resilience and competitive advantage.

▶ Read more in Reckitt's 2024 Sustainability Report on product safety

#### Innovating for the consumer

The success of Lysol Air Sanitizer demonstrates how our platform discoveries lead to breakthrough propositions. Its launch in July 2023 sparked the creation of a whole new Germ Protection category with the first and only air sanitising spray approved by the EPA, which kills 99.9% of airborne viruses and bacteria. This groundbreaking innovation was recognised by the prestigious R&D100 Awards in 2024, winning an award in the Process/Prototyping category. This innovative solution has not only created a new category in air disinfection but has continued to drive strong penetration and growth for Lysol overall.

The 'Science Inside' Reckitt enables us to offer premium solutions in existing categories. These include the reformulation of Vanish Oxi Action using a new patented technology with sustainability in mind to offer uncompromised stain removal in a quick, 30-minute cold wash at just 20°C (see case study on page 12).

Packaging innovation is another area where we apply our platform science to reduce environmental impact. Our polymer science platform uses novel materials and technology to make packaging lighter and incorporate post-consumer recycled (PCR) polymers.



**Durex Fetherlite Our Hyaluronic Acid (HA) condoms are one of the brand's fastest growing recent innovations. Bringing a new lubrication experience, HA is particularly popular with females. With rapid growth in 2024, Durex now leads the HA segment in China.**

Recycled content in packaging has been introduced across multiple products including Vanish, Lysol, Harpic and Finish to reduce their environmental impact. The impact of these projects has contributed to an increase in net revenue from more sustainable products, which now accounts for over a third of total revenue (see more on page 45).

We actively conduct research studies through our science platforms to help us gain further insights into our categories and showcase our category leadership. We recently published a first-of-its-

kind study on the vaginal microbiome in the open access journal Microorganisms, in partnership with two leading gynaecology experts. As an emerging area of health research, the study examined how personal lubricants affect the vaginal microbiome.

Our findings demonstrated that various Durex and KY lubricants do not negatively impact the healthy vaginal microbiome, addressing concerns based on previous laboratory test data. By increasing our insights into vaginal health, we are better equipped to deliver the best products and solutions for consumers to care for their intimate wellness.

Our innovation platforms fuel our growth and build brand market leadership by providing a pipeline of strong, trusted solutions for our brands. Our commitment to innovation and the depth of our platforms ensure that we remain at the forefront of solving problems for consumers by delivering products that also further our sustainability goals and ambitions.

## Value Creation Model continued

### EXECUTION EXCELLENCE

Execution in market is fundamental to our success. Through our new operating model, we are continuously improving the way we serve consumers through strong customer relationships and adapting our products and their delivery to meet specific local needs. Our global success model is based on the scale we enjoy in Emerging Markets, Europe and North America.

The extensive reach of our go-to-market networks, combined with the scale of our manufacturing capabilities, drive the growth of our Powerbrands and support strong gross margins through economies of scale and operational efficiencies.

We define success at local market level, tailoring our approach to the unique needs of every market, whether through our e-commerce strategy in China or by amending packaging sizes to better serve households in emerging markets.

We work continuously to enhance our in-market execution capabilities. This remains a key priority. When it comes to customer service excellence and better meeting consumer needs, there's no finish line; there's always room for improvement.

#### Optimised Supply organisation

Our supply chain is fundamental to serving our customers in market. It is the backbone of Reckitt, spanning manufacturing, procurement, logistics and customer service and comprises about half of our organisation.

During 2024, we took strategic measures to improve our service levels to customers and to ensure that our supply footprint possesses the agility to respond to changes in consumer demand.

We are continuing to make strategic investments to strengthen our local supply capabilities. In December 2024, we announced the acquisition of a manufacturing site in Wilson, North Carolina. Commissioned primarily to produce Mucinex tablets and liquids, Wilson will become Reckitt's largest OTC manufacturing facility in the US and is crucial in boosting our ability to meet seasonal demand in our largest single market (see case study on page 20).

We also made strides in enhancing our forecasting and planning through the deployment of our end-to-end integrated business planning system. Possessing embedded scenario planning, this system has already contributed to improving our forecasting accuracy, to reducing inventory levels and to increasing our service levels to customers.

We have expanded our digital logistics programme with the connection of our ocean freight operations to a Real Time Transport Visibility Platform. This has proven valuable for managing geopolitical disruptions that have impacted ocean transport. During 2024, we began the large-scale roll-out of our Manufacturing Operating System, which supports the further enhancement of our manufacturing excellence programme. This significantly enhances our visibility of potential improvements across all areas of our operations and acts as a means of implementation in some circumstances. We will continue the roll-out of this programme throughout 2025.

As part of our ongoing commitment to improvement, in January 2025 we launched a newly-designed Supply organisation to set us up for success and allow us to execute with greater excellence. Alongside this we are investing in a long-term sustainable supply chain that will be a key enabler of stronger value creation for our business. This new platform will support our laser focus on developing capabilities to standardise our ways of working and ensure we are delivering best-in-class service and superior product quality.





## Value Creation Model continued

Our new Supply organisation establishes an effective partnership between our global capabilities and local execution by providing clear ownership and accountability. This combination of capability and executional excellence will ensure we can win for our customers and our consumers.

### Harnessing digital capabilities

Throughout 2024, our IT & Digital organisation made significant progress in driving and embedding innovation to enable our global teams to better serve their markets. We continued to develop our AI capabilities with a specific focus on developing tools to enhance execution in supply, sales, marketing and R&D.

Building on our strong data and AI foundations, in 2024 we launched our ambitious GenAI transformation programme, which began in marketing and will expand further in 2025. In addition to harnessing the best technology available, we are developing our own tools and validating new ways to continue to drive

brand-building at Reckitt. Our programme spans creativity, insights and the key tasks our marketers perform daily. As we deploy our initial suite of tools in more key markets in 2025, we are working to enhance both productivity and growth, achieving up to 60% faster concept development and 30% faster advertisement adaptation and localisation. We are scaling our approach in the UK and US, improving efficiency, effectiveness and our ability to better serve local markets as we integrate GenAI across our marketing tasks.

Our AI capabilities have been developed out of our Global Hubs, which focus on developing shared services across our business in order to improve execution across markets.

Separately, we have continued our commitment to expanding our shared services capabilities with the opening of a new Global Hub in Warsaw in August 2024 (see adjacent case study).



**Lysol Air Sanitizer is a first-of-its-kind combined sanitiser and bacterial odour eliminator. Killing 99.9% of both airborne viruses and bacteria, it has generated over £50 million in net revenue since its launch in September 2023.**



## INVESTING IN OUR SHARED SERVICES

Our Global Hubs focus on developing solutions for our business across technology, data, AI and multi-functional shared services.

They enhance efficiency and innovation on a global scale and ensure operating capabilities that surpass industry benchmarks to increase the quality of service and reduce costs.

In August 2024, we opened a new Global Hub in Warsaw. Located in the VIBE building in Warsaw's Wola District, the office promotes creativity and adheres to high ESG standards to reduce energy consumption.

This facility reflects our future vision and commitment to expanding our shared services capabilities at Reckitt.



## Strategic Priorities

# PROGRESS TOWARDS OUR STRATEGIC PRIORITIES

Our strategic priorities guide our choices as we create value through a sharper portfolio and a simpler, more effective organisation.

Strategic priority	Progress in 2024	Future focus	Risks (see Risk Management on pages 53-55 for detail)
<b>Portfolio value creation</b>			
 by applying three clear principles to drive choices that maximise value   Page 10	<ul style="list-style-type: none"> <li>We are moving at pace to reshape Reckitt as a world-class consumer health and hygiene organisation</li> <li>We are significantly sharpening our brand portfolio and moving to a simpler, more effective organisation to maximise long-term value for shareholders</li> </ul>	<ul style="list-style-type: none"> <li>We will focus on a portfolio of market-leading Powerbrands, enabling us to allocate capital against brands that offer the best long-term opportunities for growth</li> </ul>	<ul style="list-style-type: none"> <li>Business transformation</li> <li>Product innovation</li> <li>ESG transition</li> <li>Macroeconomic uncertainty</li> </ul>
<b>Product superiority</b>			
 through delivering products that delight consumers and extend our growth opportunities   Page 13	<ul style="list-style-type: none"> <li>Every Powerbrand has earned its place in our core portfolio by meeting our three principles of value creation. Each possesses a long-term runway for growth, an attractive earnings model and enduring competitive advantage</li> </ul>	<ul style="list-style-type: none"> <li>Our focus remains on innovation to deepen the equity of our brands and drive growth through premiumisation, new category creation and greater household penetration of our products</li> <li>We will continue to launch new products and invest in our innovation platforms to extend the growth runways of our Powerbrands</li> </ul>	<ul style="list-style-type: none"> <li>Business transformation</li> <li>Product innovation</li> <li>Supply chain continuity and resilience</li> <li>Product integrity</li> <li>ESG transition</li> <li>Macroeconomic uncertainty</li> </ul>
<b>Win in market</b>			
 by executing with excellence consistently   Page 14	<ul style="list-style-type: none"> <li>We have equipped our organisation with better tools and capabilities to enable our teams to execute with excellence in market</li> <li>We are boosting the agility of our US OTC supply capabilities through commissioning a new manufacturing facility in Wilson, North Carolina</li> </ul>	<ul style="list-style-type: none"> <li>Our new supply organisation and investments in our supply chain will reinforce our business resilience and present opportunities to enhance our customer relationships</li> <li>We will continue our focus on localising our production capabilities in market to better match local demand with supply</li> </ul>	<ul style="list-style-type: none"> <li>Business transformation</li> <li>Geopolitical instability</li> <li>Product innovation</li> <li>Technology resilience and information security</li> <li>Supply chain continuity and resilience</li> <li>Product integrity</li> <li>Legal and compliance</li> <li>ESG transition</li> </ul>
<b>Fixed cost optimisation</b>			
 by releasing costs through simplifying our organisation and securing productivity and efficiency benefits   Page 34	<ul style="list-style-type: none"> <li>We expanded our cost efficiency initiatives in our new Fuel For Growth programme, which targets a reduction in our fixed costs to 19% of net revenue as we exit 2027, versus 21.8% in 2023</li> </ul>	<ul style="list-style-type: none"> <li>We will continue to focus on securing the efficiency benefits of our simpler organisation</li> <li>Advancing shared services adoption will help us reduce costs while we harness digital and AI capabilities to boost productivity</li> </ul>	<ul style="list-style-type: none"> <li>Business transformation</li> <li>Geopolitical instability</li> <li>Technology resilience and information security</li> <li>Supply chain continuity and resilience</li> <li>ESG transition</li> <li>Macroeconomic uncertainty</li> </ul>



## Simpler Organisation

# A SIMPLER, MORE EFFECTIVE ORGANISATION

Our new unified category structure enables a step change in our organisational effectiveness, supporting stronger in-market execution through a leaner, more agile operating model.

### A new unified category structure

In July 2024, we announced our plans to reshape Reckitt as a world-class consumer health and hygiene company through a significant sharpening of our brand portfolio and a move to a simpler, more effective organisation.

We adopted this new model on 1 January 2025, replacing our Global Business Units (GBUs) with a unified category structure operated through three geographic areas: Emerging Markets, Europe and North America. The new structure has fewer management layers and reduced duplication in order to accelerate the speed of our decision-making and improve efficiency.

Our new global category organisation delivers consumer insight, category expertise and innovation across our brand portfolios in Self Care, Germ Protection, Household Care and Intimate Wellness. Our three geographic areas focus on execution excellence for consumers and customers in market. Working together, we are equipped to deliver stronger in-market execution through harnessing core expertise in brand innovation to leaner global capabilities that are embedded in local markets.

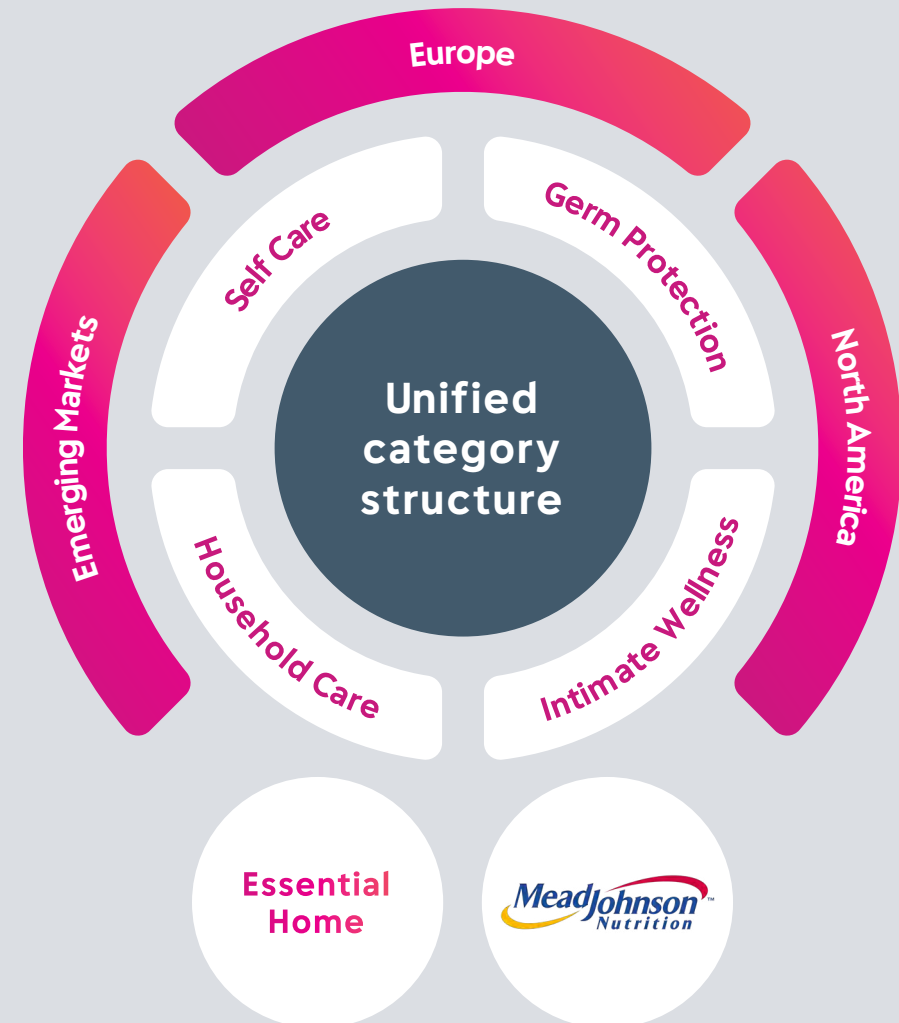
### De-layering the organisation

A key element of our new structure is the simplification of our organisational layers. Reckitt previously operated with five: global, GBUs, area, region and market. By reducing these to three (global, area and market), we remove unnecessary complexity and duplicative functions that were an inadvertent consequence of our GBU model.

Fewer layers enable changes in our leadership model, moving from a high-cost, multi-layered leadership to fewer, larger leadership roles. Alongside a progressive adoption of cross-functional end-to-end shared services, our new structure expands the scope of our fixed cost reduction opportunities, which are captured in our Fuel for Growth programme (see page 34).

### A more agile Reckitt

Our simpler organisation has been designed to bring about a step-change in our organisation's effectiveness by accelerating decision-making and channelling our entrepreneurial energy to the market opportunities we serve. In doing so, we can unlock the full potential of our Powerbrands by improving our ability to meet the needs of consumers and customers across our markets.



## Our Core Business

# CORE RECKITT

Reckitt is a truly special business, with a portfolio of market-leading, iconic Powerbrands that can deliver accelerated growth and enhanced value creation.

Our Powerbrands are loved by consumers and occupy market-leading positions in their categories. Each possesses enduring competitive advantage through the strength and depth of their equities and considerable global scale in their market reach.

Sharpening our portfolio has allowed us to simplify Reckitt by moving to a unified category organisation dedicated to the delivery of market-leading strategy, innovation and activation for our Powerbrands across the four categories (see adjacent table).

Our categories are unified by growth opportunities and financial attributes that lead in our industry. Each enjoys high gross margins, which underpin ongoing reinvestment in marketing and R&D, supporting deep innovation platforms that will enable us to grow our market presence through premiumisation and new category creation.

In core Reckitt, we have a scaled presence in the regions and markets where we believe it matters most. Our categories and brands share a highly consistent operating model, with optimised supply and go-to-market strategies that enable scale across a global health and hygiene marketplace we know best.

Reckitt's long history of winning with consumers in these categories provides us with deep-rooted expertise in the markets in which we play. In consolidating our organisation with a unified category structure, we are better able to move at speed and deliver the excellence in execution that will secure our future success.



**SELF CARE**  
**33%**  
of core Reckitt<sup>1</sup>

Self Care is led by our Powerbrands Mucinex, Strepsils, Gaviscon and Nurofen. Our over-the-counter (OTC) products are trusted by consumers and healthcare professionals to treat a range of symptoms. Their growth is fuelled by increased disposable income and heightened consumer interest in health, especially as populations age, as well as category penetration opportunities in emerging markets.



**GERM PROTECTION**  
**30%**  
of core Reckitt<sup>1</sup>

Germ Protection brings together Lysol, Dettol and Harpic. We view hygiene as the foundation of health which these brands enable by protecting against the spread of germs. Our Germ Protection brands enjoy penetration and category creation opportunities around the world as consumers seek protection against viruses and bacteria on surfaces, in their laundry and in the air.



**HOUSEHOLD CARE**  
**23%**  
of core Reckitt<sup>1</sup>

Household Care leads with Finish and Vanish. The growth of these two global leaders of their respective household categories, auto dishwash and laundry additives, is being driven by large penetration and premiumisation opportunities, with significant potential in large developing markets.



**INTIMATE WELLNESS**  
**14%**  
of core Reckitt<sup>1</sup>

Intimate Wellness is home to Durex and Veet. Each is a global leader in its respective category, condoms and depilatories. Their growth is fuelled by increasing consumer interest, normalisation and engagement, which we are meeting with innovation and product premiumisation. We are confident about the growth opportunities in emerging markets such as India, Africa and Latin America, where changing social attitudes are helping to drive higher adoption rates.

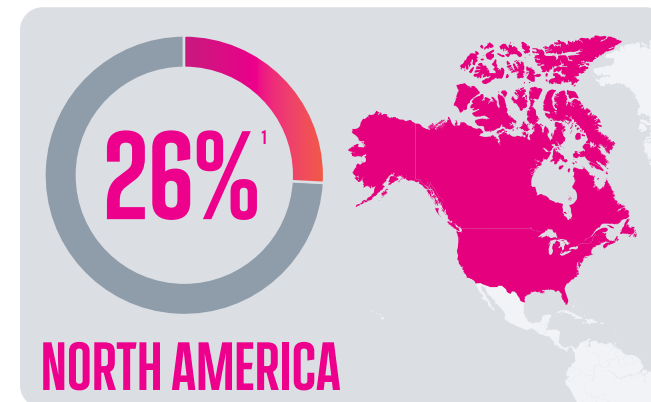
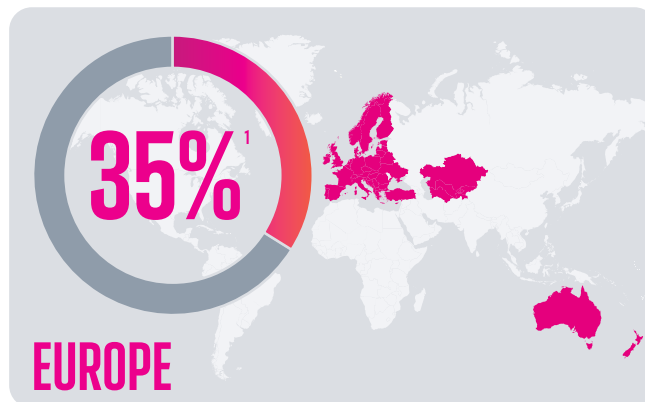
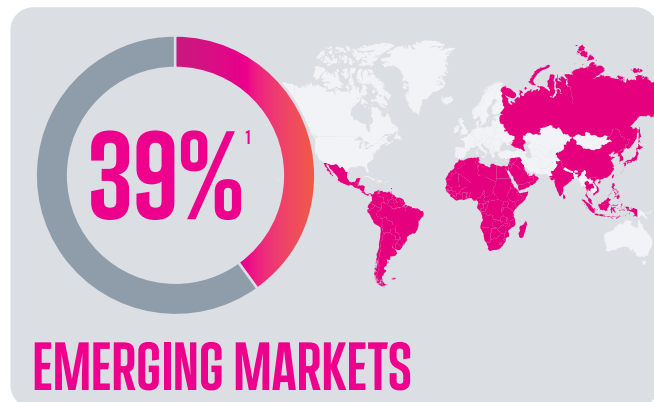
<sup>1</sup> Percentage net revenue contributions to core Reckitt based on FY 2024 financial results



## Market Execution

# EXECUTING ACROSS OUR AREAS

1 Percentage net revenue contributions to core Reckitt based on FY 2024 financial results



Since 1840, Reckitt has grown brands into household names around the world, supported by an expanding global footprint. Today, we deliver these at scale across three geographic areas, each of which possess the infrastructure and capabilities to win in market.

Our new operating model provides us with global scale to execute across our three areas: Emerging Markets, Europe and North America. The operating model benefits from the significant presence we have established in Reckitt's key growth markets.

The geographic footprint of our Powerbrand portfolio tilts us further towards the faster-growing emerging markets such as India, China and Africa, where Reckitt already benefits from extensive scale in local supply capabilities.

In Europe, operational scale is growing with the unification of our go-to-market structures, which operated separately under the previous Global Business Unit structure.

In the US, we are investing in our local manufacturing capabilities to respond faster to future demand for seasonal OTC product while enhancing the technology that supports our distribution and supply capabilities.

The breadth of our go-to-market networks and our expanding local manufacturing capabilities underpin the growth of our Powerbrands, supporting strong gross margins through economies of scale and operational efficiencies.

### Emerging Markets

Collectively, Emerging Markets represents the largest single area in Reckitt's Powerbrand portfolio and is led by the high-growth markets of China and India.

Reckitt is well placed to serve consumers in the world's most populated country, India, which accounts for 8% of core Reckitt net revenue. We sell through over one million outlets

in India and have grown strongly over the past five years. Our manufacturing capability enables us to supply 95% of products locally at excellent service levels, helped by the recent doubling of our direct customer coverage.

There is significant growth potential for health and hygiene categories in India, where Dettol is a leading Powerbrand and enjoys status as one of the most trusted and iconic brands in the country. Dettol is also one of our most expandable brands, enabling us to navigate the consumer from entry-level bar soaps to Dettol's growing range of premium personal hygiene products.

China represents 10% of core Reckitt net revenue and became our largest emerging market in 2024 following a strong year of double-digit growth. Here, we lead with two Powerbrands: Durex, for which China is our largest market, and Dettol. We also have a growing VMS business, led by MoveFree, which enjoyed double-digit growth during the year. In Household Care, Finish has significant penetration potential in the auto dishwasher category, given less than 3% of China's households currently have dishwashers.

We have developed strong go-to-market capabilities through e-commerce in China, including selling through livestream channels. These contributed to China's double-digit growth in 2024 and we are well positioned to meet local demand with a robust supply capability that produces around 80% of the products we sell locally.

We are expanding our presence in China to support our long-term growth ambitions. In 2022, we opened our largest manufacturing plant in Taicang, near Shanghai. This state-of-the-art, digitally native site produces local supply for Dettol with an annual production capacity of 100,000 tonnes. Building on the success of this facility, we are expanding production capacity to include Durex PU condoms starting in 2025. As well as meeting growing product demand, the expansion enables us to build greater resilience in our business continuity planning.

The Taicang facility will also benefit from our new Global R&D Centre for Innovation, which will be completed in 2026. Located in Shanghai's Caohejing Technical Park, the centre

## Market Execution continued



### FLEXIBLE ROUTES TO MARKET

We implement tailored go-to-market strategies for our Powerbrands to penetrate categories and establish market leadership in fast-growing emerging markets.

The global lavatory care market, for example, is projected to grow by 6% annually for the next five years, with the majority of growth in the developing world. To engage directly with consumers in countries including Nigeria and Kenya, Harpic employs in-market demonstrations and door-to-door sales teams to showcase product efficacy.

Since launching in 2020, the door-to-door programme in Kenya has more than doubled in size, with sales teams conducting live doorstep demonstrations to over 300,000 households annually, achieving high conversion rates and fostering repeat customers through automated data collection.



Harpic has also increased access to hygiene products in emerging markets by reducing pack sizes and offering sachets, lowering the cost of entry for consumers.

Making our products accessible in this way means that more people can access the high-quality products they need to help them care for themselves, their homes and their families. In Nigeria, a new sachet production line was inaugurated in May 2024 in Agbara, further supporting household penetration in the region.

Our Powerbrands also leverage digital go-to-market strategies to engage consumers.

In China, Veet uses TikTok to lead conversations around hair removal habits among digitally native younger consumers, driving a significant portion of revenue in this market.

By employing a diverse range of go-to-market strategies, our Powerbrands continuously strive to meet consumers in each market in ways that best suit their needs.

#### Link to strategy

Win in market

will leverage the city's position as a hub for technology and innovation, helping us to build strategic partnerships and drive product innovation. As the commercial centre of our China business, Shanghai's proximity to Taicang will strengthen collaboration between our Commercial, Supply and R&D teams. By innovating in China as part of our 'China-for-China' strategy, we will be better equipped to deliver innovations that resonate locally while also scaling these solutions globally.

### Europe

Europe is a complex and vibrant region with an abundance of opportunity and is the original home of many of our Powerbrands. Durex, Nurofen and Gaviscon enjoy category-leading positions in many markets across the region.

Italy is a great example of how we go to market in Europe, having delivered strong, consistent growth over the last three years, with a net revenue CAGR of over 6%. This is supported by a robust local supply footprint, with around 94% of products produced within the EU. Several of our Powerbrands are market leaders in Italy, including Finish, Gaviscon, Durex and Strepsils. Reinforcing its market position, Durex has



### INVESTING IN LOCAL MANUFACTURING

We are making strategic investments to significantly expand production capacity and fully support the growing demand for our Powerbrands within local markets.

In December 2024, we announced a £155 million acquisition of a pharmaceutical site in Wilson, North Carolina, which will become a state-of-the-art manufacturing facility, primarily for Mucinex production. This will enhance our agility in meeting seasonal demand for OTC products in our largest market once it becomes fully operational in 2027.

The 310,000 square-foot site will not only support Mucinex but also has the capacity to manufacture other products in the future such as Move Free and Biofreeze, supporting our long-term growth ambitions in these categories.

Elsewhere, following the rapid growth of our OTC Powerbrand Gaviscon we have made continuous investments in sourcing and raw material production sites across key markets throughout 2024.

This expansion has resulted in a doubling of Gaviscon's production capacity across all key product formats and ranges and ensures that we can meet the increasing demand for Gaviscon products.

These investments in Mucinex and Gaviscon highlight our commitment to strengthening local manufacturing capabilities, improving customer service and enhancing the resilience of our supply chain.

#### Link to strategy

Win in market





## Market Execution continued

become the first-ever official partner of the Italian government in sex education for high school students.

Over the last four years, we've seen a significant shift upwards in our market position in the OTC segment in Italy, moving up to a number five position from number nine, with participation in three of the top five OTC categories.

### North America

North America includes our largest market, the US, which comprises 24% of core Reckitt net revenue. Market-leading Powerbrands in this market include Lysol, Finish and Mucinex.

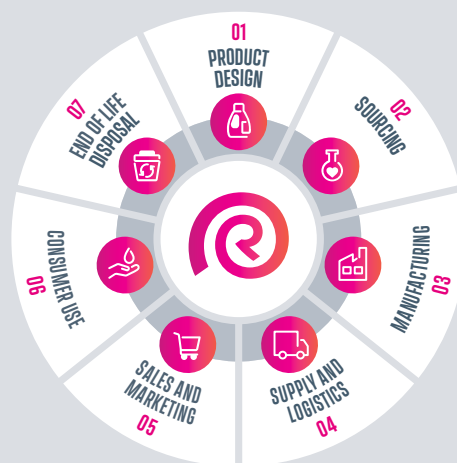
Around 60% of our products sold in the US by value are produced locally through our local supply network of manufacturing plants. We are investing to increase this percentage significantly with the commissioning of a new manufacturing site in Wilson, North Carolina, which will boost our ability to respond to future growth in the US seasonal OTC market (see case study on page 20).

We have continued to invest elsewhere in our US Supply organisation to match growth in demand. During 2024, we saw this increase for Lysol products, including through the club retail channel, which is a market penetration opportunity attracting consumers who opt for larger product packs. In July 2024, we launched a high-speed canister wipes packaging line in St. Peter's, Missouri, to support the strong demand for our wipes multi-packs in this channel. This line has the capability to produce up to three variants in multi-pack bundles, reducing complexity and increasing automation.

We have also strengthened our go-to-market network capabilities through a focus on improving our customer service. This has increased Reckitt's relative share of distribution in recent years. In the Kantar 2024 Advantage survey, we demonstrated strong online execution and presence when ranked against our peers.

## VALUE CHAIN

We continue to use our scale and reach to influence positive change and impact across our value chain, which in turn underpins the value we are able to create for stakeholders.



### 01 PRODUCT DESIGN

We develop superior, science-based solutions and we use our Sustainable Innovation Calculator to design products that contribute to our sustainability targets.

Read more on page 45

### 02 SOURCING

We source product packaging and raw materials from around 3,800 suppliers across 59 countries. Around 31,000 suppliers provide services that support our business.

### 03 MANUFACTURING

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

### 04 SUPPLY AND LOGISTICS

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

### 05 SALES AND MARKETING

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

### 06 CONSUMER USE

Our products are used in households millions of times each day. On this scale, even small changes in consumer behaviour can have a big impact.

### 07 END OF LIFE DISPOSAL

We aim to design for a circular economy to help reduce plastic and packaging waste.

Read more in Reckitt's 2024 Sustainability report

Read more about our stakeholders on page 74

## STAKEHOLDER VALUE CREATION

### Our Consumers

**2.3bn**

People engaged through our purpose-led partnerships since 2020  
2023: 1.9bn since 2020

### Our People

**c.17,800**

Learning Library unique users  
2023: c.9,500

### Our Investors

**£2.7bn**

cash returned to shareholders  
2023: £1.5bn

### Governments

**£700mn**

tax paid  
2023: £922mn

### Our Customers

**46%**

of our markets ranked in the Top Tier of the Advantage Survey for e-commerce  
2023: 41%

### Our Suppliers

**£269k**

average spend with our suppliers  
2023: £240k

### Communities

**£34mn**

in social impact investments  
2023: £31mn

## Self Care

# SUPPORTING HEALTH THROUGH SELF CARE

Our Self Care brands are category leaders in over-the-counter (OTC) healthcare. They offer effective, medicated solutions for common health concerns including pain, congestion, indigestion and sore throat, providing easy access to relief without the need for a prescription.

Within our Self Care portfolio, two Powerbrands directly support consumers in managing the symptoms of cold and flu: Mucinex, the number two formulation in upper respiratory, and Strepsils, the global market leader in medicated sore throat.

Our two non-seasonal OTC Powerbrands are Gaviscon, the number one in heartburn and indigestion worldwide, and Nurofen, the market-leading analgesic brand in Europe, Australia and New Zealand.

#2

**Mucinex:** global upper respiratory

#1

**Gaviscon:** global upper gastrointestinal

#1

**Strepsils:** global medicated sore throat

#1

**Nurofen:** Global analgesics



Claims based on information aggregated in part from data supplied by Nielsen through its Retail Measurement Services and in part from data inputs from other suppliers, in each case, for the relevant category, geographic focus and based on FY24 (based on branded players only)



## Self Care continued

The long-term runway for growth in this category is underpinned by an increasing number of consumers actively seeking OTC solutions. This includes the health needs of an ageing global population and health-conscious individuals seeking to treat minor ailments without medical consultation, reducing the burden on healthcare providers. At the same time, greater access to information and online resources is empowering consumers to choose the most effective self care solutions.

We communicate with consumers through educational campaigns, partnerships with health organisations, digital engagement and point of sale displays. Nurofen, for example, continues to drive awareness and growth in the pain category, including with its ongoing 'See My Pain' campaign (see adjacent case study).

We aim to drive above-category growth by combining our strong brand equity with innovative science. Mucinex entered a new space in 2024 with the launch of its Sinus Saline 2-in-1 Nasal Spray, the first ever drug-free saline product with a nozzle that switches between spray settings for everyday allergens and tough nasal congestion.

Our innovation capabilities are driving the development of new product formats, with the successful launch in September 2024 of Mucinex Mighty Chews, the first over-the-counter medicated children's soft chewable tablet for cough relief.

Our digestive health portfolio, led by Gaviscon, has expanded into the lower gastrointestinal (GI) category with three specialised ranges: constipation, diarrhoea, and wind and bloating, leveraging a unique science platform designed to address the causes of these symptoms and prevent their recurrence. This extension into the lower GI category builds significant scale across the combined upper and lower GI category.

The market penetration opportunity in Self Care adds significant headroom for long-term growth in the category. We see particular potential in emerging markets, where Self Care is still nascent, for scaling brands such as Gaviscon and tilting our portfolio further towards non-seasonality.


Nurofen continued to drive market penetration in 2024 with the international roll-out of several new formulations, particularly Nurofen Liquid Capsules in Italy, and in Mexico under the Temprafen brand. We saw a promising early response to the launch of Nurofen sustained release with 12-hour pain relief in Romania. Meanwhile, launching smaller packs of Nuromol has proven a successful strategy to gain penetration in households in South America.

The Self Care category offers attractive returns given the innovative and efficacious solutions we provide. This enables continued high levels of investment in brand building and innovation. Our enduring source of competitive advantage stems from brand equity built on the deep trust our consumers have in our effective solutions, supported by over 70 years of research and innovation.

With continued innovation, category expansion and the market penetration opportunity in emerging markets, we believe Reckitt's Self Care brands are well positioned to deliver attractive growth in the years ahead.

from sore throat into the cough category. In 2022, Strepsils launched Dry Cough Lozenges in Australia, offering triple relief for cough, sore throat and blocked nose, which quickly became a market leader. Building on this success, Strepsils launched Herbal Chesty Cough+ Lozenges in Australia in 2024. With a successful launch ahead of forecasts, Strepsils cough expansion programme will now roll out across additional markets during 2025 through lozenges and syrups.

### Link to strategy

 Portfolio value creation



## PAIN AWARENESS

Nurofen continues to raise awareness around pain, partnering with universities and key opinion leaders. Our ongoing 'See My Pain' campaign seeks to address how women's pain is often dismissed compared to men's. In October 2024, we released our third Gender Pain Gap Index Report, revealing that women's pain is dismissed from as young as 10 years old. This is an ongoing collaboration with Oxford University researchers and was referenced in a UK Parliamentary Committee report on women's reproductive health.

We published a new study in BMJ Open in 2024, in collaboration with Imperial College London, examining the perceptions of UK medical students regarding gender pain bias based on their clinical observations. The study discusses ways to prevent such bias in medical training. We also ran a Pain in Children advisory board focused on ensuring better recognition and treatment of children's pain.

Additionally, we launched a UK campaign for Nuromol, a combined paracetamol and ibuprofen pain reliever, successfully positioning it as a solution for strong pain sufferers, which has unlocked growth in this market.

## LEVERAGING OUR SCIENCE ACROSS COLD & FLU RELIEF

Strepsils and Mucinex are leaders in cold and flu care, each with a distinctive focus. Strepsils is the global leader in medicated sore throat remedies, while Mucinex is the leading doctor-recommended cold and flu medication in the US. In recent years, both Powerbrands have broadened their shoulders by entering adjacent categories.

This expansion is powered by their shared science platforms, developing innovative ranges that cater to changing consumer needs and offering multiple functional benefits.

Mucinex entered the \$1 billion US sore throat category in 2021 with the launch of Instasoothe, which combines its trusted brand with science from the Strepsils sore throat platform. Clinically proven to numb pain quickly with a three-in-one formula, Instasoothe is the only lozenge in the US to contain hexylresocinol, an oral pain reliever. Market penetration in the US continued in 2024 as the range continues to deliver double-digit year-on-year growth.

Strepsils has followed the reverse path to Mucinex, expanding the brand's global footprint

## Germ Protection

# TRUSTED BRANDS FOR GERM PROTECTION

For over a century, families have relied on our Germ Protection brands, which people trust to protect the ones they love.

Our three Powerbrands in Germ Protection are category leaders, trusted by consumers: Lysol, the number one global disinfectant with its strong consumer base in the US; Dettol, the number one in global antiseptic personal care; and Harpic, the leading global lavatory care brand.

Lysol, Dettol and Harpic share a common recognition of hygiene as the foundation of health, providing solutions that enable consumers to achieve the highest hygiene standards at home.

Our innovation platforms drive the creation of new categories within Germ Protection, providing opportunities for long-term growth.

Lysol is a proven pioneer in category creation and has pushed boundaries to expand beyond surface disinfection to tackle harmful germs in laundry and in the air (see case study). Lysol Laundry Sanitizer has reached 11% of US households since its successful launch in 2016, transforming the way families tackle germs in their laundry, and Lysol Air Sanitizer has been adopted by three million US households since its launch in 2023.

#1

**Lysol:** global disinfection

#1

**Harpic:** global lavatory care

#1

**Dettol:** global antiseptic personal care

Claims based on information aggregated in part from data supplied by Nielsen through its Retail Measurement Services and in part from data inputs from other suppliers, in each case, for the relevant category, geographic focus and based on FY24 (based on branded players only)



## Germ Protection continued

There is significant potential for market penetration in these new categories. The US club channel, consisting of large-scale retail chains offering a wide range of products at attractive prices and in bulk quantities, has been a significant growth driver for Lysol during 2024. Products such as the large pack of Lysol Laundry Sanitizer and Lysol Disinfecting Wipes multi-packs are selling well in this channel and Lysol Air Sanitizer was rolled out across the club retailers in January 2025.

Demographic changes are driving increasing hygiene awareness globally and are significant tailwinds for market penetration in the Germ Protection category. They include the risk of pandemics, climate change, urbanisation and the growing middle class in emerging markets.

Dettol and Harpic's geographic exposures are beneficially weighted towards emerging markets, which are seeing increasing disposable income spent on hygiene and personal care categories. Dettol has leveraged its trusted brand status by extending in recent years beyond the liquid antiseptic category into new categories including personal care, laundry and surface disinfection. Following successful launches in these categories, the opportunity for market penetration remains significant.

Dettol is unlocking new hygiene occasions for consumers both in emerging markets, where Dettol Disinfectant Spray is showing strong growth in China, and in established markets such as the UK, where our new advertising campaign, launched in Summer 2024, is encouraging consumers to re-think their approach to germ protection by boosting perceptions of its everyday relevance to their lives. This has driven growth, particularly in wipes, with a notable increase in the percentage of UK consumers who believe that Dettol should be part of their everyday cleaning routines.

Each Powerbrand shares a common source of enduring competitive advantage in deep brand equity, earning consumer trust and loyalty through decades of innovation and demonstrated efficacy. This is a strong foundation for attractive returns in the Germ Protection category, together with an ability to price premium products through offering superior solutions and creating new categories.



## CREATING NEW CATEGORIES IN GERM PROTECTION

Lysol and Dettol have created significant value over the past five years by leveraging our scientific capabilities to develop and penetrate new categories.

Lysol founded a new category beyond its surface disinfection and Laundry Sanitizer ranges with the launch of its breakthrough Lysol Air Sanitizer in July 2023. This is the first and only air sanitising spray approved by the EPA to effectively kill both viruses and bacteria in the air, reducing the spread of airborne, illness-causing pathogens such as cold, flu and coronavirus.

The science behind this formula is based on active molecules which attach themselves to and breakdown airborne microorganisms, killing germs and odours. The product is steadily increasing its market penetration, reaching a record-high of 8.4% market share in air instant action sales in September 2024.

Dettol has successfully broadened the shoulders of its strong brand using innovation to enter new categories in new markets in laundry and personal care. In 2022, we launched Dettol Washing Machine Cleaner and Dettol Laundry Pods in China, accelerating Dettol's penetration in laundry


alongside the Dettol Laundry Sanitiser.

The five-in-one washing machine cleaner, developed through our microbiome science platform, kills 99.9% of bacteria, while removing limescale from deep in the machine. The four-in-one Tru-Protect Laundry Solution laundry pods, powered by our polymer science platform, provide both cleaning and germ-kill in one formula. These launches proved successful, with the Washing Machine Cleaner currently holding a number one market position and 34% market share in China and the Laundry Pods a number one market position in Hong Kong.

Dettol's strong innovation pipeline continues in 2025 with the launch of a range of personal care and disinfectant products offering 12-hour protection against harmful germs, enabled by innovation derived from medical science.

The creation of new product categories, supported by a strong pipeline of innovation, opens up significant market penetration opportunities for Lysol and Dettol in key growth markets including the US, China and India.

### Link to strategy

 Portfolio value creation

## Household Care

# PREMIUM SOLUTIONS FOR HOUSEHOLD CARE

Finish and Vanish offer premium solutions that are trusted by millions of households to tackle everyday cleaning challenges.

As the world's number one automatic dishwashing brand, Finish provides a complete range of products, from dishwasher tablets to rinse and shine aids and dishwasher cleaners. Vanish, the number one global fabric treatment brand, offers powerful stain removers, laundry boosters and carpet cleaners, helping clothes and carpets last longer.

In recent years, both Powerbrands have focused on enhancing their core ranges with premium features to address evolving consumer needs.

The auto dishwash portfolio has transitioned to superior performance thermoformed tablets using innovation capabilities from our polymer science platform (see adjacent case study). Today, thermoformed products account for 75% of tablet net revenue.

#1

**Finish:** global automatic dishwash

#1

**Vanish:** global fabric treatment

Claims based on information aggregated in part from data supplied by Nielsen through its Retail Measurement Services and in part from data inputs from other suppliers, in each case, for the relevant category, geographic focus and based on FY24 (based on branded players only)



## Household Care continued

In 2023, we took premiumisation further with the successful launch of Finish Ultimate Plus, featuring our best-performing dish detergent technology, which enables consumers to save water on each load through eliminating the need for pre-rinsing.

Vanish launched a new formulation for Oxi Action Stain Remover in 2023 to meet consumer demand for high performance in a shorter, more economical wash. The new formula promises stain removal and colour protection, even at 20 degrees on a 30-minute wash. This was successfully launched in the UK (see case study on page 12).

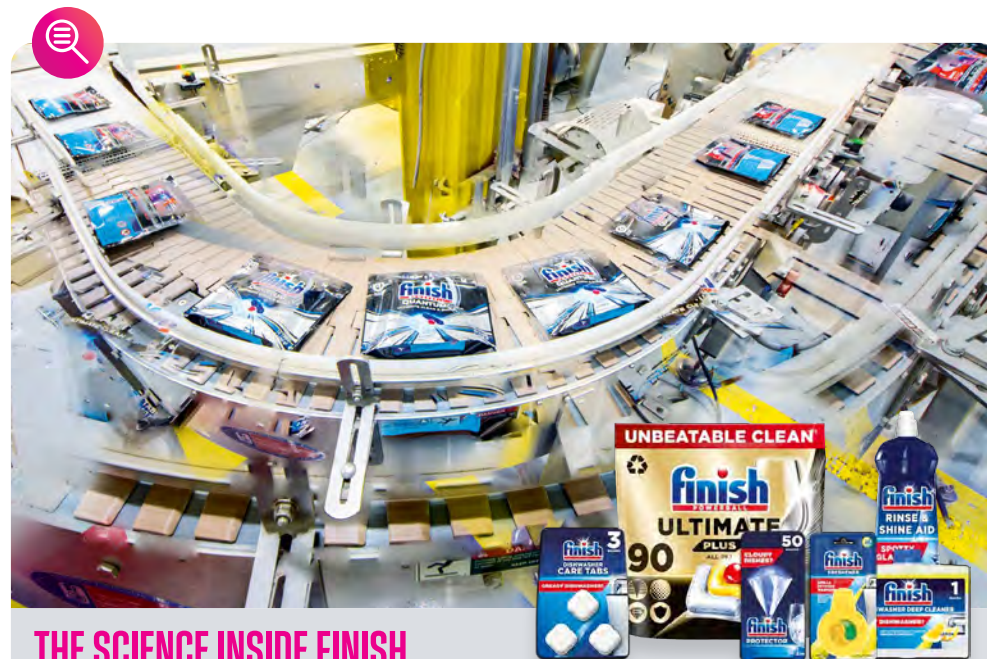
With strong initial consumer adoption of these premium products, there is a compelling opportunity for growth with a runway for deeper market penetration.

Finish's footprint is currently concentrated in markets such as Europe and the US and there is a significant opportunity in large, developing markets where dishwasher ownership is growing from a low base. The growing

percentage of households that currently own a dishwasher globally is about 13%, and is less than 3% in China and India. Vanish also has a large penetration opportunity, with less than one in five people using a stain removal product.

The Household Care category offers attractive returns given the premium nature of our products, which are embedded with patented technology, providing significant headroom for continued investment.

The trust earned from consumers, stemming from 50 years of category development and innovation at Finish and 30 years at Vanish, is a significant contributor to the brand equity of these category-leading products and provides a solid foundation for their future growth.



### THE SCIENCE INSIDE FINISH

Finish made the strategic decision to pivot from traditional hard-pressed dishwashing tablets to thermoformed tablets in 2019. This change was enabled by our investment in polymer science, which has equipped us to innovate new polyurethane-based tablet formats preferred by consumers and to premiumise Finish's market presence through new product launches.

Thermoformed tablets have enjoyed a positive consumer response. In 2024, there were around 580 million more Finish thermoform washes worldwide versus 2023 and thermoform tablets now account for three-quarters of our tablet net revenue.

Within the thermoform category, we offer several tiers of tablets, with the top end represented by our newest launch, Finish Ultimate Plus. With three times the cleaning strength, it is our best-performing auto dishwash detergent yet.

Powered by patented CycleSync technology, it releases ingredients separately during the wash for maximum effectiveness. It also enables the consumer to skip the pre-rinse cycle and save up to 40 litres per load.

Since the launch of Finish Ultimate Plus in 2023, sales now represent more than a quarter of thermoformed tablets sold in our launch markets, including Germany, the UK and Australia.

We will continue to invest in the premiumisation of our thermoform products to meet the number one consumer need in auto dishwash: a deep clean, whatever the conditions.

#### Link to strategy

Product superiority

## Intimate Wellness

# EMPOWERING CHOICES IN INTIMATE WELLNESS



Durex and Veet are empowering consumers by offering innovative, premium personal care solutions that promote choice and wellbeing.

As the number one brand in global sexual wellbeing, Durex leads the industry, innovating with products designed to enhance the sexual experience and improve intimate wellness.

Veet, the leading depilatory brand worldwide, provides superior hair-removal solutions tailored to suit different skin types, styles and moods and is trusted in over 80 countries.

Intimate Wellness is an attractive, high-growth category fuelled by growing consumer interest, involvement and normalisation. Our Powerbrands are at the forefront, shaping online conversations and engaging with people directly.

In China, Veet has successfully engaged with younger, tech-savvy consumers through TikTok discussions around hair removal. This platform now drives significant revenues in China, demonstrating the importance of digital engagement.

#1

**Durex:** global sexual wellbeing

#1

**Veet:** global depilatory

Claims based on information aggregated in part from data supplied by Nielsen through its Retail Measurement Services and in part from data inputs from other suppliers, in each case, for the relevant category, geographic focus and based on FY24 (based on branded players only)



## Intimate Wellness continued

These Powerbrands drive significant growth by premiumising products to give consumers more choices to meet their needs and preferences. Our consumer insights are leveraged with science developed through our innovation platforms.

A standout example of this is the launch of Durex Fetherlite HA condoms in China in 2022. Recognising lubrication as a key consumer need in this category and the well-known moisturising benefits of hyaluronic acid (HA) in skincare, Durex developed a condom with a water-based lubricant containing hyaluronic acid. This successful launch has proven popular with women, who make up over a third of buyers, higher than the rate for other condoms. This product has strengthened Durex's category leadership in China.

Veet is also evolving to match consumer needs, with Veet Men posting double-digit growth and capturing over 80% of the global market for men's depilatories. Meanwhile, our Veet Women's Bikini products, the first dedicated range in this new segment, also continue their success since launch.



The Intimate Wellness category offers additional growth through significant market penetration opportunities. While Durex is the number one condom brand worldwide, based on our estimates we believe Durex products currently reach less than 1% of global sex occasions. The brand has experienced notable success in China and there are additional opportunities for rapid growth in large, emerging markets such as India, Africa and Latin America. It also enjoys further expansion opportunities in our adjacent categories such as personal lubricants.

Intimate Wellness solutions enjoy an attractive earnings model with strong gross margins that enable ongoing investment in superior materials and new production techniques. Our premium solutions also enhance the brand equity and consumer loyalty that both Veet and Durex have built over 90 years of innovation and leadership in the category.

With continued premiumisation of products and deeper market penetration in emerging economies, our Intimate Wellness portfolio is well positioned to deliver attractive growth and returns in the years ahead.



## STRETCHING MATERIAL SCIENCE IN DUREX

Since becoming Europe's first manufacturer of latex condoms in 1932, Durex has evolved to meet consumer needs through key moments of innovation.

As the global condom market leader, with particular strength in Asia and Europe, Durex continues to reinforce its position with breakthrough innovations and a commitment to delivering premium products.

In 2020, Durex launched 001 in China, a next-generation polyurethane condom which is the thinnest in the Durex family, designed to provide a more natural feeling. This was followed by the 003, offering even greater softness and comfort. This innovation stemmed from deep research within our Polymer Science platform.

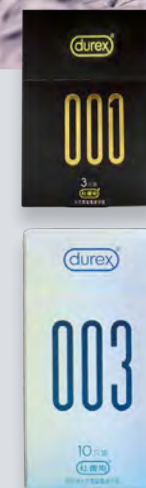
In 2022, Durex made another high-impact launch with Durex Fetherlite HA, a thin latex condom featuring a water-based lubricant infused with hyaluronic acid for a unique sensation. Developed in under a year, this product gained a leading share of the HA condom segment within its first 12 months.

Building on this success, we are launching a hyaluronic acid range with three products across Basic, Fetherlite and Air, to secure our leadership in this segment.

By consistently innovating premium, differentiated products for key markets like China, we continue to strengthen the category leadership Durex enjoys.

### Link to strategy

- Product superiority
- Win in market





## Essential Home

# ESSENTIAL HOME



Essential Home is a global, scaled business of trusted brands on a mission to transform people's living spaces into places they can call Home: somewhere to connect with family, friends and themselves, a place where they feel protected and are proud of.

This portfolio of market-leading brands plays in growing and resilient categories such as Air Care, Laundry, Surface Care and Pest, with substantial potential for continued future growth.

At the core of the portfolio is Air Wick, the number one air care brand in Europe, Australia and New Zealand combined, and global number one in plug-in scented oils and mist diffusers, which has been uplifting homes with fragrances for more than 80 years.

#1

**Air Wick:** Europe and ANZ Air Care

#1

**Woolite:** US fine fabric detergent

#1

**Calgon:** European water softener

#4

**Cillit Bang:** European power cleaner

#1

**SBP:** Brazilian pest brand

Claims based on information aggregated in part from data supplied by Nielsen through its Retail Measurement Services and in part from data inputs from other suppliers, in each case, for the relevant category, geographic focus and based on FY24 (based on branded players only)

## Essential Home continued

Alongside Air Wick is a group of strong brands with market-leading positions and deep brand equities. These include Calgon, the number one water softener in Europe providing over 90 years of protection against limescale and dirt in washing machines; SBP, the number one insect protection brand in Brazil with over 50 years of heritage; Woolite, the number one fine fabric wash laundry detergent in the US that has been protecting clothes for more than 70 years; Cillit Bang, the number four power cleaner in Europe known for its powerful range of cleaning products; and Resolve, the leading carpet spot and stain removal brand in the US.

Essential Home enjoys a scaled market presence across North America, Europe, Australia and New Zealand, and Latin America. This is supported by long-term partnerships with major retailers and an end-to-end multi-region supply chain infrastructure.

As with core Reckitt, sustainability is a key aspect of Essential Home's product and supply strategy, with the business deeply committed to optimising resource usage and reducing environmental impact.

Essential Home's brand portfolio enjoys gross margins that rank amongst the industry's highest. Air Wick has been a key driver of growth, benefiting from a strong innovation pipeline, including the 2023 launches of 24/7

Active Fresh, our first aerosol-free auto spray, Air Wick's Vibrant fragrance range and advanced plug-in device and the latest generation of Essential Mist diffusers (see adjacent case study).

Essential Home benefits from a dedicated R&D team with a track record of delivering transformative, superior solutions and applying innovation synergies across the portfolio.

In the laundry and surface care categories, future growth potential lies in leveraging strong brands such as Woolite and Calgon to increase market penetration, and expanding leading cleaning brands such as Cillit Bang and Easy-Off into new categories through premiumised products. Essential Home's pest brands are set to grow further, benefiting from external trends such as climate change, and building on their strong position in key markets.

Essential Home is a stable business with a resilient portfolio of strong brands with a great future. Following a strategic assessment of our brand portfolio, we announced in July 2024 that we see stronger growth synergies across the Powerbrands we identified in core Reckitt. As a consequence, we are now assessing market opportunities for Essential Home and expect we will achieve an exit for this business by the end of 2025.



### AIR WICK: CONTINUING TO BRING THE OUTSIDE INSIDE

Air Wick has continued to convert its strong innovation pipeline into transformative, superior solutions that fulfil consumers' desires to elevate their living spaces and turn their homes into sanctuaries.

The Air Wick Vibrant range of scented oil fragrances, launched in January 2023, was the biggest liquid electricals launch in the US of the past five years. With twice the essential oil content of regular scented oils, our fragrances offer a premium experience, bringing speciality store quality to mass retail and attracting new shoppers to the brand. Since launch, the range continues to generate double-digit growth.

To complete the multi-sensorial experience, we launched the latest generation of our Air Wick Essential Mist Diffuser in a segment we pioneered back in 2018, which still has significant opportunity for penetration growth. This new diffuser, coupled with Vibrant fragrances offer consumers an unparalleled fragrance experience.

Our cordless diffuser features two new settings: a gentle light that glows while a fragrant mist is released, instantly enhancing the ambience in homes, and an additional maximum intensity setting for more noticeable fragrance. It is the first Reckitt device to incorporate PCR content within its plastic housing.

Air Wick is reinventing the auto-spray segment with 24/7 Active Fresh, the first-ever aerosol-free auto-spray, launched in Europe in 2023. Free from phthalates, propellants and dyes and packaged in a 50% PCR bottle, this product appeals to consumers who prefer non-aerosol. With up to 70 days of freshness, it provides a more natural way of continuously neutralising odours. The success of the launch continues and it has been awarded the 'Product of the Year' in multiple European markets, as voted by consumers.

Air Wick's ongoing ability to translate innovation into superior solutions that delight consumers solidifies its global leadership in plug-in scented oils and mist diffusers, while attracting new users and increasing market penetration.



## Mead Johnson Nutrition

# MEAD JOHNSON NUTRITION

Mead Johnson Nutrition provides the highest-quality, clinically based infant and toddler nutrition through a market-leading portfolio of brands around the world.

Mead Johnson's portfolio includes Enfamil, the leading global infant formula brand and the most recommended by paediatricians in our core markets, as well as Nutramigen, the number one brand for managing cow's milk allergy worldwide, supported by over 75 years of evidence. Parents place their trust in our brands, underpinned by the confidence that medical professionals have in our products. This confidence is rooted in our unwavering commitment to a clinical, science-based approach to innovation.

The infant formula category is evolving to meet the increasingly specialised needs of infants. Our response to this is the development of our allergy and digestion segments, which present growth opportunities even as global birth rates decline. Mead Johnson maintains a leading market share in these segments by offering differentiated products.

#1

**Enfamil:** infant formula brand recommended by US paediatricians

#1

**Nutramigen:** global for managing cow's milk allergy

Claims based on information aggregated in part from data supplied by Nielsen through its Retail Measurement Services and in part from data inputs from other suppliers, in each case, for the relevant category, geographic focus and based on FY24 (based on branded players only)

## Mead Johnson Nutrition continued

In the higher-growth digestion segment, we successfully launched Enfamil NeuroPro Gentlease Powder in 2024 to soothe stomach problems with patented prebiotics. It is the only formula with proven 24-hour relief, easing all five signs of digestive discomfort, while providing long-lasting brain-building benefits.

We continue to expand our market access and penetration with new format releases and international roll-outs. In 2024, this included a successful launch of Enfamil NeuroPro (see adjacent case study) in Canada.

Given the crucial role healthcare professionals (HCPs) play in educating parents on child nutrition and recommending solutions, building and deepening relationships with them is vital. In 2024, we focused on further nurturing these relationships through the relaunch of the Mead Johnson Nutrition Institute, a platform dedicated to HCP education. The platform serves as a one-stop destination for the latest in nutrition science, education and events, providing credible, easy-to-read resources. By the end of 2024, we engaged healthcare professionals in more than 25 countries through nutrition science and education initiatives.

Following our team's remarkable efforts in addressing the infant formula supply shortages in the US in 2022, they once again demonstrated exceptional dedication in the aftermath of a tornado in Mount Vernon, Indiana in July 2024. Thankfully, all our employees were safe despite significant damage to our third-party warehouse, which stored a mix of raw materials and finished products. Thanks to a global, coordinated effort, we were able to continue production and limit the extent of retail stock shortages during this period. We are deeply grateful for the hard work of our team during this challenging time.

To further build resilience in our supply chain, Mead Johnson is starting a programme of capital investments that will strengthen our operations and allow the business to stay ahead in a dynamic environment. Mead Johnson is a great business, but it is now considered non-core. As we focus on our Health and Hygiene Powerbrands, we will consider all strategic options to maximise its value for shareholders.



### ENFAMIL: A SPECIALISED, SCIENCE-LED PORTFOLIO

Enfamil focuses innovation around ingredients with clinically proven outcomes.

Enfamil NeuroPro and MindPro are the only infant formulas in the market that contain two essential elements found in human breast milk: milk fat globule membrane (MFGM), which plays a vital role in brain development, and human milk oligosaccharides that support the immune system.

Supplementing with MFGM in infancy is linked to enhanced cognitive, motor and language development at 12-18 months, as well as a 5.2-point IQ advantage at five-and-a-half years of age.

Since launching in key markets across Asia, North America and South America, Enfamil has captured a 32% market share of the premium global infant and toddler formula category.

Enfamil is also targeting the higher-growth digestion segment of the infant formula category by enhancing the NeuroPro formula with a patented prebiotic fibre blend. Enfamil NeuroPro Gentlease Powder helps soothe

tummy troubles within 24 hours and is clinically shown to support softer and more frequent stools. The Stage 1 Powder was successfully launched in the US during 2024.

Specialised products are another higher growth segment that Enfamil has entered with the launch of an innovative, premiumised product designed specifically for babies born via C-section, Enfamil A+ Nurapro C-Biome. C-section babies are at greater risk of neuro, immune and gut health issues and this formula is the first to feature a unique C-Biome blend to boost microbiome diversity and immune response.

The formula was launched in ASEAN during 2023-2024, receiving a positive reception in Thailand and the Philippines, with Malaysia, Vietnam and Singapore launching over 2025.

Through these innovations, Enfamil continues to demonstrate its market leadership in premium products backed by scientific research, and continues to build the trust of medical professionals and parents.



## Fuel for Growth

# RIGHT-SIZING OUR OPERATING COSTS

Our transition to a sharper, simpler organisation brings with it valuable opportunities to right-size our operating costs. These have been brought together in a cost optimisation programme we call 'Fuel for Growth'.

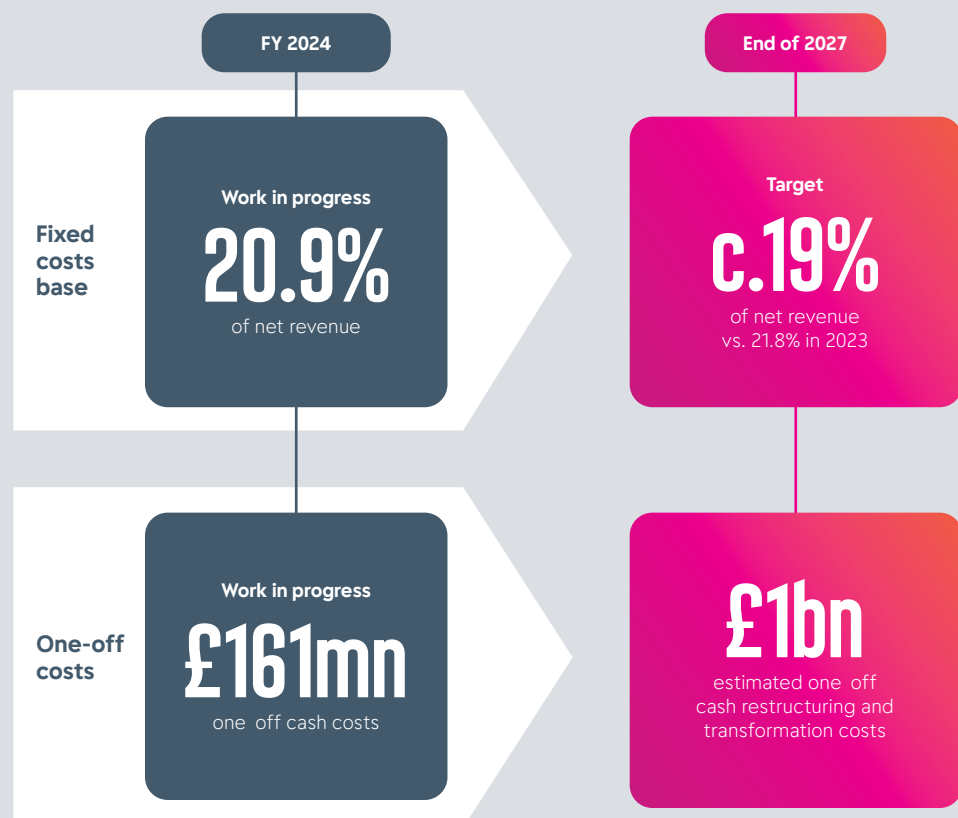
Set out in our July 2024 Strategy Update, Fuel for Growth targets a reduction in our corporate fixed costs to circa 19% of net revenue as we exit 2027, a reduction of at least 300bps, from circa 22% in 2023. We aim to achieve this through our simpler operating model, the right-sizing of historical investments, leveraging automation and greater adoption of shared services, and harnessing the productivity benefits of our digital capabilities and generative AI.

Fuel for Growth is already delivering cost benefits. By streamlining corporate functions and simplifying our operating model, we were able to eliminate corporate overhead in 2024, which helped us to reduce our fixed costs to 20.9% of net revenue (see page 39 for further details).

We see further opportunities for similar cost reductions in the year ahead, as well as savings from right-sizing existing investment programmes that have already delivered benefits in areas such as marketing. Beyond this, we expect to realise the cost benefits of automation and shared services and the productivity gains from digital and generative AI as we move towards our end-2027 cost ambition.

The transformation of our organisation will incur one-off cash costs of around £1 billion over the same period. In 2024, these amounted to £161 million and we expect about £500 million in 2025, with the majority of the balance in 2026.

We have excluded these one-off transformation and restructuring costs from our adjusted results because in aggregate they are material and affect multiple reporting periods. See pages 223 and 226 for more details.



### Fuel for Growth delivering early benefits

#### Simplification

##### 2024-2025

Simplify our organisation for scale opportunities

- Streamlined functional structure
- Removal of semi-autonomous GBUs
- Reduction in management layers
- More unified go-to-market approach

#### Right-size investment

##### 2024-2025

Right-sizing and embedded global capability teams in markets

- E-commerce capabilities embedded in market
- Created omnichannel marketing and sales force
- Professional line integrated into markets

#### Automation & shared services

##### 2025-2027

Reduce cost and improve efficiency

- Implement end-to-end holistic Global Business Services strategy
- Expand finance and supply shared services footprint

#### Digital & generative AI

##### 2025-2027

New opportunities for effectiveness and efficiency

- Marketing function deployed use cases
- R&D next frontier
- SAP implementation

## Capital Allocation

# OUR CAPITAL ALLOCATION PRIORITIES

Our growth model generates attractive cash returns, which we use to reinvest in our brands and enhance returns for our shareholders. Our capital allocation priorities govern these decisions and ensure our brands are well invested, our balance sheet remains strong and our shareholder returns are competitive.

Investing in organic growth is our top priority. Allocating capital against brands that offer the best long-term opportunity for growth and value creation is vital for our future success.

Our business model is highly cash generative and we maintain a strong balance sheet, with a leverage ratio of around 2.0x EBITDA consistent with our single A credit rating.

We are committed to returning excess capital to shareholders. We achieve this through our progressive dividend policy and our share buyback programme, which we reintroduced in October 2023 with a commitment to buy back £1 billion of our shares over a 12-month period.

We completed the £1 billion buyback in ten months and announced a follow-on programme of the same size in July 2024. This remains ongoing and as at 27 February 2025 we had purchased shares to a value of £154 million under this second programme. The total value of shares repurchased during 2024 was £1.3 billion.

Our full-year dividend for 2024 was set at 202.1 pence, which represents a 5% increase versus 2023.

Through our dividend and share buyback, we returned £2.7 billion in cash to shareholders in 2024, a 75% increase versus 2023.

It remains our ambition to continue our share buyback programme as a key feature of the returns we offer to shareholders, subject to fulfilling the other governing principles that guide our capital choices.

### Invest in organic growth

- Our priority remains to invest in organic growth, funded through our earnings model
- Our three principles for long term value creation govern our organic and inorganic capital allocation choices
- This discipline enables us to dedicate capital against the brands that offer the best long term opportunity for growth and value creation

### Strong free cash conversion

- We continue to prioritise free cash flow conversion and are confident this will remain strong

### Sustainable dividend growth

- We continue to pay a progressive dividend
- Our dividend policy aims to deliver sustainable dividend growth in future years
- Our 2024 dividend was increased by 5% in line with this objective

**+5%**

increase in dividend

### Return cash to shareholders

- We are committed to returning surplus cash to our shareholders through our dividend and share buyback programme
- We expect this programme to continue, consistent with our capital allocation principles

**£2.7bn**

returned to shareholders in 2024, a 75% increase versus 2023

## Creating value for shareholders

### Manage the portfolio for value creation

- We manage our brand portfolio actively to ensure each brand earns its place based on its growth potential and earnings model

### Target single A credit rating

- We continue to target a single A credit rating with balance sheet leverage of around 2x EBITDA



## Total Shareholder Returns

# ENHANCING RETURNS TO SHAREHOLDERS

Our business is owned by our shareholders, whose expectations we work hard to match and exceed. It is rooted in an earnings model that aims to deliver best-in-class growth and shareholder returns.

The total return we offer our shareholders is fundamental to the way we manage our business and share its financial benefits. Since October 2023, this includes our share buyback programme.

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

Our business delivers high gross margins, which reflect the quality of both the categories in which we operate and the premiumisation we bring to each. Investing in innovation, consumer education and omnichannel marketing is key to ensuring our brands resonate with customers and consumers.

Operating leverage from top-line growth at structurally high gross margins and optimising costs through our Fuel for Growth programme underpin our ability to deliver operating profit ahead of net revenue growth.

We will continue to prioritise strong free cash conversion and are committed to returning cash to shareholders through our progressive dividend policy and share buyback programme.

### We have an enduring framework for sustained value creation

#### 4% TO 5% NET REVENUE GROWTH

We target sustainable top-line growth of between 4% and 5% for core Reckitt over the medium term

+

#### GROW AOP AHEAD OF NET REVENUE

We target adjusted operating profit (AOP) growth ahead of revenue growth over the medium term

+

#### SUSTAINABLE DIVIDEND GROWTH

We have a progressive dividend policy (5% increase in 2024).

+

#### SHARE BUYBACK

New £1 billion share buyback programme launched in October 2023 (completed)  
Second £1 billion underway since July 2024

A strong earnings model

Committed to returning cash to shareholders

## Key Performance Indicators

### MEASURING PERFORMANCE

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

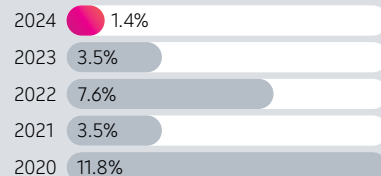
Variable pay across the Group is aligned to these KPIs. Central to our remuneration philosophy are the principles of pay for performance, as well as strategic alignment. Combined with our Compass and Leadership Behaviours, these principles define how decisions are made, how people act and how they are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

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

See page 118 for more information in our Remuneration Report

See pages 223-224 for details of our definitions and terms in our APMs

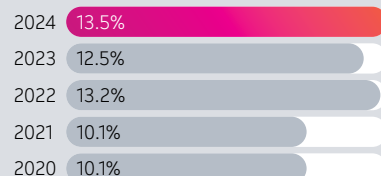
#### Like-for-like net revenue growth<sup>1</sup>



**Why we measure it:** To ensure that our strategy is delivering organic revenue growth. The mix and strength of products and brands enables us to target mid-single-digit growth over time.

**Performance narrative:** Group net revenue of £14,169 million grew by 1.4% on a LFL basis in the year, reflecting price/mix improvements of 2.0% and a volume decline of 0.6%. Our Hygiene brands grew 4.2%, our Health brands grew 2.1% and Nutrition declined 7.3%.

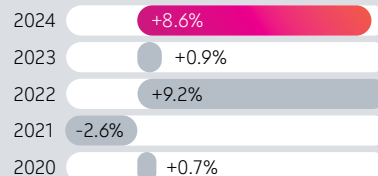
#### Return on capital employed (ROCE)<sup>1</sup>



**Why we measure it:** To ensure disciplined capital management.

**Performance narrative:** ROCE in 2024 was 13.5% (2023: 12.5%), an increase of 100 bps from 2023, due to a higher Net Operating Profit After Tax.

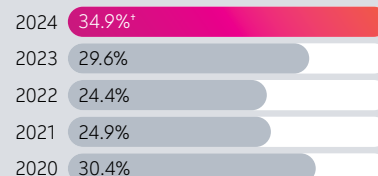
#### Adjusted operating profit growth at constant exchange rates<sup>1, 2</sup>



**Why we measure it:** To ensure that we are converting revenue growth into profit. We anticipate growing operating profit faster than revenue growth.

**Performance narrative:** Adjusted operating profit grew more than net revenue in 2024, driven mainly by gross margin expansion along with a decline in fixed costs.

#### Net revenue from more sustainable products<sup>1, 3</sup>



**Why we measure it:** To drive product innovation that supports delivery of our Sustainability Ambitions and the development of more sustainable products with a lower environmental footprint, as measured by our Sustainable Innovation Calculator.

**Performance narrative:** Net revenue from more sustainable products now accounts for over a third of total revenues (34.9% in 2024 vs 29.6% in 2023) which reflects our ongoing efforts and improvements in product packaging, ingredients and carbon footprint.

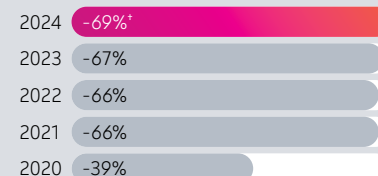
#### Adjusted diluted earnings per share<sup>1</sup>



**Why we measure it:** To monitor profitability and to provide a comparable net profit per share attributable to owners.

**Performance narrative:** Total adjusted diluted EPS was 349.0p in 2024 (2023: 323.4p), a rise of +7.9%, supported by a lower share count from our ongoing share buyback, and a lower effective tax rate of 22.2% (2023: 25.2%), offset by higher net interest cost and adverse foreign exchange.

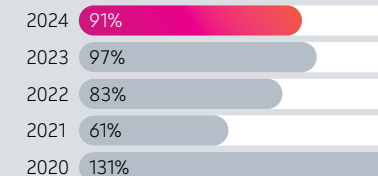
#### Reduction in Greenhouse Gas (GHG) emissions in our operations<sup>4</sup>



**Why we measure it:** To support our net zero ambition and reduce absolute Scope 1 and 2 GHG emissions from our own operations.

**Performance narrative:** Through our ongoing focus on optimising high energy manufacturing processes and our use of renewable energy, we continued to surpass our science-based target reduction of 65% by 2030, achieving a 69% reduction in 2024.

#### Free cash flow conversion<sup>1</sup>



**Why we measure it:** To maintain the delivery of strong free cash flow conversion over time.

**Performance narrative:** Free cash flow of £2,232 million decreased by £26 million or 1%. Free cash flow conversion reduced by six percentage points to 91% as the benefit of reduction in tax paid was more than offset by cash outflow relating to group strategic announcements, higher interest paid and cash outflow from increased working capital commitments.

<sup>1</sup> See details on our alternative performance measures on pages 223-227

<sup>2</sup> Years after and including 2021 exclude IFCN China (disposed September 2021)

<sup>3</sup> Figures prior to 2021 exclude our Nutrition business unit

<sup>4</sup> Since 2015

\* 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](http://www.reckitt.com/reporting-hub) for more details

## Sustainability Performance Dashboard

# PROGRESS AGAINST OUR SUSTAINABILITY AMBITIONS

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

### OUR STRATEGY

#### Our Purpose

To protect, heal and nurture in the pursuit of a cleaner, healthier world

#### Our Compass

Do the right thing. Always

### MORE SUSTAINABLE BRANDS

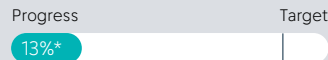
50%

net revenue from more sustainable products by 2030



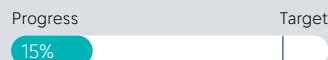
50%

reduction in product carbon footprint by 2030<sup>1</sup>



50%

reduction in virgin plastic packaging by 2030<sup>2</sup>



25%

recycled content in our plastic packaging by 2025



Implementing programmes of positive impact through our brands and in communities

Read more on page 45

### HEALTHIER PLANET

Net zero

across our value chain by 2040<sup>3</sup>

65%

reduction in GHG emissions in operations by 2030<sup>1</sup>



100%

renewable electricity by 2030



Water-positive

in water-stressed sites by 2030



Implementing programmes of positive impact on nature in key places

Read more on page 46

### FAIRER SOCIETY

Inclusive

An inclusive culture where everybody is treated fairly and equally

Diverse

Our teams represent the diverse places where we work and the people we serve

50/50

Gender balanced management at all levels by 2030<sup>4</sup>



30 million

people positively impacted by our social impact investments by 2030 (cumulative since 2020)



2 billion

people engaged through our purpose-led partnerships, programmes and campaigns (cumulative since 2020)



\* 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](http://www.reckitt.com/reporting-hub)

<sup>1</sup> Reduction targets for GHG emissions are from a 2015 baseline

<sup>2</sup> Reduction target for plastic is from a 2020 baseline. All packaging data relates to 2023, which is driven by the Ellen MacArthur Foundation reporting timelines. 2024 data will be available in mid-2025

<sup>3</sup> Reckitt's net zero target means we aim to negate the amount of Greenhouse Gas emissions across our value chain, including Scopes 1, 2, 3.1, 3.4, 3.11 (direct only) and 3.12 by 2040. It includes our near-term science-based emissions reduction targets for 2030 (see page 46). Further detail is provided in our 2024 Sustainability Report

<sup>4</sup> Data as of 31 December 2024 for active Reckitt employees (excluding contractors). 'All management' includes: Executive Committee member, Group leadership team, senior management team, middle manager, manager



## Financial Performance

# GROWING EARNINGS AND DELIVERING STRONG CASH RETURNS TO SHAREHOLDERS



**Shannon Eisenhardt**  
Chief Financial Officer

## Group financial performance

In 2024, Group net revenue grew by +1.4% on a like-for-like (LFL) basis to £14,169m, reflecting price/mix improvements of +2.0% and a volume decline of -0.6%. Our Hygiene business delivered broad-based growth of +4.2% despite a competitive market environment, with improving volume trends supported by the strong performance of our innovation platforms, including Lysol Air Sanitizer and Finish Ultimate Plus All in 1.

Health net revenue grew by +2.1%, with broad-based growth in our Dettol, Durex, Nurofen, Gaviscon and VMS portfolios partially offset by weakness in our seasonal OTC brands (together around 10% of Group net revenue) due to weak cold and flu trends at the start and end of 2024. Nutrition declined by -7.3% as the US lapped the prior year competitor supply issue and experienced short-term disruptions to supply following the Mount Vernon tornado in July.

Total Group net revenue on an IFRS basis was down by -3.0%, reflecting foreign exchange headwinds of -4.1% and net M&A impact of -0.3%.

The year saw improving market share trends, with 48% of our Top Category Market Units (CMUs) holding or gaining share on a net revenue-weighted basis, with 55% in Health (2023: 46%), 55% in Hygiene (2023: 47%) and 15% (2023: 37%) in Nutrition.

The Group's gross margin was 60.7%, an increase of +70bps versus 2023, driven by pricing and productivity efficiencies against a more benign environment for cost input inflation. Brand equity investment (BEI) increased by +3.1% (+£59m) on a constant FX basis as we strengthened investment behind innovation launches to

support the long-term growth of our brands. As a percentage of net revenue, BEI was 13.4%, up +30bps year-on-year.

Group adjusted operating profit for the year was £3,475m (2023: £3,373m) at an adjusted operating margin of 24.5% (2023: 23.1%), 140bps higher than the prior year reflecting early delivery of cost efficiencies from our Fuel for Growth programme, as well as +30bps of one-off items driven by the benefit of insurance proceeds relating to the Mount Vernon tornado in July. Fixed costs declined by -90bps to 20.9% of net revenue, versus 21.8% in 2023.

On an IFRS basis, operating profit was £2,425m (2023: £2,531m) at an operating profit margin of 17.1% (2023: 17.3%). This was impacted by an intangible assets impairment charge of £838 million (2023: £810m) relating to our Infant Formula (IFCN) business and to Biofreeze. This reflects a significant capital investment programme that has commenced to meet regulatory requirements and to build greater resilience in the wider supply network for IFCN, and a more challenging marketplace for Biofreeze in topical pain relief.

Following the announcement we made in our July 2024 Strategy Update, the Group incurred £167m of one-off costs (of which £161m are one-off cash costs) in relation to transformation and restructuring, which are excluded from adjusted earnings.

Total adjusted diluted earnings per share was 349.0p in 2024 (2023: 323.4p), a rise of +7.9%, supported by a lower share count from our ongoing share buyback and a lower effective tax rate of 22.2% (2023: 25.2%), offset by higher net interest cost and adverse foreign exchange. Total IFRS diluted EPS was 203.2p (2022: 228.7p).

Our full year dividend increased by 5% to 202.1p (2023: 192.5p) per share, in line with our policy to deliver sustainable growth through a progressive dividend. The final proposed dividend was 121.7p (2023: 115.9p) per share.

Free cash flow was £2,232m in 2024 (2023: £2,258m) a -1.2% decrease year on year. We continue to maintain a strong balance sheet with net debt at 2.0x adjusted EBITDA (2023: 1.9x adjusted EBITDA).

**Shannon Eisenhardt**  
Chief Financial Officer

Net revenue<sup>1</sup>

**£14.2bn**

2023: £14.6bn

Adjusted operating profit<sup>1</sup>

**£3.5bn**

2023: £3.4bn

Free cash flow<sup>1</sup>

**£2.2bn**

2023: £2.3bn

<sup>1</sup> Adjusted and other non-GAAP measures, definitions and terms are defined on page 223

Financial Performance continued



FY 2024 Net Revenue		Adjusted Operating Profit	Adjusted Operating Profit Margin
£6,140m		£1,375m	22.4%
Volume	+1.8%	Constant FX (CER)	+16.5%
Price/Mix	+2.4%	Actual	+11.2%
LFL	+4.2%		
Net M&A	—		
FX	−4.1%		
Actual	+0.1%		
		Actual	+230bps

HYGIENE

43%

of Group revenue

Hygiene net revenue grew +4.2% in 2024 on a like-for-like (LFL) basis to £6,140m. Growth was balanced with +2.4% price/mix improvements and +1.8% volume growth. Net revenue growth was broad-based across all Powerbrands and regions.

55% of our Hygiene Top CMUs (weighted by net revenue) gained or held share during the year. Successful innovation launches and strengthened marketing were positive growth drivers, offset by a more competitive environment in the US, particularly in Auto Dish and Air Care.

Finish LFL net revenue grew mid-single-digits, with strong growth across our thermoformed formats driving further premiumisation in the auto dish category as consumers continue to trade up to more superior solutions. Finish thermoformed tablets now account for 75% of our tablet net revenue.

Lysol delivered high single-digit LFL net revenue growth in the year, led by strong high single-digit growth in all surface and bathroom hygiene cleaners in our established segments of disinfection. Our innovation platforms, Lysol Laundry Sanitizer and Lysol Air Sanitizer, continue to drive category growth with penetration gains and market share growth. Lysol Air Sanitizer demonstrates how our platform discoveries lead to breakthrough propositions. Since its launch in July 2023, it has created an entirely new category with the first and only air sanitising spray approved by the EPA, which kills 99.9% of airborne viruses and bacteria.

Harpic delivered mid-single-digit LFL net revenue growth in the year, led by India where our 10X Advanced Harpic formulation is delivering category share gains.

Vanish net revenue grew low single-digits in the year, led by mid-single-digit growth and market share gains in key markets across Europe, building on our premiumisation strategy enabled through superior performance, especially in short and quick wash cycles.

We saw broad-based growth across our other Hygiene brands, including Air Wick and Mortein.

Adjusted operating profit for Hygiene was £1,375m, up +16.5% on a constant FX basis and +11.2% on an actual basis. Hygiene's adjusted operating profit margin was 22.4%, up +230bps driven by strong gross margin expansion, effective targeted brand building and marketing investment, supported by further improvements in our fixed cost base enabled by a strong productivity programme.



## Financial Performance continued



### FY 2024 Net Revenue

£5,882m

Volume	-0.3%
Price/Mix	+2.4%
LFL	+2.1%
Net M&A	-0.7%
FX	-4.4%
Actual	-3.0%

### Adjusted Operating Profit

£1,699m

Constant FX (CER)	+6.5%
Actual	+0.5%

### Adjusted Operating Profit Margin

28.9%

Actual	+100bps
--------	---------

# HEALTH

## 42%

of Group revenue

Health net revenue grew +2.1% on a LFL basis to £5,882m, reflecting price/mix improvements of +2.4% and a volume decline of -0.3%. Excluding our seasonal OTC brands, Health net revenue grew 5.3% in the full year, with volumes positive at +2.5%.

55% of our Health Top CMUs (weighted by net revenue) gained or held share during the year, driven by market share gains across our Intimate Wellness and non-seasonal OTC portfolios.

Our Intimate Wellness portfolio, led by Durex, delivered high single-digit growth in the year, with double-digit growth across Developing Markets, and high single-digit growth across Europe. We are seeing strong market share gains across these geographies with higher rates of adoption being driven by improved in-store execution, distribution gains and recent innovation launches.

Intimate Wellness net revenue growth in China, our largest market for Durex, grew mid-teens, helped by the continued success of innovation

platforms such as polyurethane condoms and hyaluronic acid condoms, which have seen a strong response from consumers, as well as our Intima feminine hygiene brand, which has seen strong growth, especially across our online channels.

Our non-seasonal OTC brands net revenue grew mid-single digits in the year. Investment in expanding supply capacity enabled us to meet strong consumer demand, with Gaviscon achieving double-digit growth and improved pack fill rates, and strong growth in Nurofen across multiple European markets supported by the roll-out of Nurofen Liquid Capsules in Italy, as well as a promising early response to the launch of Nurofen sustained release with 12-hour pain relief in Romania.

Net revenue of our seasonal OTC brands, Mucinex and Strepsils, declined high single digits, impacted by tough prior year comparatives in Q1, a weak end to the cold and flu season in the first half of the year and a delayed onset of the US

season in the second half. Notwithstanding this backdrop, the equity of these brands remains strong and is supported by ongoing innovation, including the successful September 2024 launch of Mucinex Mighty Chews, the first over-the-counter medicated children's soft chew for cough relief.

Dettol net revenue grew low single digits in the year, with strong volume growth partially offset by the competitive pricing actions taken in certain ASEAN markets. China delivered strong double-digit growth led by innovation across a number of platforms.

Adjusted operating profit for Health of £1,699m was up +6.5% on a constant FX basis and +0.5% on an actual basis. Health's adjusted operating margin was 28.9%, an increase of +100bps, with gross margin expansion and fixed cost optimisation more than offsetting increased investment behind our brands.

Financial Performance continued



FY 2024 Net Revenue		Adjusted Operating Profit		Adjusted Operating Profit Margin	
£2,147m		£401m		18.7%	
Volume	-7.1%	Constant FX (CER)	-5.4%	Actual	+20bps
Price/Mix	-0.2%	Actual	-10.3%		
LFL	-7.3%				
Net M&A	—				
FX	-3.6%				
Actual	-10.9%				

NUTRITION

15%

of Group revenue

Nutrition net revenue declined by -7.3% on a LFL basis in 2024 to £2,147m, with a price/mix contribution of -0.2% and a volume decline of -7.1%. This was driven by a combination of the Mount Vernon tornado, which impacted short-term supply to customers in the second half of the year, and our market shares rebasing from historical highs reached in the prior year during the competitor supply issue.

Developing Markets remained broadly flat for the full year, reflecting category-led volume growth declines that were partially offset by growth in premium products in ASEAN.

15% of Nutrition's Top CMUs (weighted by net revenue) gained or held share during the year. This result was impacted by our market shares rebasing in the US following the competitor supply issue, and the impact of the Mount Vernon tornado, which resulted in us being out of stock in certain SKUs in some of our more specialised formulations.

Adjusted operating profit for Nutrition at £401m in 2024 was down -5.4% on a constant FX basis and -10.3% on an actual basis. Nutrition's adjusted operating margin was 18.7%, up +20bps, as reduced gross margin was offset by the effect of the insurance proceeds following the Mount Vernon tornado.

We continue to expand our market access and penetration with new format releases and international rollouts. In the higher-growth digestion segment, we successfully launched Enfamil NeuroPro Gentlease Powder in Q2 2024, which soothes stomach problems with patented prebiotics.



## Financial Performance continued

The following section should be read in conjunction with the full-year financial review from page 39 and the alternative performance measures section from page 223.

### Group operating profit

Adjusted operating profit was £3,475 million (2023: £3,373 million) at an adjusted operating margin of 24.5%, 140bps higher than the prior year (2023: 23.1%). This increase was driven by gross margins 70bps higher than 2023, and fixed costs 90bps lower than 2023. This was partially offset by BEI and other marketing spend increases of 20bps.

IFRS operating profit was £2,425 million (2023: £2,531 million) at an IFRS operating margin of 17.1% (2023: 17.3%). IFRS operating profit in 2024 was impacted by an intangible assets impairment charge of £838 million relating to IFCN and Biofreeze (2023: £810 million). The IFCN impairment of £696 million (2023: £810 million) reflects changes in the regulatory environment resulting in increased capital requirements as well as to build greater resilience in the wider supply network (see note 9). During 2024, Biofreeze performed below expectations following competitive pressure from both private label and branded competitors, new entrants to the market and a reduction in the level of displays present in the category which has resulted in an impairment of £142 million (2023: £0 million), (see note 9).

IFRS operating profit was also affected by restructuring and other project costs of £167 million linked to the group strategic announcements in 2024. This principally includes professional advisor fees and severance costs relating to business transformation and portfolio changes.

### Net finance expense

Adjusted net finance expense was £323 million (2023: £247 million). The increase in adjusted net finance expense in 2024 was primarily driven by increased interest payable on borrowings due to the cost of debt issued in the period.

IFRS net finance expense was £321 million (2023: £130 million). The net finance expense under IFRS is higher in 2024 due to a £130 million credit in 2023 relating to translational foreign exchange gains arising upon liquidation of a number of subsidiaries.

### Tax

The adjusted effective tax rate (ETR) was 22.2% (2023: 25.2%). The 2024 ETR benefited from a change in estimate of uncertain tax positions.

The IFRS tax rate was 31.9% (2023: 31.4%). The IFRS ETR in 2024 is higher than the adjusted ETR due to the non-deductible impairment of intangible assets, and the non-deductible costs linked to the group strategic announcements in 2024. 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.

### Earnings per share (EPS)

Adjusted diluted EPS was 349.0 pence (2023: 323.4 pence), an increase of 7.9%. The increase was due to higher adjusted operating profit at constant exchange rates and the beneficial effect of the ongoing share buyback programme, partly offset by the impact of foreign exchange.

IFRS diluted EPS was 203.2 pence (2023: 228.7 pence), a decrease of 11.1%. The decrease was driven by a lower operating profit and higher net finance expense, which more than offset the benefit of a lower diluted number of shares.

### Balance sheet

At 31 December 2024, the Group had total equity of £6,720 million (31 December 2023: £8,469 million).

Current assets of £4,598 million (31 December 2023: £5,302 million) decreased by £704 million. Cash and cash equivalents reduced by £507m, which includes an increase in share repurchases

in the year. Inventories and corporation tax receivables also reduced in the year.

Current liabilities of £7,943 million (31 December 2023: £8,338 million) decreased by £395 million. The decrease principally relates to lower borrowings and lower trade and other payables, together with lower current tax liabilities. These decreases were offset by the share repurchase liability in relation to committed purchases under the share buyback programme.

Non-current assets of £20,700 million (31 December 2023: £21,834 million) primarily comprise goodwill and other intangible assets of £17,565 million (31 December 2023: £18,588 million) and property, plant and equipment.

The decrease in goodwill and other intangible assets of £1,023 million is predominantly due to impairment of IFCN and Biofreeze intangible assets.

Non-current liabilities of £10,635 million (31 December 2023: £10,329 million) increased by £306 million principally due to financing activity, offset by a reduction in non-current tax liabilities.

### Net working capital

During the year, net working capital decreased by £77 million to negative £1,402 million (2023: negative £1,479 million). Net working capital as a percentage of 12-month net revenue is -10% (31 December 2023: -10%).

### Cash flow

	31 Dec 2024 £m	31 Dec 2023 £m
Adjusted operating profit	3,475	3,373
Depreciation, share-based payments and gain on disposal of fixed assets (net of proceeds)	546	585
Capital expenditure	(465)	(449)
Movement in working capital and provisions	(271)	(21)
Cash flow in relation to adjusting items <sup>1</sup>	(61)	(45)
Net interest paid	(292)	(263)
Tax paid	(700)	(922)
<b>Free cash flow</b>	<b>2,232</b>	2,258
<b>Free cash flow conversion</b>	<b>91%</b>	97%

1 Further details on adjusting items can be found on page 226

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 £2,232 million decreased by £26 million or 1%. Free cash flow conversion reduced by six percentage points to 91% as the benefit of reduction in tax paid was more than offset by cash outflow relating to group strategic announcements, higher interest paid and cash outflow from increased working capital commitments. Net cash generated from operating activities has increased by £46 million to £2,682 million (2023: £2,636 million).

## Financial Performance continued

### Net debt

	31 Dec 2024 £m	31 Dec 2023 £m
Opening net debt	(7,290)	(7,984)
Free cash flow	2,232	2,258
Share buyback	(1,328)	(207)
Purchase of ordinary shares by employee share ownership trust	(3)	(2)
Shares reissued	3	48
Acquisitions, disposals and purchase of investments	17	(80)
Dividends paid to owners of the Parent Company	(1,381)	(1,339)
Dividends paid to non-controlling interests	(2)	(8)
New lease liabilities in the period	(70)	(44)
Exchange and other movements	(91)	76
Cash flow attributable to discontinued operations	(1)	(8)
<b>Closing net debt</b>	<b>(7,914)</b>	<b>(7,290)</b>

At 31 December 2024, net debt was £7,914 million, an increase of £624 million from 31 December 2023, as higher capital returns through dividends (£1,381 million) and the ongoing share buy-back program (£1,328 million) more than offset continued strong free cash flow (£2,232 million). Net debt was 2.0x adjusted EBITDA at 31 December 2024 (31 December 2023: 1.9x)

The Group regularly reviews its banking arrangements and currently has adequate facilities available to it. The Group has committed borrowing facilities totalling £4,450 million (31 December 2023: £4,500 million), of which £124 million (2023: £nil) was drawn at year end and of which £3,500 million (31 December 2023: £4,450 million) expire after more than two years. 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 2024 dividend of 121.7 pence (2023: 115.9 pence). The ex-dividend date will be 10 April 2025 and the dividend will be paid on 29 May 2025 to shareholders on the register at the record date of 11 April 2025. The final 2024 dividend will be accrued once approved by shareholders.

### Return on Capital Employed (ROCE)

ROCE in 2024 was 13.5% (2023: 12.5%), an increase of 100 bps from 2023, due to a higher Net Operating Profit after Tax (NOPAT).

### 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. In 2024, our strong free cash flow generation and healthy balance sheet enabled us to return £1.3 billion of cash to shareholders through share repurchases.

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 2024 dividend was increased by 5% in line with this objective.

## Sustainability Performance Review

# OUR PURPOSE IS TO PROTECT, HEAL AND NURTURE IN THE PURSUIT OF A CLEANER, HEALTHIER WORLD

Everything we do is channelled towards captivating and delighting our consumers with more enduring, relevant products that meet their everyday needs.

We aim to create positive impact for people and society while supporting resilience and growth for our business. This approach is reflected in our Sustainability Ambitions for 2030 and beyond. They are an integral part of our strategy and our Purpose to protect, heal and nurture in the pursuit of a cleaner, healthier world. We focus on three pillars of activity: more sustainable brands, healthier planet and fairer society, informed by the issues that matter most to our business and stakeholders.

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

We are signatories to the UN Global Compact and our annual communication on progress demonstrates our commitment to the UN Guiding Principles and the Sustainable Development Goals (SDGs).

▶ More detail on our approach, including the outcomes of our materiality assessment, is available in our 2024 Sustainability Report

## MORE SUSTAINABLE BRANDS

Our products are used in millions of households every day. Our ambition is that every product innovation we generate is more sustainable than its predecessor.

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

A key tool is our Sustainable Innovation Calculator. This helps us compare the sustainability of product innovations with existing benchmarks. We evaluate a product's raw materials, packaging and environmental impact to understand if innovations are more sustainable.

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

our Dettol Hygiene Quest school education programme aims to improve hygiene behaviours.

### Progress

In 2023, we put additional resources in place to accelerate progress against our product carbon footprint reduction target and meet our post-consumer recycled (PCR) packaging target. During 2024, we focused on the raw materials used in our products and continued our programmes to reduce the use of certain chemicals. The impact of these projects has contributed to an increase in net revenue from more sustainable products, which now accounts for over a third of total revenues (34.9% in 2024 vs 29.6% in 2023).

We've been progressively removing specific chemicals from our portfolio, targeting those on our Restricted Substance List, including fluorosurfactants and certain fragrances. These have helped achieve a 24% reduction in our overall chemical footprint versus our 2020 baseline (target: 65% reduction by 2030). We are reviewing this target in line with emerging regulatory developments (more detail in our Sustainability Report).

# 34.9%

net revenue from more sustainable products  
(Target: 50% by 2030)



## INNOVATION IN ACTION

Our near-term focus has been on reducing plastic and carbon across our portfolio. Examples include:

- Enhanced formulas like our premium Vanish Oxi Action Gold Stain Remover powders which contain an innovative cold wash catalyst that helps to remove the toughest stains even in 30 minutes and at 20 degrees. It helps consumers save energy in use and reduces the product's carbon and water footprint (see page 12)
  - Concentrated formulas like our Vanish PLUS super concentrated powder which deliver more for less as consumers only need to use half the amount to achieve the same great results
  - Using recycled content (PCR) to replace virgin plastic in packaging which helps us meet our plastic targets as well as reducing our carbon footprint. We significantly increased PCR content in our Harpic, Lysol, Veja and Vanish product ranges
  - Reducing plastic packaging in products, like our Harpic Hygienic & Fresh self-adhesive toilet block which doesn't need a plastic cage
  - Refills for our Dettol surface cleaner and Cillit Bang grime and limescale cleaner, which provide consumers with more sustainable alternatives that deliver the same high-quality product performance and reduce packaging by allowing consumers to refill their original bottle
- ▶ More detail on sustainable product innovations is available in our 2024 Sustainability Report





## Sustainability Performance Review continued

### HEALTHIER PLANET

#### Climate change

Our ambition is to achieve net zero by 2040.

We have a holistic set of science-based targets to help tackle climate change and achieve our net zero ambition, including:

- 65% reduction in emissions from our operations (Scope 1 and 2) by 2030 vs 2015
- 50% reduction in emissions across our value chain (Scope 3) by 2030 vs 2015
- Achieve 100% renewable electricity by 2030

We've already surpassed our initial target to reduce emissions in our operations by optimising high energy manufacturing processes (especially those using natural gas), increasing our use of renewable energy and investing in longer-term renewable electricity generation.

We're now focused on reducing emissions across our value chain with our extensive network of suppliers. In 2024, we began a partnership with CO<sub>2</sub> AI and Quantis to enhance our Scope 3 modelling capabilities. Specifically, we've moved from representative to precise emissions data for our products. This has significantly improved the accuracy of our modelling and delivered execution efficiencies by automating manual, time-consuming processes. The partnership is helping us to identify priority actions across raw materials and packaging, which account for over half of our Scope 3 emissions. We can now target specific materials and suppliers that account for around 80% of our raw material and packaging footprint.

This analysis enhances our ability to link agendas and maximise value creation. For example, increasing the use of recycled plastic content in our packaging helps meet the future direction of plastic policy and also reduces the carbon footprint of packaging.

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

In 2024, we achieved a 69% reduction against our baseline. During the year we completed the expansion of solar installations at our Taicang and Chonburi sites. Almost all of our electricity is from renewable sources and we now have 16 sites generating some of their own renewable energy.

Our ongoing site decarbonisation and energy efficiency programmes are continuing to deliver emissions reductions. We are still aiming to improve energy efficiency with its associated reduction in energy costs. However, many projects have a longer pay-back period and those targeting electrical efficiency will not help reduce our absolute carbon emissions, which is the focus of our attention. We remain focused on reducing our reliance on and use of natural gas and are evaluating alternatives for thermal energy to reduce carbon emissions.

96% of the electricity used across our sites is renewable through a combination of on-site generation, power purchase agreements, green tariffs and renewable energy certificates (RECs). We are progressively moving towards more power purchase agreements and reducing our use of RECs, which helps build resilience in long-term renewable energy sourcing. During the year, we secured power purchase agreements in Poland, Singapore and Bahrain (the latter two are due to come online in 2025).

▶ See our Basis of Reporting for details on the methodologies used to calculate this information at [www.reckitt.com/reporting-hub](http://www.reckitt.com/reporting-hub)

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

▶ See our Sustainability Report for information on our Climate Transition Plan

▶ See our ESG data book for more detailed emissions and energy data

#### Emissions information<sup>1</sup>

Metric	Unit	2024	2023 (restated)*	2023
Scope 1 emissions	tCO <sub>2</sub> e	107,029*	114,656	115,705
Scope 2 emissions (market-based)	tCO <sub>2</sub> e	6,714*	8,842	8,902
Scope 2 emissions (location-based)	tCO <sub>2</sub> e	232,882*	229,262	241,600
<b>Total Scope 1 and 2 emissions (market-based)</b>	tCO <sub>2</sub> e	<b>113,743</b>	123,498	124,606
Total Scope 1 and 2 emissions (location-based)	tCO <sub>2</sub> e	339,911	343,918	357,304
3.1 Purchased goods and services	tCO <sub>2</sub> e	4,126,467	4,239,379	5,047,000
3.4 Upstream transportation and distribution	tCO <sub>2</sub> e	1,107,400	1,075,607	1,618,000
3.5 Waste generated in operations	tCO <sub>2</sub> e	26,116	28,125	28,000
3.6 Business travel	tCO <sub>2</sub> e	43,610	50,423	159,000
3.9 Downstream transportation and distribution	tCO <sub>2</sub> e	1,560,183	1,571,522	1,572,000
3.11 Use of sold products (direct only)	tCO <sub>2</sub> e	379,457	383,274	366,000
3.11 Use of sold products (including indirect)	tCO <sub>2</sub> e	29,417,952	29,370,005	28,775,000
3.12 End of life treatment of sold products	tCO <sub>2</sub> e	302,091	291,013	366,000
3.13 Downstream leased assets	tCO <sub>2</sub> e	28,304	30,481	30,000
<b>Total Scope 3 emissions (direct consumer use only)<sup>3</sup></b>	tCO <sub>2</sub> e	<b>7,573,628</b>	7,669,825	9,186,000
Total product carbon footprint (direct consumer use only) <sup>4</sup>	tCO <sub>2</sub> e	7,585,641*	7,685,717	9,127,034
<b>Scope 1 and 2 GHG emissions intensity (market-based)</b>				
- tCO <sub>2</sub> e per tonne of production		0.04	0.04	0.04
- tCO <sub>2</sub> e/£m revenue		0.008	0.008	0.008
<b>Energy consumption resulting in Scope 1 and 2 emissions</b>	MWh	<b>1,244,716*</b>	1,270,672	1,220,968
Proportion of energy consumption from UK operations	%	10	11	10
Proportion of Scope 1 and 2 emissions from UK operations	%	9	12	12

\* 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](http://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 2024 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 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 2024 sites only was 0.04 tCO<sub>2</sub>e
- 3 Total Scope 3 emissions includes our total product carbon footprint (where we are targeting a 50% reduction by 2030).
- 4 Total product carbon footprint is a measure of direct and indirect GHG emissions associated with Reckitt products across the value chain. It includes the following Scope 3 categories 3.1, 3.4, 3.9, 3.11 (Direct), 3.12 and Reckitt's own operations. The methodology is detailed in our Basis of Reporting at [www.reckitt.com/reporting-hub](http://www.reckitt.com/reporting-hub)

\* Restatements: prior year Scope 1 and 2 data has been restated to exclude divested sites and updates to the International Energy Agency GHG emission factors. Prior year Scope 3 data has been restated as a result of methodology improvements. See our Basis of Reporting for details at [www.reckitt.com/reporting-hub](http://www.reckitt.com/reporting-hub)

## Sustainability Performance Review continued

# 69%

reduction in absolute Scope 1 and 2 emissions vs 2015 (Target: 65% by 2030)

### Our value chain (Scope 3)

Our approach to reducing Scope 3 emissions is to focus on the largest emitting categories and the areas in which we have greatest influence.

Most significantly, we introduced product-level modelling to account for the majority of our ingredients and packaging impacts (purchased goods and services), which make up over half of our Scope 3 emissions. As a result, we can more easily identify alternative, lower-carbon ingredients for our raw materials. One example is the bio-based citric acid used in our Harpic power plus deep clean tablets.

Outbound logistics account for almost 10% of our Scope 3 emissions. Through our green logistics programme we have been engaging with our customers, suppliers and distribution centres to evaluate low-carbon road and sea freight options. This includes fuel switches, trialling and scaling the use of electric vehicles and targeting fuel and transport efficiencies by optimising loads.

We continued to support third-party manufacturers through our Supplier Environmental Performance Programme. In partnership with Manufacture 2030, Ricardo and Haleon, we created a toolkit to help suppliers improve resource efficiency and reduce environmental impact in their operations by building awareness of environmental standards, sharing good practice and guidance.

### Packaging and waste, circular economy

In 2023, we put additional resources in place to meet our 2025 PCR target and are on track to achieve this. We introduced and increased the use of PCR content in packaging across multiple products including Vanish, Lysol, Harpic, Cillit Bang and Veja.

We continue to make progress in reducing virgin plastic by increasing recycled content and reducing the amount of plastic used. This has been a key focus over the last 18-24 months. Examples include concentrated refills for Dettol and Cillit Bang.

We've also continued our efforts to improve the recyclability of our packaging. Progress is slower than we'd like, however, this reflects industry-wide challenges, combined with a lack of recycling infrastructure and technological solutions. Recyclability is particularly challenging for regulated medicinal and infant nutrition products where packaging materials are intrinsic to the long-term stability and safety of the product. The Ellen MacArthur Foundation (EMF) forecasts that most signatories of its Global Commitment are expected to miss the 100% reusable, recyclable or compostable plastic packaging target. Regardless, we are continuing our efforts to achieve 100% recyclability across our portfolio.

We've achieved zero waste to landfill at all of our manufacturing sites and we continue to reduce waste from our operations.



# 8%

recycled content (PCR) in plastic packaging (Target: 25% by 2025)

# 15%

reduction in virgin plastic packaging vs 2020 (Target: 50% by 2030)

### Water stewardship, nature-based solutions, deforestation, biodiversity

We're committed to protecting water resources, avoiding deforestation and strengthening biodiversity in key locations. Our focus is on the areas where we can have the most impact.

Our focus on reducing water use has centred around our operations and the catchment areas we are part of, especially in water-stressed locations. We're continuing initiatives to reduce water use in our operations by reusing and recycling water where appropriate, optimising our processes and advancing on-site water stewardship programmes. Water-saving projects in water-stressed locations remain a key part of our strategy for resilience in the long term.

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

We continue to consider the overall water footprint of our products. Our near-term focus has been on reducing plastic and carbon in our product portfolio. This focus was essential but meant that actions to reduce our overall water footprint were not given the same priority. As a result, our water footprint increased by 15% versus our 2015 baseline, predominantly driven by consumer use. Our water footprint includes water used by consumers with our products, like bars of soap. This makes reducing our overall footprint more challenging. While we encourage people to use less water, we are also considering other ways to target reductions in our water footprint, both in formulation and in use, enabled by our Sustainable Innovation Calculator.

## Sustainability Performance Review continued

We have a long-standing commitment to No Deforestation, No Peat, No Exploitation (NDPE) in our palm oil supply chains. In preparation for EU Deforestation Regulation (EUDR), we identified the impact on our natural raw materials supply chains. While our products are out of scope for EUDR reporting, some ingredients such as palm oil surfactants are impacted. We have engaged our suppliers to ensure we have EUDR compliant material.

We've been a contributing member to the Taskforce on Nature-based Financial Disclosures (TNFD) since 2021 and are an early adopter of the TNFD recommendations.

We have developed a science-based approach to measuring the biodiversity impacts of our sourcing activities on local ecosystems in collaboration with Nature-based Insights.

Our priority natural raw materials include palm oil, latex and cocoa. We are assessing the biodiversity impacts in the landscapes where these materials originate. We then work with a number of partners, like the Earthworm Foundation, to help protect and regenerate those ecosystems, while helping to deliver social benefits to local communities.

# 2

water positive sites in water-stressed locations where we operate

▶ More detail on our natural raw materials, landscape programmes and our approach to TNFD can be found in our 2024 Sustainability Report



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

Reckitt and the World Wide Fund for Nature's (WWF) global partnership has focused on water and nature for the past three years, helping to strengthen key water ecosystems and supplies for future generations.

The partnership has helped protect key species through government and community-led initiatives. It has empowered local communities with conservation actions that support livelihoods and economic opportunities.

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

- In India, the partnership has replenished over 1 billion litres of water in the Ganga river, influenced water-resource management, and supported sustainable farming practices
- In Brazil, the partnership has reached 3,000 people affected by mercury contamination along the Tapajós tributary of the Amazon river with improved access to safe water

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

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

# 200,000

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



Photo credit: WWF

#### The next phase of our partnership aims to:

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



## Sustainability Performance Review continued

### FAIRER SOCIETY

We are committed to enabling a fair, diverse and inclusive society as an employer, across our supply chain and through our brands. Our inclusion strategy focuses on who we are as a business and the role we play in society.

#### Diversity, equity and inclusion in our workforce

Becoming a more diverse and inclusive organisation helps to drive our performance and is key to attracting and retaining talent.

Our commitment to championing different nationalities, ages, backgrounds, identities, beliefs, and cognitive and gender diversity is fundamental to a fair and equitable working environment and our ability to deliver products that reflect the diversity of the consumers we serve around the world.

Nearly half of our employees are women, our manager population is gender-balanced and women make up a third of our senior management team. Gender balance at the highest levels is improving, while we have already achieved 50% women at all management levels by 2030.

# 51%


women at all management levels

#### Living Wage

Reckitt achieved Global Living Wage Certification from the Fair Wage Network in December 2024, having already achieved UK accreditation in 2020. This confirms that we pay all our employees in all our markets at least the living wage for that location. We are also committed to paying a living wage for our interns, trainees and apprentices.

Paying a living wage enables workers to meet the basic needs of themselves and their families, including food, housing, education and healthcare. It goes beyond minimum wage and helps people to achieve a sustainable livelihood.

Respecting human rights and empowering everyone in our value chain are at the heart of our efforts. Through our Sustainable Livelihood Framework, we aim to go beyond wages to ensure safe working environments, equality, employment rights, financial security and career development opportunities. By partnering with NGOs, peers, and communities, we focus on addressing critical issues where we can make a lasting impact, building resilience and fairness across the value chain.

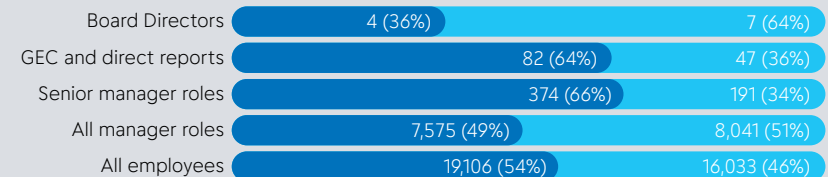
 More detail in the Directors' Remuneration Report on page 116



#### Gender diversity

##### Key

- Male
- Female



Diversity data is taken as of 31 December 2024 for active Reckitt employees (excluding contractors)

'All management' includes: Executive Committee member, Group leadership team, senior management team, middle manager, manager

Further information on methodology for calculating diversity performance is available in our Basis of Reporting Criteria at [www.reckitt.com/reporting-hub](http://www.reckitt.com/reporting-hub)

## Sustainability Performance Review continued

### Advancing global health and hygiene


The global health system is under pressure, with one in two people lacking access to basic healthcare and one in four people living without access to clean water.

We're committed to making sure underrepresented communities have access to the highest-quality health and hygiene, by leveraging innovative finance and scaling local solutions from social entrepreneurs.

Through our iconic Powerbrands, like Durex, Dettol, and Finish, we are driving behaviour change at scale, embedding lasting habits and breaking the chain of infection.

Programmes are funded via our Global Access Fund<sup>1</sup> supported by our commitment to invest 1% of our adjusted operating profit across a three-year average into social impact. Through the fund, we put a specific focus on advancing gender-transformative initiatives, prioritising the needs of women and girls.

We've almost reached our goal of positively impacting 30 million people by 2030, reaching 29 million people to date. More broadly, we have exceeded our target to engage two billion people with purpose-led partnerships, programmes and campaigns to promote awareness for a cleaner, healthier world.

 More detail on our social impact programmes can be found in our Social Impact Report

# 29mn

people positively impacted by our social impact investments (cumulative since 2020)  
(Target: 30 million people by 2030)

# 2.3bn

people engaged through our purpose-led partnerships, programmes and campaigns (cumulative since 2020)

<sup>1</sup> Formerly the Fight for Access Fund



### IMPROVING ACCESS TO CLEAN WATER, SANITATION AND HYGIENE

Since 2019, Reckitt and Water.org have brought water and sanitation to over 2.4 million people in India, Indonesia and Kenya, and soon in Nigeria.

Our longstanding partnership with water.org is driving scalable impact to enable access to household water and sanitation solutions for millions of people. Now, we are extending the microcredit model to Nigeria. Together, we are working to reach five million people with lasting access to safe water or sanitation by 2030.

In September, we announced our latest \$5 million investment into WaterEquity's impact funds, supporting climate-resilient infrastructure. We continue to drive catalytic impact, re-investing the yields of the funds to further scale our impact work with water.org.

Photo credit: water.org



### ACCESS HUB

We harness innovation and entrepreneurship to drive transformative impact. Since 2022, we've built a network of over 50 social innovators, improving global health and hygiene.

Through Reckitt's Access Hub, we are adopting a strategic, portfolio-driven approach to scale our efforts in capability building, mentorship and financial support for innovative social entrepreneurs around the world. Together with our partners like Yunus Social Business and Health Innovation Exchange, we are creating a powerful ecosystem of collaboration and sustainable change that addresses some of the world's most pressing challenges.

By partnering with social innovators, we are fostering a community of cutting-edge solutions in health and hygiene. A specific focus is on investing in women-led ideas and integrating the solutions into our value chain.

For example, our factories in South Africa and Indonesia have partnered with Eco-Soap Bank to recycle soap waste that is then distributed to vulnerable communities and used in our Dettol Hygiene Quest programme.

In Pakistan, Reckitt has provided funding and mentorship to the social enterprise Tayaba which has launched an atmospheric water generator that creates safe drinking water from the humidity in the air. They continue to scale their impact in the region.

Dr. Shamim Nabuuma, founder and CEO of Chil AI Lab, has provided healthcare services to rural communities in Uganda for several years. She is now our partner to deliver the country's first Hygiene Quest programme.

Our social entrepreneurship hub is a key pillar of our impact work. As we look forward, we will continue to scale innovative solutions to local problems and leverage our network to drive systemic change.

## 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
<b>Environmental matters</b>	Our <b>Environmental Manufacturing Policy</b> 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 <b>Group Environmental Management System</b> . Our Supply Chain Leadership team routinely monitors environmental performance, including progress on our climate ambitions through our operational programmes. These are also reviewed at Group and Board level on a quarterly basis. Our <b>Sourcing for Sustainable Growth Policy</b> 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 46-48
<b>Employees</b>	Reckitt's <b>Code of Conduct</b> 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 <b>Group Occupational Health and Safety Management System</b> , enabling us to investigate any incidents and take any necessary action. We have a <b>Speak Up Policy</b> 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, pages 49-50 People and Culture, pages 8-9
<b>Human rights</b>	Respecting human rights is an absolute and universal requirement and through our <b>Code of Conduct</b> 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 <b>Sourcing for Sustainable Growth Policy</b> (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 Group and Board level on a quarterly basis.	See our Modern Slavery Statement
<b>Social and community matters, including consumers</b>	Reckitt's <b>Product Safety Policy</b> 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 <b>Responsible Marketing Policy</b> covers the full marketing lifecycle of our products and applies to all marketing communications 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, pages 49-50 See our 2024 Sustainability Report
<b>Anti-bribery and corruption</b>	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 <b>Code of Conduct</b> , and the Audit Committee reviews internal audit findings in relation to this.	
<b>Emissions information</b>		Page 46
<b>Climate-related financial disclosures</b>		Our climate-related financial disclosures can be found on pages 218-222 and are incorporated into the Strategic Report by reference
<b>Diversity information</b>		Page 49
<b>Policy embedding, due diligence and outcomes</b>		Risk Management, page 52
<b>Principal risks and impact of business activity</b>		Pages 53-55
<b>Description of business model</b>		Pages 10-15
<b>Non-financial key performance indicators</b>		Page 37



## Risk Management

# RISK MANAGEMENT AT RECKITT

Taking and managing risk are essential to the way we operate and to growing our business safely, effectively and sustainably. They are fundamental to both good management practice and to the successful delivery of our strategic priorities.

### Our risk management framework

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 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. The risk appetite for specific financial risks such as funding and liquidity, credit, counterparty, foreign exchange, interest and commodity risk is set out in the Board-approved treasury policies. Compliance with our safety standards and our legal and regulatory requirements is mandatory.

### Risk governance

Reckitt's risk governance model supports our risk management framework and enables effective management and reporting of material risks. Reckitt operates a three lines of defence model which assigns clear roles and responsibility for the management of risk. The Board has overall responsibility for the management of risk and the Audit Committee monitors the effectiveness of our risk management and internal controls framework.

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

Ownership and day-to-day management of principal risks reside with the GEC. There is an accountable GEC owner for each principal risk.

Throughout the year, Group and management level risk and compliance committees across the business have supported the GEC in its oversight role. 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.

### Risk management process

Our risk management process delivers simple and effective risk management which supports business operations and allows management and the Board to fulfil their duties under the UK Corporate Governance Code. This ensures that we are appropriately prioritising our efforts and resources to manage our risks.

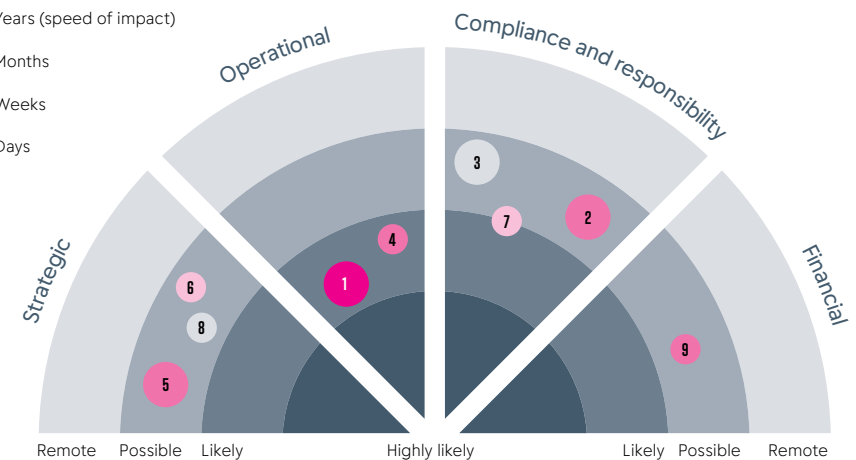
Our Group Risk team, part of the wider Internal Audit and Risk function, facilitates the risk management process. The Group's risk profile is reviewed biannually, with risks assessed across a timeline of up to three years, and prioritised based on impact, likelihood and

### Key



### Principal risk

1. Technology resilience and information security
2. Product integrity
3. Legal and compliance
4. Supply chain continuity and resilience
5. Business transformation
6. Geopolitical instability
7. ESG transition
8. Product innovation
9. Macroeconomic uncertainty



speed of impact, which reflects the time we would have to react should a risk materialise.

The risk profile is used as an input to the Viability Statement assessment.





### Our principal risks

Our principal risks continue to evolve in response to our changing environment. During 2024 business transformation was elevated to a principal risk due to the organisational change underway to simplify the organisation for accelerated growth. While the likelihood and impact of the remaining principal risks are broadly consistent with 2023, some related risks have been combined to provide a clearer understanding of the risk profile and to support more efficient risk mitigation strategies. These include:










- Cyber security risk has been expanded to technology resilience and information security to include related threats to critical systems and data and to ensure mitigation efforts are focused on a broad spectrum of vulnerabilities
- Product safety and compliance with product regulations have been combined into an overall product integrity risk to provide a comprehensive framework which ensures all aspects of product-related risks are addressed cohesively
- Supplier disruption and reliance on key manufacturing sites have been merged into supply chain continuity and resilience to address the interdependencies between supply chain stability and manufacturing capabilities and allow development of contingency plans for critical manufacturing processes

## Risk Management continued

## Link to strategy




 Portfolio value creation
  Product superiority
  Win in market
  Fixed cost optimisation




## OUR PRINCIPAL RISKS

Risk	What is the risk and impact?	Examples of how we are managing the risk	Mitigation progress this year
<b>Business transformation</b> <b>Link to strategic priorities:</b>     <b>Risk classification:</b> Strategic <b>Risk trajectory:</b> New <b>Risk rating:</b> Major <b>Speed of onset:</b> Weeks <b>Oversight Committee:</b> Board	<p>The uncertainty inherent in the large-scale organisational change underway risks the loss of management or key personnel, disruption of short-term operations and change fatigue, adversely affecting performance.</p> <p>Additionally, failure to prioritise resources effectively to achieve targets could jeopardise the delivery of our medium and long-term growth ambitions.</p>	<ul style="list-style-type: none"> <li>A steering committee is in place to oversee the programme and reviews resourcing and capacity to ensure minimal disruption to operations</li> <li>Dedicated Project Management Office (PMO) supported by external experts, which actively monitors key performance indicators (KPIs) and resource capacity, including metrics on talent retention</li> <li>The portfolio of existing programmes has been reprioritised to create organisational capacity for the reorganisation</li> <li>Talent retention plans in place for critical roles</li> <li>Regular employee communications-monthly senior leadership calls and briefing packs, and central transformation hub with relevant information and updates in place</li> <li>External advisors for key elements of the programme-McKinsey, EY and BCG-on both the transformation and separation</li> <li>Operating model clarity, decision-making rights and governance deployed to all functional leaders across core Reckitt, Essential Home and Mead Johnson Nutrition for January 2025</li> <li>Separation principles and perimeter defined to ensure clear work plan and resourcing in 2025</li> </ul>	<ul style="list-style-type: none"> <li>New principal risk in year</li> </ul>
<b>Geopolitical instability</b> <b>Link to strategic priorities:</b>   <b>Risk classification:</b> Strategic <b>Risk trajectory:</b> Increasing <b>Risk rating:</b> Moderate <b>Speed of onset:</b> Months <b>Oversight Committee:</b> Board	<p>Reckitt operates in a challenging and unpredictable trading environment influenced by various external factors that can impact our operations and financial performance.</p> <p>Geopolitical events such as conflicts, trade wars, economic sanctions, and political polarisation create disruptions, adding to the complexity of our operating environment.</p>	<ul style="list-style-type: none"> <li>Our three-year plan takes into account current and potential future challenges</li> <li>We maintain an extensive network of local regulatory and external affairs teams, which together with external advisors closely monitor the political and geopolitical environment</li> <li>Our Issues and Crisis Management team supports the business with market-specific risk assessments and resources to support with regional issue and crisis management</li> <li>Geopolitical risk is considered within our business continuity planning for the resilience of our supply chain</li> <li>Our Corporate Security function identifies potential threats through the Corporate Security programme and supports the business with horizon scanning activities</li> </ul>	<ul style="list-style-type: none"> <li>The GEC provides oversight over the management of the Group's geopolitical risk profile</li> <li>To enhance manufacturing resilience, we are regionalising our supply chain, including building redundancies within the network to mitigate disruptions and risks from geopolitical instability</li> <li>Ad hoc horizon scanning and scenario planning activities are undertaken by the GEC and in-country management teams</li> </ul>
<b>Product innovation</b> <b>Link to strategic priorities:</b>    <b>Risk classification:</b> Strategic <b>Risk trajectory:</b> No change <b>Risk rating:</b> Moderate <b>Speed of onset:</b> Years <b>Oversight Committee:</b> Board	<p>Our continued growth and success depend on our ability to innovate, produce relevant products, and maintain our value proposition.</p> <p>Failure to anticipate and respond to evolving consumer trends, invest in research and development, and launch and market new products could lead to diminished brand presence and loss of market share and profitability.</p>	<ul style="list-style-type: none"> <li>Consumer trends, behaviour and needs are analysed through our demand-centred growth process based on targeted consumer segments</li> <li>Innovation projects follow a standardised operating model, which includes defined stage gates and cross-functional approvals, with oversight from our category and R&amp;D teams</li> <li>Product development reporting provides visibility over our innovation pipeline</li> <li>Continued investment in our science platforms to create superior, longer-term and differentiated products, strengthen our claims and lead with consumer-relevant solutions</li> <li>We work closely with external partners to drive innovation in key areas like sustainability and new technologies</li> </ul>	<ul style="list-style-type: none"> <li>Move to a simplified organisational structure with a unified category growth organisation accountable for delivering consumer insights, category expertise and innovation from 2025</li> <li>To support the longer-term growth ambitions in China, we are establishing a Global R&amp;D Centre of Excellence in Shanghai, to drive enhancements in innovation through collaboration, science capabilities and talent development</li> <li>We are exploring the possibilities of generative AI with the aims of enhancing product superiority and increasing speed to market</li> </ul>

## Risk Management continued

### Link to strategy





 Portfolio value creation
  Product superiority
  Win in market
  Fixed cost optimisation

Risk	What is the risk and impact?	Examples of how we are managing the risk	Mitigation progress this year
<b>Technology resilience and information security</b> <b>Link to strategic priorities:</b>  <b>Risk classification:</b> Operational <b>Risk trajectory:</b> No change <b>Risk rating:</b> Major <b>Speed of onset:</b> Days <b>Oversight:</b> Board	Reckitt's increasing reliance on digital technologies for operations, supply chain management, and consumer engagement exposes the organisation to cyber attacks, IT system failures, and potential data breaches which could lead to disruption of critical operations, unauthorised access to sensitive data and non-compliance with regulatory requirements.	<ul style="list-style-type: none"> <li>We operate a Group-wide cyber security control framework, aligned with industry standards, including ISO and National Institute of Standards and Technology (NIST)</li> <li>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</li> <li>Robust Information Technology and Digital (IT&amp;D) Controls Framework in place including policies, standard operating procedures and training covering governance, third-party vendor management, service continuity and recovery management and responsible AI</li> <li>Access restrictions are in place for any publicly available AI and machine learning solution</li> <li>Mandatory cyber awareness training is rolled out across the Group as part of our compliance training programme</li> </ul>	<ul style="list-style-type: none"> <li>We continue to invest in our digital manufacturing infrastructure to improve cyber security on the factory operating technology network. The programme is in place to address all factory sites to improve protection and recoverability of the factory estate</li> <li>Responsible AI Policy, principles and SOPs to assess and mitigate the risks relating to the creation and adoption of AI tools were rolled out. A baseline AI training module was developed for all relevant employees</li> <li>Our Cyber team has updated the endpoint protection solution to improve detection and protection from malware. We also continue to enhance our identity and access management capabilities (which also support compliance with UK SOX legislation)</li> </ul>
<b>Supply chain continuity and resilience</b> <b>Link to strategic priorities:</b>  <b>Risk classification:</b> Operational <b>Risk trajectory:</b> No change <b>Risk rating:</b> Major <b>Speed of onset:</b> Weeks <b>Oversight Committee:</b> Board	Our ability to source materials and manufacture and distribute our products through our global network relies on complex manufacturing and supply chain processes. Operational failures, supply chain disruptions, and process inefficiencies, or more broadly, large external events like extreme weather or infrastructure failures could disrupt or halt operations.	<ul style="list-style-type: none"> <li>We carefully monitor all our third-party suppliers through our supplier management programme and our Procurement team regularly risk assesses our suppliers and entire direct material portfolio across multiple dimensions using our supplier vulnerability tool. We also map our suppliers further up the value chain to identify any potential geographic concentration risks</li> <li>Action plans, centrally tracked and monitored through our quarterly Supplier Risk Committee, are in place for critical suppliers to ensure continuity of supply in the event of a disruption. Where possible, these include business continuity planning and the qualification of alternative suppliers</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>We have continued to de-risk our sourcing of critical materials through the qualification of alternative suppliers and have reduced the number of highly critical materials by 14% since 2023</li> <li>Key initiatives have been launched to strengthen our manufacturing resilience including regionalising the supply chain, reducing obsolescence, further developing and standardising business continuity plans across factories and reviewing our network master plan to enhance overall resilience</li> <li>In December we acquired a new manufacturing site in North Carolina, US, for over-the-counter (OTC) products. Given Reckitt's ambitions to grow the business further, the acquisition of this new facility, which we anticipate will begin production in 2027, is a key part of our Future Factory Network Plan</li> </ul>
<b>Product integrity</b> <b>Link to strategic priorities:</b>  <b>Risk classification:</b> Compliance and responsibility <b>Risk trajectory:</b> No change <b>Risk rating:</b> Major <b>Speed of onset:</b> Weeks <b>Oversight Committee:</b> Compliance Committee	Our broad portfolio includes products that are ingested, inhaled or have direct skin contact. Some may contain hazardous chemicals. Failure to meet quality, safety, and regulatory standards could lead to potential harm to consumers, product recalls, and legal liabilities, and impact consumer confidence in our brands.	<ul style="list-style-type: none"> <li>Our Regulatory Intelligence framework performs horizon scanning to help identify new and emerging regulatory changes and trends in enforcement practice</li> <li>Our Ingredient Steering Group monitors regulatory developments, reviews classification changes and completes impact assessments utilising our Restricted Substances List</li> <li>A robust quality management system (QMS) is in place underpinned by policies, operating procedures and systems. This is subject to regular independent audits, and our internal Quality Audit team also audits internal functions to ensure compliance</li> <li>Our Quality, Regulatory and Safety Council collectively addresses product integrity-related risks</li> <li>Our Consumer Safety team conducts holistic product safety assessments during the product development lifecycle</li> <li>We have an adverse and critical events process, and our dedicated Consumer Care and Vigilance teams monitor and respond to product quality or safety issues</li> <li>We use data generated from our Consumer Safety, Evidence Generation and Clinical Research functions to support our claims</li> </ul>	<ul style="list-style-type: none"> <li>We launched a new Regulatory Intelligence system during the year to capture data related to emerging regulatory changes</li> <li>We developed, launched and optimised a new Consumer Safety CARA System, enabling the generation of automated safety assessments and our technology risk vigilance platform is now operational</li> <li>Established an EU Green Deal programme to bring our product portfolio into compliance with new EU regulations, such as the General Product Safety Regulation</li> <li>Our quality organisation has consolidated under R&amp;D to ensure quality oversight throughout the end-to-end product lifecycle</li> <li>We have digitised our quality management system and continue to develop and launch modules, including new audit management functionality</li> </ul>



## Risk Management continued


### Link to strategy

 Portfolio value creation
  Product superiority
  Win in market
  Fixed cost optimisation

Risk	What is the risk and impact?	Examples of how we are managing the risk	Mitigation progress this year
<b>Legal and compliance</b> <b>Link to strategic priorities:</b>  <b>Risk classification:</b> Compliance and responsibility <b>Risk trajectory:</b> No change <b>Risk rating:</b> Major <b>Speed of onset:</b> Years <b>Oversight Committee:</b> Compliance Committee	Reckitt operates in various countries with diverse regulatory environments. Failure to meet legal, regulatory, and corporate responsibility commitments could impact our reputation with our consumers, investors, and stakeholders. Additionally, operating in litigious environments increases litigation risk, potentially leading to significant legal costs, settlements, and reputational damage.	<ul style="list-style-type: none"> <li>A global Ethics and Compliance programme is in place which covers key areas such as anti-bribery, sanctions, competition and data privacy. The programme incorporates annual training, 'Speak Up' hotline, compliance policies and procedures, targeted risk and control assessments and third-party due diligence</li> <li>Embedded Legal and Compliance teams, supported by external experts as needed, to help us identify, understand and comply with current and emerging regulatory obligations</li> <li>Group Privacy Office (GPO) and in-market privacy programmes to support the business and provide oversight of data protection policy compliance</li> <li>Disputes and litigation are supervised by senior members of the Legal team, with General Counsel oversight of significant Group matters</li> </ul>	<ul style="list-style-type: none"> <li>To further enhance our programme, we undertook a comprehensive mapping of the key risks within the scope of ethics and compliance. This mapping will inform continued improvement of risk assessment activities, the definition of more effective mitigating actions, the improvement of monitoring processes, and the better allocation of resources</li> <li>We undertook a review of our third-party due diligence programme which has led to the creation of a transformation plan to address those aspects of the programme requiring improvement</li> <li>Development of a procedure to risk assess the use of AI</li> </ul>
<b>ESG transition</b> <b>Link to strategic priorities:</b>  <b>Risk classification:</b> Compliance and responsibility <b>Risk trajectory:</b> No change <b>Risk rating:</b> Moderate <b>Speed of onset:</b> Months <b>Oversight Committee:</b> Board	Changes in the regulatory environment and shifting stakeholder expectations emerging from the transition to a more sustainable, net zero economy creates significant uncertainty for Reckitt. There is a risk that we fail to deliver our ESG programme or deliver against our Sustainability Ambitions.	<ul style="list-style-type: none"> <li>We have a clear set of Sustainability Ambitions with measurable, time-bound targets. Performance is centrally coordinated, monitored and reported. See page 45 Programmes to meet our targets are implemented by our Brands, Supply Chain, R&amp;D, and Safety, Quality and Regulatory Compliance teams</li> <li>A Group Sustainability function leads sustainability-related strategy development, compliance and reporting to support performance management and disclosure. A cross-functional steering committee provides governance and oversight across key ESG transition risks and sustainable product activities</li> <li>Tools have been developed to support the delivery of our Sustainability Ambitions, including our Sustainable Innovation Calculator. 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</li> <li>Carbon footprint modelling enables targeted activity for decarbonisation</li> </ul>	<ul style="list-style-type: none"> <li>We continue to deliver on our operational carbon, plastics, water catchment, and waste reduction targets. We have surpassed our initial targets for direct emissions and are now focusing on reducing Scope 3 emissions</li> <li>CSRD, EU Green Deal and EU Taxonomy programmes are underway, with associated IT&amp;D development, to prepare for requirements ahead of 2026. This includes an updated double materiality approach in line with CSRD</li> <li>Carbon footprint modelling has been strengthened to prioritise reduction levers for Scope 3 emissions and support the development of more detailed transition plans targeting areas of highest carbon for greatest impact</li> <li>Ongoing programmes of supplier auditing and development to ensure compliance with human rights and labour standards, and sustainable sourcing (i.e. avoiding risks of modern slavery and deforestation)</li> </ul>
<b>Macroeconomic uncertainty</b> <b>Link to strategic priorities:</b>  <b>Risk classification:</b> Financial <b>Risk trajectory:</b> Increasing <b>Risk rating:</b> Moderate <b>Speed of onset:</b> Weeks <b>Oversight Committee:</b> Board; Audit Committee	Adverse economic conditions, coupled with high levels of volatility and unpredictability in the macroeconomic environment, could impact our ability to deliver consistent and predictable growth. Fluctuations in interest rates, currency exchange rates, and inflation can adversely affect our financial performance and strategic objectives.  This risk is further exacerbated by potential changes in tax laws, financial compliance requirements, and regulatory frameworks, which may lead to increased operational costs and compliance requirements.	<ul style="list-style-type: none"> <li>Ongoing monitoring of local and global key macroeconomic indicators and their consequent impact on our business performance</li> <li>Interest rate and foreign exchange risks are centralised into Group Treasury to provide expertise, control and economies of scale in managing and reporting on these financial risks in line with Group-wide policies and procedures</li> <li>Key commodities' prices are managed on an ongoing basis by our supply teams and communicated across the Group</li> <li>Our partnerships with external tax advisors help us understand and remediate the tax implications of changes in organisational structure and the impact of any regulatory or other legislative changes, helping inform the need for central provisioning for anticipated exposure</li> </ul>	<ul style="list-style-type: none"> <li>Our Planning and Forecasting Programme is now live across Europe, Asia, Africa and the Middle East, with North America and Latin America to go live during 2025. We anticipate that its adoption across these markets, along with its integration with demand and sales planning, will provide greater visibility into forecast horizons and enable the Group to enhance its scenario planning and risk management capabilities across the business</li> </ul>

## Risk Management continued

## Link to strategy

 Portfolio value creation
  Product superiority
  Win in market
  Fixed cost optimisation

## EMERGING RISKS

Our risk profile will continue to evolve as a result of future trends and uncertainties. Emerging risk and horizon scanning is integrated into our standard risk management process and provides a forward-looking view of major trends that have the potential to impact our business across a longer time horizon (>three years). Emerging risks are monitored to understand the potential impact on our business and to allow timely decision-making.

Risk	Description	How are we preparing?
<b>Science and technology disruption</b> Link to strategic priorities: 	The rapid pace of advancements in science and technology has the potential to significantly disrupt the categories in which we operate. Innovations in areas such as biotechnology and digital health could redefine consumer expectations and competitive dynamics.	<ul style="list-style-type: none"> <li>External partnerships allow us to participate in leading research around hygiene interventions and the development of emerging treatments</li> <li>Our R&amp;D and Science teams actively engage with the scientific community through participation in conferences, thought leadership and research projects. Working with this consortium of external experts helps us to stay abreast of leading developments in science and regulatory affairs and the impact of emerging technology</li> <li>Horizon-scanning activities undertaken internally across a number of teams, including the Corporate Development team and individual brand teams, helping to identify threats and opportunities in each category</li> </ul>
<b>Artificial intelligence</b> Link to strategic priorities: 	Failure to adopt and integrate advanced AI technologies could result in significant competitive disadvantage. This includes the risk of lagging behind industry peers which leverage AI for enhanced decision-making, operational efficiency, innovation and customer engagement. The inability to keep pace with predictive and generative AI may lead to loss of market share.	<ul style="list-style-type: none"> <li>Reckitt AI and Machine Learning (ML) Community of Practice established an AI and ML Idea Factory to target areas where AI and ML can be used to drive innovation and enhance the business</li> <li>Pilots launched to help illustrate how GenAI can enhance both productivity and growth</li> <li>We have been working to develop our own tools and validate how we can reinvent the way marketers work at Reckitt end to end</li> </ul>
<b>Sector consolidation</b> Link to strategic priorities: 	Consolidation in the number of players together with higher levels of competition for potential acquisition targets may impact our ability to drive inorganic growth.	<ul style="list-style-type: none"> <li>Corporate Development team responsible for identifying, evaluating and executing Reckitt's global M&amp;A opportunities</li> <li>Competitive scanning activities to identify potential mergers, acquisitions, divestments, joint ventures or long-term partnerships</li> <li>Corporate Development partners closely with the in-market teams which actively manage the portfolio to help establish clear and prioritised inorganic business development objectives, so the business is focused on the right targets that will help create long-term value</li> </ul>

## 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 53-55, 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 including litigation deemed to have the most significant 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 pages 218-222. 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 1-57, has been approved by the Board.

**Catheryn O'Rourke**

Company Secretary  
Reckitt Benckiser Group plc

5 March 2025



## Corporate Governance Report

## CHAIR'S INTRODUCTION TO GOVERNANCE



**Sir Jeremy Darroch**  
Chair

Further details	Pages
Board of Directors and Group Executive Committee	60-64
The governance framework and how the Board monitors culture	65-71
Details of the Board's activities this year	72-73
How the Board engages with our stakeholders	74-78
The Board effectiveness review report	79-80



## Reckitt is a business taking the right long-term decisions.

### Dear shareholder,

On behalf of the Board, I am pleased to present Reckitt's Corporate Governance Report for the financial year ended 31 December 2024. 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.

### Board changes

There have been a number of changes to the composition of the Board this year which are summarised below.

I would firstly like to take this opportunity to sincerely thank Chris Sinclair for his years of service to the Reckitt Board, having joined the Board in 2015 as a Non-Executive Director and becoming Chair in May 2018 until he retired at the AGM in May 2024. Throughout his tenure, Chris led with confidence, insight, integrity and a clear vision.

- At the AGM in May 2024 Pam Kirby stepped down, having served nine years on the Board
- Alan Stewart also stepped down from the Board at the AGM in May
- Jeff Carr retired as CFO in March 2024
- We were sad to learn that Olivier Bohuon passed away in early May

I would like to thank each of them for their valuable contributions to the Reckitt Board during their tenure.

- As notified last year, Mary Harris replaced Alan Stewart as Chair of the Remuneration Committee and will step down at this year's AGM having exceeded nine years' tenure. Mary is considered to continue to retain an independence of mind and to be an effective and valued contributor to the Board. We are grateful for Mary's contributions and commitment to the Board and Committees during her tenure
- Shannon Eisenhardt became CFO in March 2024 following Jeff's retirement
- I became Chair and Andrew Bonfield became Senior Independent Director following the 2024 AGM
- Marybeth Hays joined the Board as a Non-Executive Director on 1 February 2024
- Fiona Dawson joined the Board as a Non-Executive Director on 1 June 2024. Fiona will replace Mary Harris as Chair of the Remuneration Committee following the AGM in May 2025
- Elaine Stock took on the role of Designated Non-Executive Director for Engagement with the Company's Workforce at the conclusion of the 2024 AGM

We were pleased to announce in November 2024 the appointment of Mahesh Madhavan and Stefan Oschmann as Non-Executive Directors, who joined the Board on 1 January 2025.

I would like to thank the Board, management and all the Reckitt employees I have met so far for their warm welcome and for their continued commitment to our Purpose, Compass and stewardship of the Group.

### Sir Jeremy Darroch

Chair  
Reckitt Benckiser Group plc

5 March 2025

## Corporate Governance Report continued

### CHAIR SITE VISITS

Since becoming Chair, Sir Jeremy has visited various Reckitt sites and a summary is set out below:

Sir Jeremy visited a number of Reckitt sites during the year including sites in Delhi (India), Hull (UK), and Parsippany (US). A summary of the visits to India and Hull are set out below.

#### Visit to India

Sir Jeremy, Ranjay Radhakrishnan, our Chief HR Officer and Cathy O'Rourke, Group General Counsel & Company Secretary, visited the Reckitt team in India during October. Members of the India team presented a review of the Company's business in India including an overview of key financial metrics, marketing initiatives, competitive insights, supply chain capabilities, market-specific innovations, and ESG and climate initiatives.

Sir Jeremy spent time with the sales team to understand the diverse sales landscape and visited various retailers. Sir Jeremy also engaged with employees in both small group settings and during a townhall session.

#### Visit to Hull

Sir Jeremy visited our Hull site in the UK with Angela Naef, our Chief R&D Officer, to gain a better understanding of our research and manufacturing capabilities. Sir Jeremy toured the site and members of the Hull leadership team provided an overview of the important work performed on site.

Sir Jeremy also gained valuable insights about our talent pipeline through meeting with our degree apprentices and women in science representatives and learning about the Future Leadership Scheme available to science, technology, engineering and mathematics (STEM) university graduates.



### Q&A

Sir Jeremy answers questions on his first year as Chair.

**Q. How will the strategic transformation announced in July 2024 make Reckitt a stronger business?**

**A.** Following the announcement in July, we have revamped our strategy to streamline our portfolio and simplify our organisation. We believe this will improve our performance and ensure that Reckitt is fit for the future and will support maximising shareholder value. I am confident about the plan that has been put in place and its potential to deliver strong growth and value creation.

**Q. What have been your key highlights and challenges from your first year as Chair?**

**A.** Being Chair of Reckitt is a great privilege. Helping the Executive team as they develop a new strategy that will take the Company forward in the coming years has been a particular highlight. I'm looking forward to its implementation and seeing the benefits that will flow from it come through.

A clear challenge has been the underperformance of the share price in 2024, which I know has disappointed everyone. However, we believe we have the right plan in place now, with a re-structured and refreshed organisation and the whole business is focused and working tirelessly to deliver the results that, we believe, will see our share price recover strongly.

**Q. What are your priorities for the Board in 2025?**

**A.** Supporting the delivery of the new strategy will be the key priority for 2025, with an initial focus on exiting the Essential Home portfolio this year and reviewing the potential options for the Mead Johnson Nutrition business. I also look forward to continuing to visit the markets in which Reckitt operates with my fellow Board members to help them enhance their understanding of the business requirements for 2025 and beyond. This will be particularly helpful for the induction of our newest Board members.

## Board Leadership

# OUR BOARD

Experienced, diverse and balanced

### Diverse leadership

#### Tenure\*



- Under 3 years: 6
- 3-6 years: 1
- 6-9 years: 3
- 9+ years: 1

#### Gender\*



- Male: 36%
- Female: 64%

#### Nationality\*



- British: 3
- American: 3
- Irish: 1
- British/Dutch: 1
- American/British: 1
- Danish: 1
- Italian/British: 1

#### Committee key

- Chair
- Nomination
- Compliance
- Remuneration
- Audit



### Sir Jeremy Darroch (62)

Chair

#### Nationality

British

#### Appointment

Appointed as Senior Independent Non-Executive Director in November 2022 and became Chair of the Board and the Nomination Committee in May 2024.

#### Skills and experience

Sir 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 most high-profile companies. He has a proven track record of driving business performance and unique insight into what motivates consumers, bringing great value to the Board.

#### Current external appointments

- Non-Executive Director of The Walt Disney Company
- Chair of the National Oceanography Centre
- WWF Ambassador
- Senior Advisor for The MultiChoice Group
- Executive Advisor for KKR



### Kris Licht (48)

Chief Executive Officer

#### Nationality

Danish

#### Appointment

Kris joined Reckitt in 2019 and was appointed as Chief Executive Officer (CEO) Designate on 1 May 2023, became an Executive Director on 1 June 2023 and took over as CEO on 1 October 2023.

#### Skills and experience

Kris brings over 20 years of strong leadership and transformation experience across consumer health and consumer goods more broadly, with a proven track record in delivering growth and driving sustained operating performance.

He has in-depth understanding of our categories and global markets and played a pivotal role in both setting the strategic direction of Reckitt and returning the Health business to the strong growth trajectory that it has delivered over the last four years. Prior to Reckitt Kris held a number of senior operational and strategic leadership roles at PepsiCo.

#### Current external appointments

- None



### Shannon Eisenhardt (50)

Chief Financial Officer

#### Nationality

American

#### Appointment

Shannon joined the Board as Chief Financial Officer (CFO) Designate on 17 October 2023 and took over as CFO on 31 March 2024.

#### Skills and experience

Shannon brings extensive experience across consumer and retail, having worked with some of the most globally recognised brands, and an impressive and highly relevant international background. 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

\* These graphs are based on data as at 31 December 2024



## Board Leadership continued



### Andrew Bonfield (62)

Senior Independent Non-Executive Director

#### Nationality

British

#### Appointment

Appointed as a Non-Executive Director in July 2018 and became Senior Independent Director in May 2024. Andrew is Chair of the Audit Committee and a member of the Nomination Committee.

#### Skills and experience

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. and was Group CFO of National Grid plc, CFO of Cadbury plc and Executive Vice President and CFO at Bristol Myers Squibb.

#### Current external appointments

- CFO of Caterpillar Inc.



### Margherita Della Valle (59)

Non-Executive Director

#### Nationality

Italian/British

#### Appointment

Appointed as a Non-Executive Director in July 2020.

#### Skills and experience

Margherita has extensive experience of financial markets and digital technologies. She is deeply experienced in business in both developed and developing markets, bringing great insight to the Board. These skills, together with her strong leadership background, are valuable to the Board and her membership of the Audit Committee and Nomination Committee.

#### Current external appointments

- Chief Executive Officer of Vodafone Group Plc
- Non-Executive Director of Bocconi University



### Mary Harris (58)

Non-Executive Director

#### Nationality

Dutch/British

#### Appointment

Appointed as a Non-Executive Director in February 2015. Mary is also Chair of the Remuneration Committee.

#### Skills and experience

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 is invaluable to the Board and to chairing the Remuneration Committee.

#### Current external appointments

- Non-Executive Director and member of the Remuneration and Nomination Committees of Coca-Cola Europacific Partners plc
- Supervisory Director of HAL Holding N.V.
- Member of the INSEAD Corporate Governance Council



### Tamara Ingram, OBE (64)

Non-Executive Director

#### Nationality

British

#### Appointment

Appointed as a Non-Executive Director in February 2023.

#### Skills and experience

Tamara is an outstanding leader with considerable expertise in global marketing services, and has led renowned marketing campaigns for household brands around the world.

#### 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.
- Chair of Asthma and Lung UK
- Chair of 10 Group
- Deputy Chair of Ofcom



### Mehmood Khan (66)

Non-Executive Director

#### Nationality

American/British

#### Appointment

Appointed as a Non-Executive Director in July 2018. Mehmood is Chair of the Compliance Committee.

#### Skills and experience

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 prior to that served as Vice Chairman and Chief Scientific Officer, Global Research and Development at PepsiCo, Inc.

#### 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
- Non-Executive Director of the Saudi Research, Development and Innovation Authority
- Non-Executive Director of International Flavors & Fragrances

## Board Leadership continued



### Elane Stock (60)

Non-Executive Director

#### Nationality

American

#### Appointment

Appointed as a Non-Executive Director in September 2018. Elane was appointed as Designated NED for Engagement with the Company's Workforce in May 2024.

#### Skills and experience

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

- Director of Fomento Economico Mexicano SAB de CV



### Marybeth Hays (56)

Non-Executive Director

#### Nationality

American

#### Appointment

Appointed as a Non-Executive Director in February 2024.

#### Skills and experience

Marybeth has considerable expertise in merchandising, marketing and omnichannel, gained from 25 years of general management experience across global retail, healthcare and consumer goods businesses, including at Walmart.

#### Current external appointments

- Non-Executive Director of Decowraps
- Non-Executive Director of Leapfrog Brands
- Non-Executive Director of AMS Retail Solutions



### Fiona Dawson, CBE (58)

Non-Executive Director

#### Nationality

Irish

#### Appointment

Appointed as Non-Executive Director in June 2024 and Chair Designate for the Remuneration Committee.

#### Skills and experience

Fiona was previously Global President Food, Drinks and Multisales at Mars, Inc. In May 2021, Fiona was awarded a CBE for services to women and the economy. She is President of the Chartered Management Institute, a Trustee with the Social Mobility Foundation, and was previously Chair of the Women's Business Council.

#### Current external appointments

- Non-Executive Director of LEGO A/S
- Non-Executive Director of Marks and Spencer Group plc
- Non-Executive Director of Kerry Group PLC



### Mahesh Madhavan (62)

Non-Executive Director

#### Nationality

Indian

#### Appointment

Appointed as Non-Executive Director in January 2025 and is a member of the Remuneration Committee.

#### Skills and experience

Mahesh is CEO of Bacardi and joined in 1997, where he held several regional leadership roles before being promoted to CEO in 2017. He has successfully led the company's growth and transformation, providing stability, a clear strategy, and a dynamic culture for organisational success. Previously, Mahesh held various roles at International Distillers & Vintners, FCD Draft Advertising and Wipro Consumer Products.

#### Current external appointments

- Chief Executive Officer of Bacardi Limited
- Non-Executive Director of Capri Holdings



### Stefan Oschmann (67)

Non-Executive Director

#### Nationality

German

#### Appointment

Appointed as Non-Executive Director in January 2025 and is a member of the Compliance Committee.

#### Skills and experience

Stefan Oschmann is the former CEO and Chair of Merck KGaA which he joined in 2011 and became CEO and Chair of Merck between 2016 and 2021. Prior to that Stefan spent 30 years at Merck & Co in various leadership roles. Stefan brings strong transformational experience in science, healthcare and technology.

#### Current external appointments

- Non-Executive Director of Stamm
- Non-Executive Director of European Healthcare Acquisition & Growth
- Non-Executive Director of Springer Nature
- Chair of AiCuris Anti-Infective Cures

## Director changes during the year

<b>Chris Sinclair</b>	Non-Executive Director from February 2015 and Chair of the Board from May 2018 until he retired from the Board in May 2024.
<b>Pam Kirby</b>	Non-Executive Director from February 2015 until she retired from the Board in May 2024.
<b>Alan Stewart</b>	Non-Executive Director from February 2022 and Chair of the Remuneration Committee from May 2022 until he retired from the Board in May 2024.
<b>Olivier Bohuon</b>	Non-Executive Director from January 2021 until his death in May 2024.
<b>Jeff Carr</b>	Chief Financial Officer and Executive Director from April 2020 until his retirement in March 2024.

The two members in the grey boxes above joined the Board on 1 January 2025

Senior Leadership

GROUP EXECUTIVE COMMITTEE

Experienced, diverse and balanced

Kris Licht (48)

Chief Executive Officer

For biography see page 60

Shannon Eisenhardt (50)

Chief Financial Officer

For biography see page 60

Group Executive Committee changes during the year

	Reason for change
Jeff Carr	Chief Financial Officer who joined Reckitt in April 2020 and retired in March 2024.
Volker Kuhn	President Hygiene who joined Reckitt in August 2020 and left in December 2024.
Pat Sly	President Health who joined Reckitt in July 2017 and left in December 2024.
Sami Naffakh	Chief Supply Officer who joined Reckitt in July 2020 and left in July 2024.
Filippo Catalano	Chief Information and Digitisation Officer who joined Reckitt in April 2021 and left in October 2024.
Fabrice Beaulieu	Chief Marketing, Sustainability and Corporate Affairs Officer who joined Reckitt in 1999 and left in December 2024.



Susan Sholtis (58)

President Nutrition

Nationality

American

Key skills and experience

Susan joined Reckitt as President Nutrition in July 2023. Susan has 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.



Angela Naef, PhD (49)

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.



Ranjay Radhakrishnan (54)

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.



Catheryn O'Rourke (52)

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 and supporting board governance.



## Senior Leadership continued



### Harald Emberger (59)

Chief Supply Officer

#### Nationality

German

#### Key skills and experience

Harald joined Reckitt as Chief Supply Officer in July 2024 and is responsible for Reckitt's end-to-end supply chain operations, procurement, and the Health & Safety and Corporate Security functions.

Harald is a seasoned supply executive who has led multiple large scale supply chain transformation efforts.

He brings many years of supply chain leadership across all regions of the globe and has held senior leadership roles at Beiersdorf AG, Unilever and Mars.



### Ryan Dullea (47)

Chief Category Growth Officer

#### Nationality

American

#### Key skills and experience

Ryan joined Reckitt in 2019. With his Reckitt and previous experiences, Ryan brings a comprehensive understanding of our consumers and categories across multiple geographies having lived and worked in Asia, Europe and North America. His career spans over 25 years, during which he has gained a blend of experiences in consulting, marketing, and sales with companies like P&G and Accenture. Ryan has worked across all aspects of the value creation process from upstream innovation all the way through to general management and sales.



### Jérôme Lemaire (51)

President North America

#### Nationality

French

#### Key skills and experience

Jérôme joined Reckitt in 1998. He has broad experience in senior leadership roles in general management and marketing across North America, the United Kingdom, Australia and the Netherlands.



### Eric Gilliot (58)

President Europe

#### Nationality

French

#### Key skills and experience

Eric has been at Reckitt for 26 years. Since joining Reckitt in 1998, Eric has held various leadership positions across several global markets.

In 2020, he was appointed Chief Customer Officer International and SVP Global Sales and in October 2022, he was appointed EVP North America, Hygiene.



### Nitish Kapoor (56)

President Emerging Markets

#### Nationality

Indian

#### Key skills and experience

Nitish joined Reckitt in India as a Management Trainee in 1993. Over three decades he has worked in India, the US, Europe and Africa in sales, marketing, global category and general management roles.

Nitish was appointed EVP Global Health categories in 2020 and EVP of the Fuel for Growth transformation programme in 2023.

The four members in the grey boxes above joined the Group Executive Committee on 1 January 2025

## Reckitt's Approach to Governance

# COMPLIANCE WITH THE CODE

### Compliance with the UK Corporate Governance Code

For the year ended 31 December 2024, the Company complied with all the principles and provisions of the UK Corporate Governance Code 2018 (the Code) and the Disclosure Guidance and Transparency Rules requirements to provide a corporate governance statement. Pages 58-138 of this report form our Corporate Governance Statement. Details of how the principles of the Code have been

applied can be found throughout this report, the Strategic report, and the Committee reports as set out below.

The Board has received an update in relation to the changes to the Code following the publication of the UK Corporate Governance Code 2024 and intends to be compliant with all the new relevant provisions within the timeframes indicated. The Board has carried out an evaluation of the changes required in the reporting requirements.

### How we comply with the Code

	Pages
<b>1. Board leadership and Company Purpose</b>	
Promoting the long-term, sustainable success of the Company	1-57
Purpose, values and culture	8-9, 71
Strategic priorities and objectives	10-16
Stakeholder engagement	74-77
Workforce engagement	9, 74
<b>2. Division of responsibilities</b>	
Role of Chair, Non-Executive Directors and Group Company Secretary	67-68
Board composition	60-62
<b>3. Composition, succession and evaluation</b>	
Appointments to the Board and succession planning	81-84
Balanced Board	60-62, 85
Board performance	79-80
<b>4. Audit, risk and internal control</b>	
Audit Committee Report	86-93
Principal risks and uncertainties	52-56
<b>5. Remuneration</b>	
Directors' Remuneration Committee Report	96-133



### Board skills as at 31 December 2024



## Reckitt's Approach to Governance continued

### Board roles and responsibilities

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 2024, 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 [www.reckitt.com/investors/corporate-governance](http://www.reckitt.com/investors/corporate-governance).

### Risk management and internal controls

The Board has overall responsibility for internal controls and risk management along with 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.

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 its 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, and the Company's response to incidents and threats, including those relating to cyber security and safety.

The Audit Committee, on behalf of the Board, oversees the Group's overall Risk Management Framework, and 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 2024, 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.

The Audit Committee Report can be found on pages 86–93.

### Principal risks and risk appetite

As part of our risk management process, we regularly evaluate risks related to achieving our 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 gained. 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 and GEC meetings.

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.

The Group's principal and emerging risks and mitigating actions are detailed on pages 52–56.

### 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 the climate-related risks and opportunities.

As part of the Board's twice yearly review of the 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 page 38. The Viability Statement on page 57 provides further disclosure on climate and ESG related risk matters. Our Climate-Related Financial Disclosures can be found on pages 218–222.



## 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/investors/corporate-governance](https://www.reckitt.com/investors/corporate-governance)

### 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.

As noted in last year's report, following the retirement of Alan Stewart from the Board at the 2024 AGM, to provide continuity in relation to the Remuneration Committee, Mary Harris the former Chair of the Remuneration Committee was reappointed to the role for a fixed term of one year between the 2024 and 2025 AGM, to enable a smooth transition when the role moves to Fiona Dawson. Mary will retire at this year's AGM and will not put herself forward for re-election.

The Board is 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.

Neither Kris Licht or Shannon Eisenhardt hold any external directorships at the date of this report.

### 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
- Ensuring an appropriate balance is maintained between the interests of shareholders and other stakeholders
- Leading the annual effectiveness 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 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 organisational 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 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

## Board Roles and Responsibilities



### 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.

### 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

### Non-Executive Directors

- Providing independent input into Board decisions through constructive challenge and debate, strategic guidance and specialist experience
- 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

### 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

## Governance Framework

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 2024. There are also three supporting Management Committees: the Disclosure Committee, the Group Executive Committee (GEC), and the Group Compliance Committee (GCC).

### 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 pages 36 and 76.


### 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 Sir Jeremy Darroch


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.

 Read more on page 81

#### Audit Committee

Chaired by Andrew Bonfield


Responsible for monitoring the integrity of Reckitt's Financial Statements and 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.

 Read more on page 86

#### Remuneration Committee

Chaired by Mary Harris


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.

 Read more on page 96

#### Compliance Committee

Chaired by Mehmood Khan

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

 Read more on page 94

#### 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 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.

#### Group Compliance Committee

Chaired by CEO

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



## Governance Framework 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. 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, Compliance 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 Companies Act 2006, to promote the success of the Company for the benefit of its members as a whole. Further information can be found on page 78.

### Board and Committee meeting attendance

In 2024, there were five scheduled Board meetings.

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.

	Board 5 Meetings	Audit Committee 4 Meetings	Compliance Committee 4 Meetings	Nomination Committee 2 Meetings	Remuneration Committee 5 Meetings
Sir Jeremy Darroch	5/5			2/2	5/5
Kris Licht	5/5		4/4		
Shannon Eisenhardt	5/5				
Andrew Bonfield	5/5	4/4		2/2	
Margherita Della Valle	5/5	3/4		1/1	
Marybeth Hays	5/5	2/2	3/3		
Mary Harris	5/5				5/5
Tamara Ingram	5/5	4/4			
Mehmood Khan	5/5		3/4		
Elane Stock	5/5	4/4			
Fiona Dawson	3/3				3/3
Olivier Bohuon <sup>1</sup>	1/2		1/2		1/1
Pam Kirby <sup>2</sup>	2/2	2/2	2/2	1/1	
Chris Sinclair <sup>3</sup>	2/2		2/2	1/1	1/1
Alan Stewart <sup>4</sup>	2/2			1/1	1/1
Jeff Carr <sup>5</sup>	1/1				

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.

<sup>1</sup> Olivier Bohuon: Non-Executive Director from January 2021 until his death in May 2024

<sup>2</sup> Pam Kirby: Non-Executive Director from February 2015 until she retired from the Board in May 2024

<sup>3</sup> Chris Sinclair: Non-Executive Director from February 2015 and Chair of the Board from May 2018 until he retired from the Board in May 2024

<sup>4</sup> Alan Stewart: Non-Executive Director from February 2022 and Chair of the Remuneration Committee from May 2022 until he retired from the Board in May 2024

<sup>5</sup> Jeff Carr: Chief Financial Officer and Executive Director from April 2020 until his retirement in March 2024

## Purpose and Culture

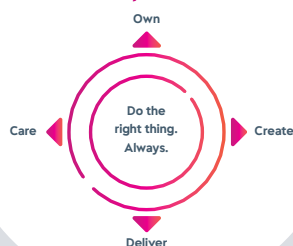


### PURPOSE, COMPASS AND LEADERSHIP BEHAVIOURS

#### Our Purpose

We exist to  
**PROTECT,  
HEAL AND NURTURE**  
in the pursuit of a cleaner  
and healthier world

#### Our Compass and Leadership Behaviours



### Our people and 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. Over the last five years, we have established deep cultural foundations that empower our people as the key value drivers of our business. We defined 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 8-9 of the Strategic Report.

### How the Board monitors culture

A key focus of the Board is to monitor and support culture and ensure alignment across our Purpose, values, and behaviours. Our culture and values at Reckitt are defined by the Board and the GEC. We are evolving a vibrant, inclusive and collaborative culture to deliver on our Purpose. By embedding inclusivity, all colleagues should feel free to participate fully, bring their authentic selves to work and realise their full potential. Regular interactions with employees help the Board monitor culture and are detailed in the table opposite.

#### How we monitor culture

##### Connecting directly with employees

#### Board interactions and engagement to monitor culture throughout the year

Board members meet with employees regularly. In her role as Designated NED for Engagement with the Company's Workforce, Elane Stock attended meetings with various employee groups throughout the year, where employees were able to speak directly with her. The Board received feedback from Elane on these discussions. Further information on Elane's role as Designated NED for Engagement with the Company's Workforce can be found on page 74.

##### Creating a forum for employees to be heard

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, Elane Stock has maintained regular engagement with various employee groups, including the ERGs.

##### Ensuring employees are informed

Quarterly all-employee global live-streaming results are broadcast held by the CEO, CFO and Group Executive Committee members to present our financial 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 Compliance Committee Chair 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. A deep dive was also provided to the Audit Committee during the year in relation to the results and action plan following the investigation in the Middle East between the end of 2023 and first half of 2024. More details can be found within the Audit Committee report on page 90.

##### Maintaining open communications

Following the strategy update announced in July 2024 the CEO broadcast a live all-employee update on the new strategy and the plans for the future. This broadcast gave employees the opportunity to ask questions and further updates have been provided to employees on the company intranet 'Rubi'.

## Board Activities

## 2024 BOARD ACTIVITIES

## Link to stakeholders

- |               |  |
|---------------|--|
| 1 Customers   | 5 Governments, and industry associations |
| 2 People      | 6 Consumers                              |
| 3 Partners    | 7 Shareholders                           |
| 4 Communities |  |

## Information flow

## Outcomes, benefits and considerations

## Strategy

Links to stakeholders 1 2 3 4 5 6 7

## Group plans and budgets

- Reviewed the Group's financial plan for 2025
- Reviewed and approved the 3 year plan
- Reviewed forecasts and business performance

## Strategy

- Discussed and approved the new strategy and received regular updates on progress
- During the November 2024 meeting, Board members discussed the progress on the new strategy and the innovation pipeline for 2025
- Received updates on competitive environment and broader market developments
- Received an update from the Chief Supply Officer

## Mergers and acquisitions

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

## Business updates

- Reviewed the business performance in the markets
- Deep dives on functions such as Finance, HR, Supply, IT & Digital and Cyber Security

## Governance and oversight

Links to stakeholders 1 2 3 4 5 7

## Board and Committee performance review

- Conducted the annual internal 2024 Board effectiveness review and had oversight of Committee performance reviews
- Identified areas for improvement and recommended actions for 2025
- Considered and proactively addressed actions from the 2023 Board effectiveness review
- Reviewed and approved the external evaluator for the 2025 external Board effectiveness review

## Information flow

## Outcomes, benefits and considerations

## Governance and oversight continued

Links to stakeholders 1 2 3 4 5 7

## Talent, succession and Board composition

- Oversight of Group talent planning and succession, including senior management succession and retention
- Update on the new structure following the strategy update and change in roles for the senior management team across the Group
- Considered and approved Board changes, including succession planning and the appointment of new Non-Executive Directors as detailed on pages 62, 81-85

## Shareholders and stakeholders

- Reviewed and approved the 2024 Notice of AGM
- Held the 2024 AGM in person. Shareholders had the opportunity to pre-submit questions as well as ask the Board questions during the meeting alongside voting on the proposed resolutions
- Held Board and employee engagement meetings, to understand employee views
- The Designated Non-Executive Director provided regular updates to the Board on engagement activities. More details can be found on page 71

## Legal and Compliance

- Reviewed and approved governance matters, such as the Schedule of Matters Reserved for the Board, roles of Chair, CEO and SID, Committee terms of reference, Directors' conflicts of interest and compliance with the Code and best practice
- Reviewed and approved the updated share dealing policy and code
- Kept abreast of upcoming changes in the UK corporate governance and regulatory framework
- Approved Reckitt's 2023 Modern Slavery and Human Trafficking Statement
- Received updates and discussed litigation matters including product liability actions related to Necrotizing Enterocolitis



## Board Activities continued

Information flow	Outcomes, benefits and considerations
<b>ESG</b>	<b>Links to stakeholders 1 2 4 5 7</b>
<b>ESG</b>	<ul style="list-style-type: none"> <li>Reviewed the Group's sustainability strategy and approach, including progress against the delivery of our Sustainability Ambitions</li> <li>Received updates on sustainability activities and initiatives</li> <li>Undertook a deep dive on ESG and climate change</li> </ul>
<b>Risk management and internal controls</b>	<b>Links to stakeholders 1 2 3 4 5 6 7</b>
<b>Principal and Emerging Risks</b>	<ul style="list-style-type: none"> <li>Conducted an annual review of Reckitt's principal and emerging risks and consideration of risk management approach</li> <li>Reviewed the appropriateness and effectiveness of the system of internal control and risk management</li> <li>Received an update on Artificial Intelligence which included an overview of the Company's governance framework relating to the acceptable use of AI</li> <li>Undertook a deep dive on Cyber Security</li> </ul>
<b>Financial</b>	<b>Links to stakeholders 2 3 4 5 6 7</b>
<b>Reporting</b>	<ul style="list-style-type: none"> <li>Reviewed and approved Reckitt's Annual Report and Financial Statements including compliance with reporting requirements</li> <li>Reviewed and approved Reckitt's full-year, half-year and quarterly results</li> <li>Provided results presentations to investors and employees during the year</li> <li>Reviewed and approved the announcement in relation to the strategy update</li> </ul>
<b>Going concern</b>	<ul style="list-style-type: none"> <li>Reviewed long-term going concern and liquidity considerations</li> <li>Considered and approved the 2023 Annual Report Viability Statement upon recommendation of the Audit Committee</li> </ul>
<b>Financial resources</b>	<ul style="list-style-type: none"> <li>Reviewed the Company's financial position, Group debt and funding arrangements and capital allocation</li> <li>Approved a bond issuance</li> <li>Approved continuation of the share buyback programme</li> <li>Approved the final 2023 and interim 2024 dividend payments</li> </ul>
<b>Treasury policies</b>	<ul style="list-style-type: none"> <li>Reviewed and approved the Group's Treasury policies</li> </ul>



## Maintaining the Trust of 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.

### 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

- Internal communications tools are used to inform, build connection and enable collaboration across the business. Our goal is to support two-way communication and dialogue with our people and there are a number of key mechanisms that enable this
- Regular global townhalls and broadcasts for all employees, hosted by the CEO and Group Executive Committee (GEC), including live-streamed Q&As plus supporting market and function-specific townhalls
- Targeted communications by function focused on building strategic alignment, excellence in execution, collaboration and building functional capabilities
- Employee Resource Groups (ERGs) which provide a space for colleagues to connect and support each other and share views with the business through regular touchpoints
- Informal forums, focus groups and listening sessions with leaders

- A regular news feed provided through our intranet, Rubi, supported by informal channels for colleagues to share updates, insights and news
- Throughout 2024, we have informed, consulted and engaged with our people and local works councils and trades unions on the proposed changes to our organisation, where relevant and in line with local guidance and legislation

#### Board

- Elane Stock, our Designated Non-Executive Director for Employee with the Company's Workforce, maintains regular engagement with various employee groups, including the Group's ERGs
- Various Board members visited Reckitt sites throughout the year to engage directly with employees, including Parsippany and Montvale in the US, Hull and Slough in the UK, and Delhi in India
- The Board's Compliance Committee receives updates on employee concerns raised through Speak Up and ensures proper follow-up and action, as appropriate

- The Board reviewed and provided input on proposed changes to the performance evaluation and talent development processes to ensure they are aligned with Reckitt's strategy, build critical organisational capabilities, and provide equitable growth opportunities to all employees

### 2024 outcomes of engagement

- During the year, we hosted two global townhalls focused on strategy, performance and results. Our half-year update, which focused on the strategic direction of the business, had the highest number of live attendees plus subsequent views of the live event recording, and received over 400 questions
- Following the half-year strategic update, a colleague 'Strategy Hub' was introduced specifically to provide regular updates on developments, with organisational changes reflected in a new look platform from January 2025. The bespoke hub received over 34,000 total views
- In 2025 a new continuous listening strategy will be introduced, providing further opportunity for colleagues to give timely feedback



The Designated Non-Executive Director for Engagement with the Company's Workforce is Elane Stock who was appointed to the role following the AGM in May 2024.

This role follows an agreed plan of work which builds on existing channels of communication and fosters new engagement opportunities. It facilitates and complements full-Board engagement activities by strengthening the depth of employee sentiment and representing relevant concerns within discussions and decision making.



**Since taking over the role in May, I've had the opportunity to meet with many of Reckitt's employees across the world. These discussions have provided me with a wide range of views and I have enjoyed the variety of conversations I've had with the teams I've met. I have shared the views and insights with the Board to ensure they are meaningful inputs into our decisions. I am looking forward to continued engagement in 2025.**

## Maintaining the Trust of Stakeholders continued

### 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' health, hygiene 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 and Board

- Our products are chosen by millions of consumers each 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 right of this 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
- The Board benefits from consumer insights in making category growth decisions

### 2024 outcomes of engagement

- Based on consumer insights, during the year we developed and launched our new Vanish Oxi Action formula, Durex Basic HA, Lysol Air Sanitizer, Mucinex Mighty Chews and Nurofen sustained release
- We continued our multi-year Nurofen 'See My Pain' campaign highlighting the Gender Pain Gap and our Finish 'Skip My Rinse' campaign in the US
- Our brand certifications such as Cradle to Cradle and Fair Rubber, qualify our products within Amazon's Climate Pledge Friendly programme, and continue to support consumers in making more sustainable choices

### 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

- In 2024 we welcomed a new Chief Customer Officer for the Group, based in North America, 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
- In support of proposed changes to Reckitt, our CEO contacted our global customers and our sales team colleagues were provided with bespoke materials to engage customers on the changes and what it will mean for them

### Board

- The Board recognises the importance of understanding our customers and we continue to strengthen our Board capability in this area with the recent appointments of Fiona Dawson and Mahesh Madhavan

### 2024 outcomes of engagement

- Reckitt achieved Giga Guru status within Walmart's supply chain initiative, Project Gigaton, which aims to avoid one gigatonne of GHG emissions by 2030. This recognition demonstrates environmental leadership among Walmart suppliers, a commitment to innovation, and successful emissions reduction
- Together with Tesco in the UK, we continued to work to enhance the availability of self care and wellness ranges in store, accompanied by an increase in in-store literacy to support consumer choice in key categories
- Reckitt won the Australian Packaging Covenant Organisation (APCO) education award for our work in developing and leveraging sustainability packaging data across our organisation and the broader industry and a reduced cost to serve



## Maintaining the Trust of Stakeholders continued

### 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 healthcare practitioners internationally to exchange information, share best clinical practice and sponsor research. We also contribute our expertise to professional journals, international symposiums and congresses
- In support of proposed changes to Reckitt, our CEO contacted our global suppliers and partners and our procurement team was provided with bespoke materials to support their engagement with individual partners

#### 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

### 2024 outcomes of engagement

- During the year, we developed new Supplier Sustainability Standards which include nine targets covering emissions, renewable energy, water reduction and waste. To support this engagement and our procurement activity, we developed a range of tools and resources including a buyer guide and playbook
- In addition, Reckitt is a member of the Sustainable Markets Initiative Health Systems Taskforce, which brings together leading voices from across the health sector, with the aim of accelerating the delivery of net zero, patient-centric health systems. The Taskforce aligned on joint, minimum climate and sustainability targets for health sector suppliers, to address emissions across the value chain

### 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 too.

Our Investor Relations activities promote an open, consistent and transparent dialogue with these stakeholders, aiming to inform investors and market participants of key attributes of our financial performance and strategy.

### How we engage

#### Group and Board

- We communicate our financial results through management presentations to analysts and institutional investors
- We communicate our financial results at our Annual General Meeting to retail investors
- Post results, our CEO and CFO roadshows meet with top shareholders and prospective investors to discuss our latest financial performance and address their questions
- Management and our Investor Relations team attend investor conferences throughout the year to communicate 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 days, brokerage sales desk presentations and credit investor updates

- Our Group Head of Sustainability participated in a number of ESG investment panels in 2024, as well as engaging with investors on sustainability-related topics through individual meetings

### 2024 outcomes of engagement

- Our CEO Kris Licht, set out actions to reshape Reckitt as a world-class consumer health and hygiene organisation at our Strategy Update in July alongside our H1 2024 results
- The Strategy Update reinforced Reckitt's value creation principles and their role in defining our focus on a sharper portfolio of market-leading Powerbrands, as well as communicating the simpler, more effective organisational structure that will deliver them to our customers and consumers

## Maintaining the Trust of Stakeholders continued

### 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 and Board

- 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
- The Board receives updates on and monitors our Fight for Access Fund and other social impact initiatives

#### 2024 outcomes of engagement

- In September, we announced our latest \$5 million investment into WaterEquity's impact funds, supporting climate-resilient infrastructure
- 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

### 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 and Board

- We engage regularly with national and international policy makers, governments and regulatory agencies, through formal policy consultation processes and ongoing bilateral engagement
- 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)
- Reckitt is part of the Sustainable Markets Initiative Health Systems Taskforce, a public-private partnership accelerating the delivery of net zero healthcare
- 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

- We collaborate with governments on specific programs to improve access to health and hygiene. For example, with the Nigerian government we work with Reckitt Clean Naija flagship initiative with the Federal Ministry of Water as a multi-level campaign to create effective public health campaigns, awareness, educate, and drive behavioural change for national health promotion and disease prevention

#### 2024 outcomes of engagement

- The UK Parliament's Women and Equalities Committee's report on Women's reproductive health conditions endorsed Nurofen's 'See My Pain' campaign and called on the National Health Service to urgently implement a training programme to improve the experience of treatment and diagnosis in primary care for women
- 'Oh Yes! Net Zero' was showcased at the international Smart City Expo in Barcelona, alongside other globally significant climate action initiatives. It was highlighted as a business-led example of a city driving action to combat climate change

## Section 172 Statement

# EFFECTIVE ENGAGEMENT WITH OUR STAKEHOLDERS

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 2024, having regard to stakeholders, including matters under Section 172(1) (a)-(f) of the Companies Act 2006.

Effective engagement with our shareholders, employees, and wider stakeholders is key to Reckitt's sustainable success. In our decision-making, we consider what will most likely promote the long-term success of the Company for its shareholders, while also taking into account the interests of other stakeholders. Understanding their needs and expectations is fundamental to our Purpose: to protect, heal, and nurture in the relentless pursuit of a cleaner and healthier world.

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, governments, NGOs, industry and academia we engage with, and the environment. Examples of how the Directors have oversight of stakeholder matters and had regard for these matters when making decisions are included throughout this Annual Report.

The Board considers our key stakeholders and the matters set out under Section 172 of the Companies Act 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.

### Section 172 (a)-(f) additional disclosures

		Pages
<b>A: Likely consequence of any decisions in the long term</b>	Chair's Statement and Chief Executive Officer's Statement	4-7
	Value creation and strategic priorities	10-16
	Key performance indicators and our value creation model	10-15, 37
	Section 172 Statement, Board activities and governance	58-138
	Risk management	52-56
<b>B: Interests of our employees</b>	Key performance indicators	37
	Stakeholder engagement	74-77
	Nomination Committee Report	81-85
	Directors' Remuneration Report	96-133
	Directors' Report	134-137
<b>C: The need to foster relationships with suppliers, customers and others</b>	People and culture	8-9
	Chair's Statement and Chief Executive Officer's Statement	4-7
	Value creation and strategic priorities	10-16
	Key performance indicators and our value creation model	10-15, 37
	Risk management	52-56
<b>D: The impact of our operations on the community and environment</b>	Stakeholder engagement	74-77
	Value creation and strategic priorities	10-16
	Sustainability performance dashboard and sustainability performance review	38, 45-51
	Stakeholder engagement	74-77
	Section 172 Statement and Board activity	78, 72-73
<b>E: The desirability of the Company to maintain a reputation for high standards of business conduct</b>	Sustainability performance review	38, 45-51
	Climate-related financial disclosures	218-222
	Non-financial and sustainability information statement	51
	Purpose, compass and Leadership Behaviours, and our value creation model	8-15, 71
	Reckitt's approach to governance	65
<b>F: The need to act fairly between members of the Company</b>	Purpose, values and compass; how the Board monitors culture	8-15, 71
	Section 172 Statement and Board activities	78, 72-73
	Strategic priorities and key performance indicators	16, 37
	Section 172 Statement and Board activities	78, 72-73
	Stakeholder engagement	74-77



# BOARD PERFORMANCE REVIEW AND EFFECTIVENESS

The Board undertakes an annual review of its own and its Committees' performance and effectiveness, with a formal externally facilitated review of the Board conducted at least every three years.

Since 2020, Lintstock has facilitated both our internal and external reviews, which included a three-year Board Development Programme. This year, Lintstock was asked to oversee the internal review process while our new Chair completed his induction and observed a full annual cycle.

We plan to conduct an external review in 2025 and during the year a tender process was undertaken to appoint an external evaluator for the 2025 review. A summary of the process is set out on the following pages.

Lintstock is independent of and has no other links with the Company or its Directors in connection with the effectiveness review.

For this year's internal review, the Company followed the CGI 'Principles of Good Practice for listed companies using external Board reviewers' principles. Lintstock have confirmed they followed the CGI Code of Practice for reviewers'. Lintstock were given the opportunity to review this section of the Annual Report and provide input and comment on the disclosures.

## Findings and progress from the 2023 external performance review

2023 recommendations	Action taken during 2024
<b>Board succession planning</b> There were a number of changes to the Board including the Chair, CEO, CFO and Non-Executive Directors and a focus on effective transition of these roles was required.	During 2024 there was a clear plan in place for the transition of the Chair, CEO and CFO roles and through the Nomination Committee, the Board maintained a strong focus on continued renewal with the appointments of Marybeth Hays in February 2024, Fiona Dawson in June 2024 and Stefan Oschmann and Mahesh Madhavan being appointed to the Board in January 2025. All bring broad and relevant experience to the Reckitt Board.
<b>Review of the CRSEC Committee</b> The breadth of the CRSEC Committee was raised as an area of focus for 2024.	As announced in June 2024, a review of the CRSECC took place following the AGM. Mehmood Khan took over the role of Chair and it was agreed by the Board to align the Committee to our Principal Risks related to product regulation, product quality and safety, and legal and compliance which has allowed the Committee to focus on these critical areas, along with the compliance culture at the Company. ESG and sustainability matters have returned to the remit of the Board. Given the change in scope, the Committee has been renamed the Compliance Committee.
<b>Review of senior leaders and talent</b> The strength of the senior team, ability to attract and retain talent, and the incentive structure were raised as areas for review in 2024.	The Board carry out an annual review of key talent which took place at the November meeting and this included a review of the changes in members of the Executive Committee and their direct reports to support the new strategy. As detailed within the People & Culture section on pages 8-9, we are continuing to strengthen our culture through changes to performance management, talent and reward. This includes expanded participation in our Long Term Incentive Plan to introduce a longer-term element of reward to balance in-year performance.

## 2024 Board performance review process

### 1. Design of questionnaire

A session took place with Lintstock and the Chair to discuss the proposed process for the 2024 internal review.

It was agreed to adopt a concise questionnaire, focusing on the strategy changes announced and the Board changes made since the last review.

### 2. Evaluation methodology

The questionnaire was sent to each Board and Board Committee member and structured around the topics of:

- Board composition and dynamics, stakeholder oversight, Board support.
- Management and focus of meetings, Board Committees, Strategic oversight, Risk management, People oversight, Priorities for change.
- Separate questionnaires were sent to each Director relating to the performance of the Chair and to review their individual performance.

### 3. Results and actions

Lintstock collated the responses and produced a Board evaluation report which was shared with the Chair for review ahead of including in the November Board meeting pack.

The finalised report of findings was provided to the Board which was discussed. Actions for the year ahead were agreed - see the next page for a summary.

Board Performance Review and Effectiveness continued

2024 review findings and actions

Findings	Actions	
Continued focus on Board succession planning.	Diversity of experience will continue to be a focus in 2025 for the Nomination Committee as we continue with the orderly planning of Board succession. As announced in November 2024, we have appointed Stefan Oschmann and Mahesh Madhavan to the Board as we continue to enhance the Board. Both bring broad and diverse experience to Reckitt.	
Developing Board skills further in 2025.	It was agreed at the November 2024 Board meeting to build in additional listening sessions throughout 2025 and this will also include a number of site visits. This will enable the Board to continue to broaden its understanding of the business and enhance its knowledge and skills around sustainability, technology and AI.	
<b>Board Committees</b> Each Board Committee was highly rated and confirmed as delivering effective support to the Board.  Individual Committee actions were reviewed and agreed by each Committee Chair at the November Committee meetings and further details are set out in the Committee reports.	<b>Individual Director performance</b> Individual Director performance and contribution were assessed through one-to-one meetings with the Chair.  These sessions allowed reflection on personal development and discussion of matters relevant to boardroom culture and process. The findings, in combination with the individual skills, time commitment and independence assessments, confirmed each Director continues to contribute positively.	<b>Chair performance</b> The performance of the Chair was evaluated by the Senior Independent Director based on individual feedback and a discussion was held without the Chair present at the end of the November Board meeting.  The discussion concluded that the Chair had made a good start and had devoted considerable time to getting a better understanding of the business so he could chair the Board effectively.

2025 external Board evaluator tender process

July 2024	October 2024	November 2024	January 2025
The Company Secretary proposed a list of potential providers to the Chair and agreed to request proposals from those providers.	Individual meetings were held with the Company Secretary and external providers to determine their cultural fit, style of review and independence.	A summary of the process and a recommendation to the Board for the preferred evaluator was discussed at the November Board meeting. The Board approved the recommendation to appoint Clare Chalmers as the preferred evaluator for the 2025 external effectiveness review.	A meeting was held with Clare Chalmers to commence the preparation work for the external effectiveness review which will take place in 2025 and the results will be shared in the 2025 Annual Report.

# NOMINATION COMMITTEE REPORT



**The Committee's focus has continued to be on Board and senior management succession, ensuring that we have the right people in place to support Reckitt's strategic aims.**

## Sir Jeremy Darroch

Chair of the Nomination Committee

Member	Scheduled meetings attended
<b>Sir Jeremy Darroch (Chair)</b> Member for the whole year and Chair from May 2024	2/2
<b>Andrew Bonfield</b> Member for the whole year	2/2
<b>Margherita Della Valle</b> Member from June 2024	1/1
<b>Chris Sinclair</b> Chair and member until May 2024	1/1
<b>Alan Stewart</b> Member until May 2024	1/1
<b>Pam Kirby</b> Member until May 2024	1/1

## Committee priorities in 2024

- Support for Chair transition from Chris Sinclair to Sir Jeremy Darroch
- Transition of Remuneration Committee Chair and Compliance Committee Chair following the AGM in May 2024
- The induction of Marybeth Hays and Fiona Dawson as new Non-Executive Directors
- Continued succession planning for the Board and senior management roles and updated Committee memberships in June 2024

## Committee membership

Members of the Committee are appointed by the Board. Membership of the Committee is reviewed at least annually and was reviewed following the 2024 AGM with changes announced on 19 June 2024. The members include the Chair and certain independent Non-Executive Directors. An additional review took place as part of the annual performance review of the Committee in November. 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.

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 60-62.

## 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.

Further details on the Committee's role and responsibilities can be found below and in its terms of reference, available at [www.reckitt.com/investors/corporate-governance](http://www.reckitt.com/investors/corporate-governance).

## Board composition

The Committee regularly reviews the composition of the Board and its Committees, considering the balance of skills, experience, 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.

As previously announced, Marybeth Hays was appointed as a Non-Executive Director, with effect from 1 February 2024, and Fiona Dawson was appointed as a Non-Executive Director with effect from 1 June 2024. A Q&A with Marybeth and Fiona on their views and observations since joining Reckitt is set out on page 83.

In November 2024 we announced the appointment of Stefan Oschmann and Mahesh Madhavan as Non-Executive Directors with effect from 1 January 2025. Biographical details can be found on page 62.



## Nomination Committee Report continued

### Key objectives for the year ahead

- Continue succession planning for the Board and senior management roles and keep Committee memberships under review
- Induction of Mahesh Madhavan and Stefan Oschmann who joined as independent Non-Executive Directors in January 2025
- Support the transition of the Remuneration Committee Chair from Mary Harris to Fiona Dawson following the 2025 AGM

The Committee used Korn Ferry for the appointments of Marybeth Hays and Fiona Dawson and MWM Consulting for the appointments of Mahesh Madhavan and Stefan Oschmann. Neither Korn Ferry nor MWM Consulting have any other connection with individual Directors.

As previously announced, in March 2024, Jeff Carr retired from the Board and Shannon Eisenhardt became CFO. Following the AGM in May 2024, Chris Sinclair, Pam Kirby and Alan Stewart all retired from the Board, Sir Jeremy Darroch became Chair of the Board and the Nomination Committee, Mary Harris became Chair of the Remuneration Committee and Mehmood Khan became Chair of the CRSEC Committee.

We reported the sad death of Olivier Bohuon in early May 2024, who had been a member of the Board since January 2021. His insight and open demeanour will be missed by the Board.

Director tenure and independence was reviewed as part of the annual Board review and it was concluded that each Non-Executive Director remained independent.

In accordance with the Code, all existing Directors will stand for election or re-election at the AGM, with the exception of Mary Harris who has already notified her intention not to stand for re-election at the AGM, having exceeded her nine-year term. The Board considers Mary to be independent for the purposes of the Code as, in the Board's view, she continues to be independent in character and judgement notwithstanding her length of service.

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](http://www.reckitt.com/investors/annual-general-meetings).

### 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, so that the Company can continue to compete effectively in the markets in which it operates.

## Key activities during 2024

Meetings of the Committee are held as needed but are required to take place at least once a year. In 2024, the Committee held two scheduled meetings and two additional meetings. Meetings take place ahead of Board meetings and the Chair of the Committee reports formally to the Board on its proceedings. Details of the activities undertaken across the four meetings held are set out in the adjacent section.

### January

#### Succession planning

- Non-Executive Director succession: the Committee met to review and then approve its recommendation to the Board to appoint Marybeth Hays

### February

#### Succession planning

- Committee and Designated NED for engagement with the Company's Workforce changes discussed and agreed ahead of the AGM
- Chair succession and NED succession discussed and agreed ahead of the AGM
- The appointment of Fiona Dawson as a Non-Executive Director was discussed and then approved for recommendation to the Board

### September

#### Succession planning

- Non-Executive Director succession in relation to potential appointments was discussed

### November

#### Succession planning

- The appointment of Mahesh Madhavan and Stefan Oschmann as Non-Executive Directors was discussed and then approved for recommendation to the Board
- Update on succession planning generally
- Discussed the Board effectiveness review feedback in relation to the Committee
- Annual review and recommendation for approval to the Board of the terms of reference of the Committee
- External evaluator tender review and approval of proposed 2025 evaluator
- Annual review of potential conflicts of interest

## Nomination Committee Report continued

### Q&A



**Marybeth Hays**

Non-Executive Director



**Fiona Dawson, CBE**

Non-Executive Director

Marybeth Hays and Fiona Dawson joined the Board during 2024 and provided some thoughts and reflections following their appointment.

#### **Q. What drew you to Reckitt and how has your experience been to date?**

**A. MH.** I was absolutely delighted to receive a call about the Reckitt opportunity. As an EVP Merchandising at Walmart US, I knew of Reckitt's excellent reputation among my merchant team in consumables, health and wellness. As a former brand executive, I am drawn to the power of the brand portfolio. Some of my earliest memories include Lysol - my mother would not travel without it! As a former expat (China), I find the complexity of a global business invigorating!

**FD.** Having worked for 34 years with some of the world's best-loved brands, I have always admired Reckitt's strong portfolio of leading products, which are trusted household names all over the world. Coupled with that I was drawn to the breadth of the business and enjoy working with the challenges and opportunities of a global consumer packaged goods organisation.

From a Board perspective, it has been an extremely interesting time to join, with the portfolio evolution to focus on high-growth, high-margin 'Powerbrands'. I have really admired the team's strategic clarity and focus in executing on this.

#### **Q. What are your views on Reckitt's culture?**

**A. MH.** Reckitt has a can-do, highly entrepreneurial yet humble culture that is well suited for the enormous changes in the world today.

Reckitt does not take time to rest on its laurels and believes in continual improvement.

**FD.** I had always believed Reckitt's culture was hard working, results focused and ambitious, and whilst that was certainly the case when I met the Executive team, I also experienced a culture that was very people centric, transparent, and enabling. A culture where people are encouraged to reach their full potential and to do the right thing.

As the 'newbie' I felt very welcomed to the Board from day one, and there is real respect around the table for the vast experience different Board members bring, leading to diversity of thought and breakthrough thinking. I have certainly learnt a lot from the Reckitt team and my fellow Board members and look forward to continue doing so over the coming years.

#### **Q. What have been your key highlights and challenges in your first year?**

**A. MH.** Supporting Kris and his team on our portfolio restructuring. This will set us up for unprecedented growth in the future.

As a former merchant and brand marketer, I approach strategy through a product and customer lens. I would like to learn more about the new product pipeline, our customers (retailers and distributors) and consumers.

I am very keen on manufacturing and supply chain - to ensure product availability but more importantly, product quality and safety. I plan to visit some factories this year.

**FD.** From a business perspective, we have a big year ahead as the newly shaped Company lands. My priority will be to provide the necessary support and relevant challenge to the team to help ensure the successful execution of our strategy. During this period, I look forward to getting even closer to the business, meeting more people and visiting sites to further experience the Company first hand.

I am also looking forward to taking over as Chair of the Remuneration Committee from Mary Harris who has been utterly brilliant in her onboarding of me to the Committee and very generous with her time. I look forward to following her lead in ensuring we have a balance of pay for performance, shareholder returns and strategic alignment.

## Nomination Committee Report continued

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 for the role of Senior Independent Director 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 to suit their individual experience and background. The induction programme generally includes meetings with the other Board Directors, the General Counsel & Company Secretary and GEC members on a one-to-one basis, along with meeting some of our key external advisors. The meetings are held in person or virtually.

New Directors may also carry out market visits and attend key Reckitt sites to enhance their induction to the Company.

### 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. We also aim to provide Directors an opportunity to engage directly with employees and key personnel and be immersed in the business.

### GEC changes

The GEC changes during the year reflect the alignment of our leaders with Reckitt's new strategic priorities and growth opportunities.

As we announced in July as part of our strategic update, we welcomed the following members to the GEC (with effect from 1 January 2025), all of whom have been with the business for a number of years and bring a wealth of experience to their new roles:

- Ryan Dullea, Chief Category Growth Officer
- Jérôme Lemaire, President, North America
- Eric Gilliot, President, Europe
- Nitish Kapoor, President, Emerging Markets

Volker Kuhn, President of Hygiene, and Pat Sly, President of Health, both left the business on 31 December 2024.

Sami Naffakh, Chief Supply Officer, resigned from his role and left the business in July 2024 and we welcomed Harald Emberger as Chief Supply Officer in July 2024.

Filippo Catalano, Chief Information and Digitisation Officer, resigned from his role and left the business at the end of October 2024. Shannon Eisenhardt is now responsible for IT & Digital.

Fabrice Beaulieu, Chief Marketing, Sustainability and Corporate Affairs Officer, resigned and stepped down from his role at the end of December 2024. Ryan Dullea is responsible for marketing as part of his role and Harald Emberger is responsible for Sustainability within his role. Sheila Redzepi was welcomed as Chief Communications and Corporate Affairs Officer in February 2025.

Biographical details of GEC members can be found on pages 63–64.

### Committee effectiveness review

An internal effectiveness review of the Committee was conducted as part of the broader Board review (see pages 79–80). All areas received positive ratings overall.

As part of the Board's annual effectiveness review, the Committee reviews the Board's composition and 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 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 effectiveness review, considers the Committee to continue to operate effectively.

### Diversity and inclusion

The Board and Committee 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 are 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 implemented and followed.

During the year we introduced a new Board Policy, which is in line with the Financial Conduct Authority (FCA) Policy on Diversity and Inclusion on Company Boards and Executive Management, the Parker Review and the FTSE Women Leaders Review. The Policy can be found on our website at [www.reckitt.com/investors/corporate-governance](http://www.reckitt.com/investors/corporate-governance).

The Committee and the Board are committed to recruiting members of the Board on the strict criteria of merit, skill, experience and to seek diversity of gender, social and ethnic backgrounds, as well as cognitive and personal strengths. This commitment is demonstrated through our Board composition which comprises nine nationalities, seven women and six men as at the date of this report. Our Board consists of two members from an ethnic minority, exceeding the Parker Review recommendation and the FCA Policy on Diversity and Inclusion on Company Boards and Executive Management.

Our GEC, comprising the most senior management level in the business, represents six different nationalities from across the globe, embodying our truly multinational focus. The Company's wider global leadership community (GEC, GEC-1 and SMT) comprises over 46 nationalities between them, representing a broad background of collective skills, cultures and experience.



## Nomination Committee Report continued

As submitted to the UK Parker Review, 14.3% of UK-based senior leaders (GEC and GEC-1) reported as being from an ethnic minority. Our intention is to continue to increase this representation in the future. This widens our understanding of our consumers, who come from the broadest possible backgrounds allowing us to be best placed in serving their needs.

At 31 December 2024	Number of Board members	Percentage of the Board	Percentage 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)	10	91%	100%	5	50%
Mixed/multiple ethnic groups	–	–	–	1	10%
Asian/Asian British	1	9%	–	1	10%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	3	30%

### Representation of women at Board and senior management levels

As at 31 December 2024, 64% of our Board members are women and we have surpassed 40% as outlined in the FTSE Women Leaders 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 Shannon Eisenhardt appointed as CFO in March 2024.

As at 31 December 2024, representation of women within the GEC was 40%. Women constitute 26% of GEC direct reports. We will continue to review the representation of women in leadership roles within the GEC as detailed in the FTSE Women Leaders Review (and in provision 23 of the Code).

For further details relating to gender diversity within our workforce, please see page 49.

	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	4	36%	3	6	60%
Women	7	64%	1	4	40%
Not specified/prefer not to say	–	–	–	–	–

Further details can be found on pages 8-9 and in our Fairer Society section on pages 49-50.

### Sir Jeremy Darroch

Chair of Nomination Committee

Reckitt Benckiser Group plc

5 March 2025

# AUDIT COMMITTEE REPORT



The focus this year remained on oversight of Reckitt's internal controls and risk management framework in the context of the updated Corporate Governance Code.

## Andrew Bonfield

Chair of the Audit Committee

Member	Scheduled meetings attended
<b>Andrew Bonfield (Chair)</b> Chair and member for the whole year	4/4
<b>Margherita Della Valle</b> Member for the whole year	3/4
<b>Elane Stock</b> Member for the whole year	4/4
<b>Tamara Ingram</b> Member for the whole year	4/4
<b>Marybeth Hays</b> Member from July 2024	2/2
<b>Pam Kirby</b> Member until May 2024	2/2

On behalf of the Board, I am pleased to present the Audit Committee Report for the financial year ended 31 December 2024.

This report details how the Committee has discharged its role, duties and performance during the year including 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 2025

- Maintaining oversight 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 including the updated Corporate Governance Code
- Overseeing the External Auditor tendering process, in line with the Audit Committees and the External Audit: Minimum Standard
- 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)	<ul style="list-style-type: none"> <li>• Financial expert</li> <li>• Chartered Accountant</li> <li>• Currently CFO of a global US Fortune 100 company</li> <li>• Multiple CFO roles at other large companies, including in the consumer goods sector</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer goods</li> <li>• Pharmaceuticals/healthcare</li> </ul>
Margherita Della Valle	<ul style="list-style-type: none"> <li>• Financial expert</li> <li>• Holds a Master's degree in Economics</li> <li>• Previously held Group CFO and senior finance roles</li> <li>• Group CEO of FTSE 50 company</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer goods</li> <li>• Technology</li> </ul>
Elane Stock	<ul style="list-style-type: none"> <li>• Holds Master's degrees in Finance</li> <li>• Previously member of the audit committee of two US-listed entities</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer goods</li> <li>• Emerging markets</li> </ul>
Tamara Ingram	<ul style="list-style-type: none"> <li>• Member of the audit committee of a US-listed company</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer goods</li> <li>• Digital strategy</li> </ul>
Marybeth Hays	<ul style="list-style-type: none"> <li>• Member of the audit committee of a US-listed company</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer goods</li> <li>• Healthcare</li> </ul>

## Audit Committee Report continued

All Committee members are independent Non-Executive Directors who have financial, economics and/or business management expertise in large companies.

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 Deputy Company Secretary for the February meeting and the Head of Secretariat for the remainder of the year acted as Secretary to the Committee.



### Meetings

During 2024, the Committee held four scheduled meetings at times aligned to the Company's reporting cycle. In addition, two non-scheduled joint meetings with the Board were held in February and March in relation to the approval of the 2023 Annual Report and Financial Statements.

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 Internal Audit, CFO, and Corporate Controller. Other Board Directors are invited to attend all meetings and the CEO attends and observes most meetings. Other members of management attend when deemed appropriate by the Committee.

Time is allocated at the end of each meeting for private discussion with the CFO, internal audit and the External Auditor, 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 effectiveness review

A review of the Committee was conducted as part of the Board's annual effectiveness review. All areas received positive ratings, with the thoroughness of the Committee highlighted, along with praise for how the meetings were chaired. Areas of focus for the year ahead include the controls transformation and consideration into how the Internal Audit function is managed.

The Board, having had sight of the results of the Committee's review, considers the Committee to be operating effectively.



## Audit Committee Report continued

### Fair, balanced and understandable

The Committee reviewed the 2024 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 2024 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 2024 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 2024 Annual Report and Financial Statements

- A comprehensive verification process, supporting any facts, figures and assertions included in the 2024 Annual Report and Financial Statements

The Committee and the Board received confirmation from management that the 2024 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 2024 Annual Report and Financial Statements, taken as a whole, met its objectives and accordingly recommended to the Board that the 2024 Annual Report and Financial Statements be approved and that the Board make its statement on page 138.

### 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 Compliance 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, in line with the FRC Audit Committees and the External Audit: Minimum Standard
- Review and assess the External Auditor's independence and objectivity taking into account relevant UK law and 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/investors/corporate-governance](http://www.reckitt.com/investors/corporate-governance).

## Audit Committee Report continued

### Key activities during the year

#### February

- Received an update on the current draft of the 2023 Annual Report and Financial Statements, the going concern basis of preparation and Viability Statement
- Received an update on the Corporate Controller's Report covering key accounting and reporting matters
- Received an update on KPMG's report on progress of the 2023 audit
- Annual review of risk management and internal controls including review of risks across Group functions and of the integrated risk management framework
- Received an update from the Internal Auditor on progress against the 2023 audit plan and a summary of the audits planned for 2024 and review of the Internal Audit Charter
- Reviewed the 2023 preliminary results announcement, including the Financial Statements
- Reviewed the final dividend proposal
- Reviewed the KPMG management representation letter

#### March

- Reviewed the 2023 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 2023 Annual Report and Financial Statements
- Received an update on KPMG's 2023 audit findings report, observations on Reckitt's internal controls for the 2023 financial year, management representation letter and report on the 2023 Annual Report and Financial Statements

#### May

- Received an update on the Corporate Controller's Report covering key accounting and reporting matters
- Reviewed and considered the updated Corporate Governance Code in relation to controls effectiveness
- Reviewed the Group's funding position and a proposal related to a bond issuance and new revolving credit facility
- Reviewed the audit quality delivery and assessment of External Auditor effectiveness
- Received an update on KPMG's internal controls review and strategy for the 2024 audit
- Approved KPMG's 2024 audit fees and terms of engagement
- Confirmation following assessment of External Auditor independence and ethics
- Received an update on the key internal audit findings and any significant matters, and status of the internal audit plan
- Received an update on legal matters and compliance controls
- Reviewed the whistle-blowing procedures

#### July

- Received an update on the Corporate Controller's Report covering key accounting and reporting matters, including the External Auditor tender proposal
- Reviewed the 2024 half-year results announcement, including the going concern basis of preparation and recommended for approval by the Board
- Received KPMG's half-year review report findings to 30 June 2024 and management representation letter
- Received KPMG's assessment of its objectivity and independence
- Reviewed and discussed the implications following the tornado damage to warehouse in the US
- Received the annual legal and compliance review
- Received an update on the key internal audit findings, any significant matters, the status of the internal audit plan and the responsiveness of management
- Undertook a deep dive into the findings from the Middle East investigations which took place in late 2023 and early 2024

#### November

- Reviewed and approved the Committee's 2025 standing agenda and terms of reference
- Discussed the performance review findings of the Committee
- Considered and discussed the annual review of IT and controls
- Reviewed the controls transformation update and progress
- Received an update on KPMG's IT update and control findings relating to the 2024 audit cycle
- Received the 2025 internal audit plan
- Reviewed and approved the updates to the Group Treasury policies
- Received an update on the risk management process including results of the effectiveness review
- Received an update on Speak Up reports
- Received an update on the key internal audit findings and any significant matters, and status of the internal audit plan
- Received an update on the annual tax review

## Audit Committee Report continued

### Significant and key financial reporting matters

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 2024 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 159-196 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 2024 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 2024, management determined that an impairment charge of £696 million relating to its IFCN cash-generating unit (CGU) and £142 million relating to its Biofreeze CGU, was required at 31 December 2024 (2023: impairment charge of £810 million relating to the IFCN CGU).

In November 2024 and February 2025, the Committee reviewed the detailed results of the impairment testing for the Group's CGUs, with a particular focus on the IFCN and Biofreeze CGU. The Committee challenged the key assumptions which underpinned the Biofreeze recoverable amounts, 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 impairment model to changes in key assumptions.

In February 2025, 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 2024. This included the effect of changes to the regulatory environment, net revenue growth rates, the commercial success of new product launches, the expansion of speciality nutrition and the anticipated capital expenditure programme to upgrade facilities. The evolving regulatory environment has increased the judgemental nature of estimating the future cash flows in relation to capital expenditure, thereby resulting in increased scrutiny and focus by the Committee and challenge to management.

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.

#### 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 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 and conclusions made with management 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.

#### Trade spend accruals

Trade spend is a significant cost for the Group, with the principal accounting judgements relating to trade accruals, specifically the timing of recognition and the determination of management's best estimate of the amount of trade spend which will ultimately be incurred. The Audit Committee focused on the level of trade spend accruals at the year end to ensure they are sufficient and appropriate. In addition, the Committee evaluated the accuracy of management's estimation of trade spend accruals through reviewing the subsequent utilisation of trade spend accruals which were originally recorded in the 2023 Financial Statements.

### Legal liability provisioning

At 31 December 2024 a provision of £112 million (2023: £137 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) and on its exercise of judgements described in the disclosure.

### Other key financial reporting matters

Other key matters reviewed and evaluated in relation to the 2024 Group Financial Statements considered by the Committee, together with a summary of the actions taken, are set out below.

Following the update provided in last year's report in relation to the Middle East, the investigation continued during the first half of the financial year and a deep dive was presented to the Committee in July on the findings and actions following the investigation.

Several senior members of the finance and management team in the Middle East were exited from the Business in February 2024. The Committee discussed the factors that had contributed to the issue in the Middle East and how these could be prevented for a similar situation in the future. A new management team from outside the region was appointed and management continues to work on driving the culture and expectations required for the business, and the financial and control systems have been strengthened.



## Audit Committee Report continued

A clear action plan is now in place, driven by the CEO and CFO, setting the tone from the top on expectations. There is zero tolerance for any behaviours that are not aligned with 'Do the Right Thing. Always', which is being driven consistently throughout the organisation.

### 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 57. The 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. The Group Head of Audit role is vacant as at the date of this report. The Internal Audit Director attended Committee meetings and provided updates on behalf of the Internal Audit function.

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 and where rated unacceptable may receive a follow-up audit within 12 to 18 months, as appropriate.

At each Committee meeting the Internal Audit function 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 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 Corporate Controller, Chief Ethics and 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 cyber security risks and controls, and on the Group's whistle-blowing arrangements.

The Committee reported to the Board in February 2025 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 138).

As highlighted in last year's report, Reckitt is continuing with its controls transformation programme in preparation for internal controls changes arising from the revisions to the Code.

The basis for the preparation of the Group Financial Statements is set out on page 159 under Accounting Policies.

The External Auditor's Report, setting out its work and reporting responsibilities, can be found on pages 139-154. 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 52-56.

The Viability Statement can be found on page 57.

The Statement of Directors' Responsibilities on page 138 details the Directors' responsibilities 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, and 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.

## Audit Committee Report continued

2. Each function and business 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 business 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, area 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 meet upcoming changes to the Code, the Company has established a multi-year controls transformation programme. Alongside meeting requirements of the Code, the programme aims to embed a control focused culture which will help strengthen internal controls across the Group. 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 were identified in relation to the retention of evidence and the formality and consistency of control operation. In 2024 remediation work continued alongside a programme of control testing covering financial and IT general controls.

At each meeting, the Committee reviews a report outlining the status of the controls transformation programme, the results of testing remediation progress, and other notable controls activity since the previous meeting. In 2025, assurance over 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 internal audit 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 Non-Executive Directors (including Committee members), GEC, functional and operational leadership teams.

The review 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 comprising 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 2024, 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 third year as lead audit partner.

### Tender process

At the recommendation of the Audit Committee, an audit services tender process commenced during 2024 to provide sufficient time for an adequate transition in the event that a new audit firm is selected to perform the statutory audit for the year ending 31 December 2026.

In determining the process for the audit services tender, management will take into consideration and follow the FRC's guidance on audit tendering, with the Audit Committee making robust decisions to ensure that the requirements of the FRC's minimum standard for audit committees are met. Included in the process is a review of each firm's most recent FRC Audit Quality Review reports, consideration of potential conflicts of interest and independence checks, and identification of key individuals with appropriate skills and experience to act as potential lead partners. Clear and objective criteria for assessing success will be determined and agreed.

## Audit Committee Report continued

A timeline summary of the key steps taken so far, and the next steps to take place, are set out below.

July 2024	Review of the audit market to determine their minimum capability and capacity requirements.
January 2025	Issued a formal invitation to tender to the shortlisted audit firms.
February to April 2025	Determination of the list of assessment criteria, creation and opening of a data room to share information, and carrying out a series of management meetings with each shortlisted firm.
May to June 2025	Submission of a written proposal followed by a presentation to the Audit Committee from the shortlisted firms.
June 2025	Review of proposals from firms, consideration by Audit Committee and recommendation to the Board.

### External Auditor effectiveness review

The annual evaluation of the External Auditor was carried out in early 2024 and the results were reported to the Committee in May. The assessment of the External Auditor was conducted using a survey circulated to the Board, GEC, 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 its investment in, audit quality and how it measures its audit quality progress.

### External Auditor 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 a party that already has a good understanding of Reckitt.

The total fees paid to KPMG for the year ended 31 December 2024 were £24.2 million, of which £4.5 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 2024, non-audit and audit-related fees were 22.8% of the audit fees.

Details of services provided by the External Auditor are set out in Note 4 on page 168.

### 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 to the Committee in March. KPMG demonstrate appropriate professional scepticism in the papers that are presented to the Committee in relation to all significant areas that were identified.

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 2025 financial year. KPMG has expressed a willingness to continue as External Auditor of the Company. Following a recommendation by the Committee, the Board concluded 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 2025. 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 8 May 2025.

### Andrew Bonfield

Chair of the Audit Committee  
Reckitt Benckiser Group plc

5 March 2025



# COMPLIANCE COMMITTEE REPORT



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.

**Mehmoood Khan**  
Chair of the Compliance Committee

Member	Meetings attended
<b>Mehmoood Khan (Chair)</b> Member for the whole year, Chair from May 2024	3/4
<b>Kris Licht</b> Member for the whole year	4/4
<b>Marybeth Hays</b> Member since February 2024	3/3
<b>Chris Sinclair</b> Member until May 2024	2/2
<b>Olivier Bohuon</b> Member until May 2024	1/2
<b>Pam Kirby (Chair)</b> Chair and member until May 2024	2/2

On behalf of the Board, I am pleased to present the Compliance Committee Report for the financial year ended 31 December 2024. This report details how the Committee has discharged its role and responsibilities during the year in accordance with our Purpose and Compass.

**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 and experience. There were a number of changes to the members of the Committee during the year, with Pam Kirby stepping down as Chair and Chris Sinclair stepping down as a member following the AGM in May when they both retired from the Board, and the sad news of the death of Olivier Bohuon in early May. I would like to thank them all for their valuable contributions to the Committee.

I took over as Chair of the Committee following the AGM on 2 May 2024. Kris Licht continued as a member and Marybeth Hays joined the Committee in February 2024 when she joined the Board.

On joining the Committee and during their tenure, members receive an induction tailored to their individual requirements. This includes meetings with internal management

responsible for Compliance Committee matters. All members of the Committee receive regular briefings from senior executives on matters covering governance, regulatory and legislative developments, product safety and ethics-related matters, along with updates on Reckitt's practices and policies in these areas.

During the year, the Deputy Company Secretary for the February Committee meeting, and the Head of Secretariat for the remainder of the year, acted as Secretary to the Committee.

**Meetings**

In 2024, 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 activities. The CEO, CFO, Chief R&D Officer, General Counsel & Company Secretary, Chief Supply Officer, Chief Ethics and Compliance Officer, SVP Regulatory Affairs & Global Safety Assurance, and the SVP Head of Global Quality regularly attend meetings. Other Board Directors are invited to attend all meetings, and other senior management attend when deemed appropriate by the Committee.

Time is allocated at each meeting for private discussions with the Chief R&D Officer and Group General Counsel & Company Secretary without other invitees being present, as required, as well as a private meeting of the Committee members. All Board members are provided with copies of Committee papers and minutes.

Areas of focus	Further detail	Pages
Legal compliance and ethics	Risk Management	52-56
	Section 172 Statement	78
	Audit Committee Report	86-93
Product safety and quality	Value creation model	10-15
	Stakeholder Engagement	74-77
R&D and regulatory compliance	Risk Management	52-56

## Compliance Committee Report continued

In addition to reviewing matters at Committee meetings, the Committee Chair held regular meetings with our CEO, Chief R&D Officer, Chief Supply Officer and Chief Ethics and Compliance Officer, to review progress against the strategy and to represent the Board in supporting the compliance efforts in these critical areas.

### Committee effectiveness review

This year, an internal effectiveness review of the Committee was conducted as part of the Board's overall effectiveness review (see pages 79-80). Following last year's external review, where the role and scope of the Committee was highlighted, the Committee's remit was changed in June which is detailed below. The Committee was rated very highly this year, with the change in scope positively received. The Board, having had sight of the results of the Committee's performance review, considers the Committee to be operating effectively.

### Change in scope and remit of the Committee

As announced on 19 June 2024, the role and scope of the Corporate Responsibility, Sustainability, Ethics and Compliance Committee (CRSECC) was reviewed earlier in the year and it was agreed by the Board to align the Committee to our principal risks related to product regulation, product quality and safety, and legal and compliance. This will allow the Committee to focus on these

critical areas and the compliance culture at the Company. ESG and sustainability matters have returned to the remit of the full Board. Given the change in scope, the Committee has been renamed the Compliance Committee.

### Role 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 product regulation, product quality and safety, legal and compliance risks, policies, programmes and activities. Its role and responsibilities are set out in its terms of reference, which can be found at [www.reckitt.com/investors/corporate-governance](http://www.reckitt.com/investors/corporate-governance), and are reviewed by the Committee annually. The Committee's terms of reference were updated following the change in remit of the Committee following feedback from the Board evaluation carried out in 2023. The updated terms of reference were approved by the Board in June 2024.

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 Compliance Committee. The Committee liaises with the Audit Committee and Marybeth Hays is a member of both Committees.

### Responsibilities of the Committee

The Committee reviews the following areas throughout the year as part of its remit and responsibilities, with its terms of reference and in the context of the Group's principal risks:

- Oversee, assess, monitor and recommend policies, processes and procedures relating to health and safety and product quality, compliance matters (including anti-bribery, competition law, data privacy, trade sanctions, anti-money laundering, regulatory and quality risk assurance and restrictive trade practices and ethical conduct), ensuring they align with the Company's culture, purpose and values
- In conjunction with the Audit Committee, reviewing the Company's whistle-blowing arrangements, including the adequacy and security for the workforce to raise concerns about the possible wrongdoings in financial reporting or other matters
- Receiving and reviewing reports regarding investigations of allegations raised through the Speak Up system
- Monitoring and reviewing processes for risk assessment for product quality and compliance matters and ethical conduct
- Reviewing mitigating actions for product quality and compliance risks and receiving reports on progress of risk mitigation
- Receiving reports from management in respect of ethics and compliance and investigating and taking action in relation to issues raised or reported

### Committee priorities for 2025

- Review the remit and activities of the Committee within the broader Reckitt governance framework
- Monitor and prepare for future developments in product regulation, product quality and safety and legal and compliance requirements, and review internal processes, policies and procedures to ensure compliance
- Continually review and update the Board on Reckitt's quality, safety, compliance and regulatory responsibilities
- Monitor and review the processes for risk assessment of key principal risks including in relation to product regulation, product quality and safety and legal and compliance
- Keep abreast of market conditions and maintenance of products in the current global political and economic landscapes

### Mehmood Khan

Chair of the Compliance Committee  
Reckitt Benckiser Group plc

5 March 2025

## Key activities during 2024

### CRSECC

#### February

- Legal Compliance and Ethics report
- ESG update
- Changes to Product Regulations report
- Product Safety and Supply report
- Employee Health and Safety report
- External Affairs report
- Deep dive on changes to regulation under 'EU Green Deal'

#### May

- Legal Compliance and Ethics report
- ESG update
- Changes to Product Regulations report
- Product Safety and Supply report
- Employee Health and Safety and Quality report
- External Affairs report
- Compliance report
- Deep dive on employee health and safety

### Compliance Committee

#### July

- Legal Compliance and Ethics report
- Changes to Product Regulations report
- Product Safety and Supply report

#### November

- Legal Compliance and Ethics report
- Changes to Product Regulations report
- Product Safety and Supply report
- Review of implications for product regulations, product quality and compliance activities in relation to the strategy announcement made in July 2024

# DIRECTORS' REMUNERATION REPORT



**Our proposed Remuneration Policy is aligned to our strategy, and to our remuneration philosophy and principles including our pay-for-performance and share ownership culture.**

**Mary Harris**

Chair of the Remuneration Committee

Member	Meetings attended <sup>1</sup>
<b>Mary Harris (Chair)</b> Member for the whole year and Chair since May 2024	5/5
<b>Sir Jeremy Darroch</b> Member for the whole year	5/5
<b>Fiona Dawson</b> Member and Chair Designate since June 2024	3/3
<b>Alan Stewart</b> Chair and member until May 2024	1/1
<b>Olivier Bohuon</b> Member until May 2024	1/1
<b>Chris Sinclair</b> Member until May 2024	1/1

<sup>1</sup> During 2024, the Committee held five scheduled meetings aligned to the Company's Board meeting cycle. In addition, one non-scheduled meeting was held in December 2024 attended by all three active Committee members

## Contents of Directors' Remuneration Report

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127	Additional remuneration disclosures

## 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 2024. I would like to thank shareholders for their support of our 2023 Annual Report on Remuneration at our AGM on 2 May 2024, which received a strong vote in favour of 94%.

In line with the normal three-year lifecycle, we will be submitting our Directors' Remuneration Policy (Policy) for approval at the AGM on 8 May 2025. On the following pages I have shared the context for the key decisions the Remuneration Committee has taken this year, in particular the decisions we took in connection with the updated Policy, how we rewarded performance achieved during the year in line with the current shareholder-approved Policy, decisions relating to remuneration arrangements in 2025, and the context of wider workforce remuneration.

The outcome of the Committee's review is that the Policy remains fit for purpose, aligned to our strategy, and aligned to our remuneration philosophy and principles including our pay-for-performance and share ownership culture. Therefore, the Remuneration Committee is not proposing to make any material changes – it is largely a rollover of the Policy approved at the 2022 AGM.

As part of the Policy renewal, the Remuneration Committee has engaged with shareholders and shareholder advisory bodies over the past year. I am pleased to say that we have had the benefit of feedback or engagement with approximately 40% of Reckitt's ownership as well as the key proxy advisors and that the vast majority of shareholders that we engaged with were supportive of the proposals and noted that there is no significant change. We have

provided additional context in response to some of the key themes raised by shareholders throughout this letter and report. We highly value the inputs and views of all shareholders and their advisors, and on behalf of the Committee, I would personally like to take this opportunity to thank all those who took the time to engage with us and provide feedback on the proposals.

The Policy review considered the remuneration framework in the context of our updated strategy, focusing on growth and long-term value creation, our remuneration principles including our long-established pay-for-performance and share ownership culture, and the increasingly competitive global talent market in which we operate. The Committee also had in mind that shareholders have been supportive of the current Policy and its implementation since it was approved by shareholders at the 2022 AGM, with strong AGM votes in all years since (all 90%+).

The Committee is proposing to make modest increases to the LTIP which are within the limits of our current Policy. These changes have taken into account the following:

- Reckitt's refreshed strategy, which was announced in July 2024. It is critical that our remuneration arrangements incentivise our senior leaders to deliver this strategy as we continue to reshape Reckitt into a more efficient, world class consumer health and hygiene company focused on a portfolio of high-growth, high-margin Powerbrands
- Our focus to retain and incentivise our talent – Reckitt competes for the best global talent with the world's largest companies and many of our senior executives are highly sought after in this talent market



## Directors' Remuneration Report continued

- Our unchanged pay positioning philosophy, which is to deliver packages to the Executive Directors broadly in line with the median of the FTSE 30 (excluding Financial Services Companies (FS)) for more modest performance levels, and packages in the upper quartile practice for true outperformance including significant share price growth. The primary group used for assessing the competitiveness of pay is the FTSE 30 (excluding FS) of which we are a constituent, with a secondary reference point being our global FMCG peer group with whom we compete for talent

 Further details are discussed on page 110

### Performance for the year under review and strategic context

2024 was a foundational year for Reckitt. We substantially increased our cash returns to shareholders and invested in our future growth while weathering unforeseen difficulties. It was a year of strategic clarity and delivery as we announced a sharpened portfolio of brands, a simpler, more effective operating model and drove top and bottom-line growth.

We achieved like-for-like net revenue growth (LFL NR) of +1.4%, within our guidance. Our adjusted operating profit grew by +8.6% (at constant FX), and we generated free cash flow of £2,232m, supporting a record 75% increase in cash returns to shareholders through our dividend and continued share buyback programme.

Our competitive position in Health and Hygiene has improved, 55% of top Category Market Units held or gained share, with 15% for Nutrition and 48% for the Group. Our progress was driven by strong innovation platforms and increased investment in our brands and R&D. In July 2024, we announced a strategic reshaping to create a world-class consumer health and hygiene company, focused on a portfolio of high-growth, high-margin Powerbrands for a simpler, more effective Reckitt.

Overall, the financial performance delivered in 2024 demonstrates our progress and sets a strong foundation for future growth. We are confident in our refreshed strategy, strengths, and potential to deliver strong growth and value creation.

### Performance outcomes for 2024

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, and have determined that the formulaic incentive outcomes set out below are appropriate and justified in this wider context.

The framework and the assessment against performance which the Committee used are set out in detail on page 110.

The Committee has adjusted the 2024 bonus and 2022-24 LTIP outturns for the impact of the exceptional Mount Vernon tornado for all participants, including Executive Directors. No one could have foreseen the tornado that hit our storage facility and the logistical impact, and therefore this adjustment was made to ensure that underlying performance was measured in a fair and consistent manner. 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 wider context.

### Annual bonus


Reckitt operates an annual bonus plan that is strongly aligned to performance, measured against targets of net revenue and adjusted profit before income tax, with a downward modifier based on net working capital (NWC).

Net revenue performance for the year was in line with our guidance range. Against our stretching target range this was between threshold and maximum and resulted in a multiplier for LFL net revenue of 1.22x. We achieved our goal of growing adjusted operating profit ahead of net revenue – driven by year-on-year margin expansion which resulted in EPS growth of 7.9%.

Profit before tax performance exceeded the target range and resulted in a maximum multiplier for this measure. Net working capital performance exceeded the maximum target resulting in a multiplier of 1.0x. The overall result under the annual bonus is therefore 65% of maximum.

This is in line with all other employees on the same Group-wide measures.

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 111 of the Annual Report

### 2022-2024 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 2022 LTIP was dependent on LFL NR growth, ROCE, relative TSR, and Sustainability targets.

As a result of very strong performance over the three-year period, NR growth was at 4.3% p.a. This was towards the upper end of the target range and resulted in vesting of 81% of this element. ROCE performance was above the maximum target. Whilst the TSR element lapsed in full, the Committee noted that the share price as at 31 January 2025 was c.10% higher than the Q4 2024 average price (on which the TSR outcome is based). We have exceeded the targets set for carbon reduction, by optimising high energy manufacturing processes (especially those using natural gas), increasing our use of renewable energy, and investing in longer term renewable electricity generation, which allowed us to achieve a 69% reduction in GHG emissions in 2024. This exceeds our 2030 ambition by several years and therefore our performance was above the maximum range, with full vesting under this element. We also delivered 35% of our net revenue from more sustainable products by

focusing on the raw materials used in our products and continuing our programmes to reduce the use of certain chemicals. This element of our LTIP also exceeded the maximum target range and resulted in full vesting under this measure. As set out on page 116, the overall outcome is that 68% of the award vests.

In line with our Policy, there is a further two-year holding period attached to vested LTIP awards.

### Implementation in 2025

The Committee is proposing some modest changes to the implementation of the Policy, further detail of which is set out below.

### Base salary

In relation to base salary, the CEO was awarded a 4% increase for 2025, in line with the wider UK workforce. It should also be noted that in 2024 the CEO received no salary increase. Whilst we remain committed to ensuring the package is weighted to performance-based elements, the Committee is mindful that the CEO's salary has now fallen below the lower quartile of the FTSE 30 (excluding FS) and will keep this under review in future years.

As part of the refreshed strategy, the scope of the CFO role has been expanded significantly to include responsibility for IT and Digital. This is no longer a separate GEC role and instead the function reports to the CFO. As part of this, the CFO will now play a critical role in delivering the Group's strategy by building a data-driven, digitally enabled Business, and has responsibility for a significantly larger number of people. This global function is critical to the success of the Company, as we continue to build on our strong data and AI foundations, setting our global teams up for success and better serving our customers and consumers. To reflect the increase in scope and complexity of the CFO role, an additional salary increase of 5% on top of the wider workforce increase of 4% has been awarded, resulting in a total of 9%.

## Directors' Remuneration Report continued

### Annual bonus

There are no proposed changes to the annual bonus opportunities or performance measures. For the 2025 Annual Performance Plan (APP) the Committee's assessment of performance in the round will also include consideration of performance in relation to the execution and delivery of the refreshed strategy. Further detail is set out later in this report.

### LTIP

Within the limits of the existing Policy a modest increase is proposed to LTIP award levels. 2025 award levels for the CEO will be set at 87,500 performance shares and 175,000 performance share options (previously 75,000 and 150,000 respectively), with the CFO's award set at 42,500 shares and 85,000 options (previously 40,000 and 80,000 respectively).

This takes into the account the context set out earlier in this letter including alignment to our refreshed strategy, the global talent markets in which we operate, and our remuneration principles including our historic pay positioning philosophy.

During the shareholder consultation some shareholders asked for further detail on how the Committee determined the number of performance shares and performance share options. These increases are intended to move the package closer to our desired positioning against the FTSE 30 (excluding FS) outlined earlier in the report. In reviewing the packages, the Committee based this on assuming a share price at award of £60, broadly in line with historic levels and higher than the current share price. At the current share price, the package continues to be below our desired positioning.

The package also continues to be materially below typical market practice in our global peer group. Over recent years multiple senior leaders from across the Group have been targeted by global competitors. Whilst we are not intending to match US pay levels (our remuneration packages are positioned significantly less competitively, in all performance scenarios, versus our global sector peers), it is critical that

our arrangements are credible in the markets in which we operate.

The Committee has also reviewed the performance measures in operation and is of the view that the current overall balance of measures remains appropriate and aligned to our strategy and culture. There is a minor change to the Sustainability measure as we have already achieved the 2030 ambition for carbon reduction. Further detail has been provided later on in this report.

Following feedback from shareholders, we have also reviewed the TSR peer group which consists of companies that are closely aligned to Reckitt in terms of business areas and product portfolios, and are subject to similar market dynamics. For the 2025 LTIP, JDE Peet's, Lindt, and Mondelēz will be removed from the peer group on the basis that their product portfolios are less closely aligned to Reckitt's and following the addition of Haleon and Kenvue resulting in the peer group being a sufficiently robust size. Further detail is provided later on page 126.

### Share ownership

Our share ownership guidelines, which are amongst the highest in the UK-listed market and our international peers, will be retained to support our culture of share ownership.

### NED fees

During the year, the Chair and Non-Executive Director (NED) fees have been reviewed taking into account increases awarded to the wider workforce and market practice. The fee for the Chair will increase by 4%, in line with the increase applied to the wider workforce. The basic NED fee will increase to £115,000, with effect from 1 January 2025, which is broadly in line with the wider workforce. There are also modest increases to the additional fees for being Senior Independent Director, Committee Chair, a Committee member, and the Designated Employee NED to reflect the time commitments and responsibilities of the roles. Further details are set out on page 129. 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. Amidst significant organisational transformation, a review of the pay structure across the whole organisation has been undertaken alongside the review of the Executive Director Policy. Partnering with our wider Reward and HR team, the Remuneration Committee has considered and reviewed multiple elements of reward including salary structures, bonus designs, LTIP and benefits throughout 2024.

In 2025 we have updated several elements of how we set and measure performance, supported by our established cycle of objective setting, performance reviews and assessment, and development conversations. These changes ensure that we not only further strengthen our performance culture, but also ensure that our colleagues remain purpose led and values driven. Our Performance, Talent and Reward philosophy is aligned to 'who we are' and recognises both 'what' we do and 'how' we do it in measure. Central to our remuneration philosophy are the principles of pay for performance, shareholder and strategic alignment. For the majority of colleagues, their performance will feed into our annual bonus (APP) alongside our collective performance against key performance metrics, tailored to individual markets. Reckitt's most senior managers participate in our Long-Term Incentive Plan (LTIP). Participation has been expanded for 2025, introducing a more long-term element of reward to balance in-year performance, enhancing our culture of ownership and supporting us in recruiting, retaining and developing the best global talent.

This builds on several other initiatives we already have in place for employees, further detail of which is provided in the Directors' Remuneration Report. In particular, participation in all-employee

share plans is offered to over 95% of our employees where local legislation permits and as of 2024 year end over 13,000 Reckitt employees were participating in one of our share plans fostering our culture of ownership and shareholder alignment. Amongst other market-related benefits, all employees have life insurance of at least 2x base salary and have access to an appropriate Employee Assistance Programme.

In addition, as part of our Sustainable Livelihoods framework, we are proud that in 2024 Reckitt has achieved the Fair Wage Network Global Living Wage Certification, confirming that we pay all our employees above the living wage in all locations. This formal accreditation solidifies our commitment to fair compensation and equitable treatment.

For more information, please refer to pages 121-123.

### Conclusion

On behalf of the Committee, I would like to thank shareholders for their continued support and engagement during the year. I hope that you find this report a clear explanation of the proposed Remuneration Policy. We welcome any comments you may have on this report and I look forward to your support at the upcoming AGM on 8 May 2025.

As announced earlier last year, Fiona Dawson will be taking over as Chair of the Remuneration Committee following the AGM and I thank her for her input and guidance since joining the Committee in June 2024. As announced in November, Mahesh Madhavan joined the Remuneration Committee in February 2025.

I would also like to thank my fellow Committee members for their insight and commitment; and shareholders, for their invaluable feedback and support which has helped inform and update our proposed Remuneration Policy, and for their support during my tenure as Chair of Reckitt's Remuneration Committee.

### Mary Harris

Chair of the Remuneration Committee  
Reckitt Benckiser Group plc

5 March 2025

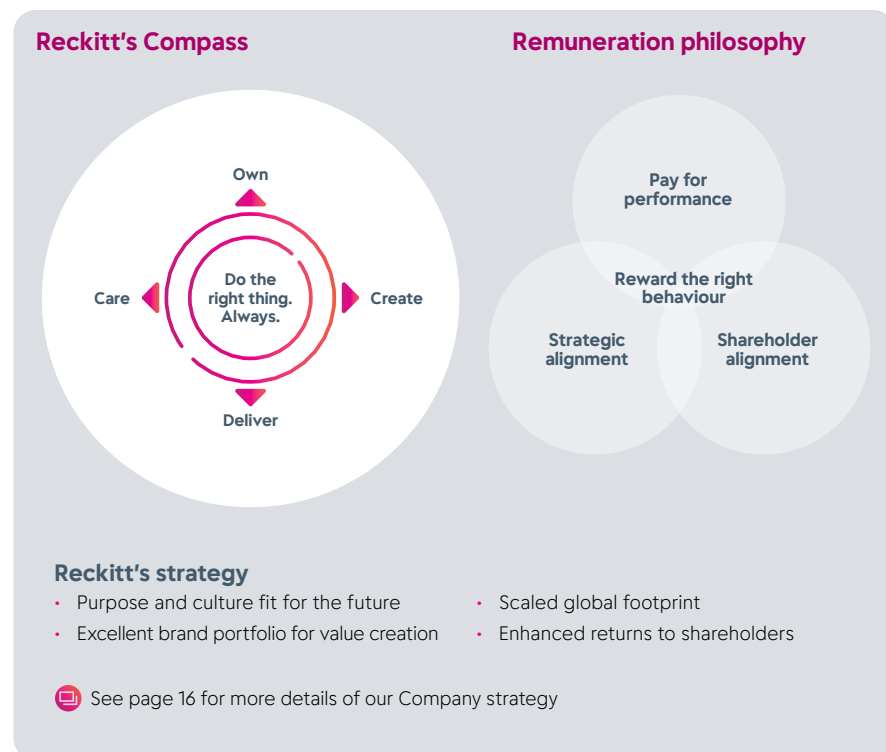
## Directors' Remuneration Report continued

### Reckitt's Remuneration at a Glance

Reckitt aims for leading global performance. Our refreshed strategy focuses on growth and long-term value creation and our remuneration principles remain aligned to this change and continue fostering our strong pay-for-performance culture.

Our management team is multinational, and we compete for talent globally. Central to our remuneration philosophy are the principles of pay-for-performance, shareholder alignment, strategic alignment, and rewarding the right behaviour. Combined with our Compass and business model, these principles support our long-established pay-for-performance and share ownership culture, driving accelerated growth and supporting long-term value creation.

To reinforce our philosophy, the majority of the Executive Directors' remuneration packages consist of variable at-risk pay, linked to challenging targets that align with our strategy and are largely delivered in Reckitt shares. Additionally, we have shareholding requirements for Executives amongst the highest in the UK market. This approach is cascaded throughout our senior leadership.



The tables below illustrate the remuneration principles at Reckitt, which are driven by our Compass, strategy and the remuneration philosophy.

### 1 Recruit, Retain & Develop the best global talent

- Engage highly performance-driven individuals
- Deliver globally competitive pay practice across our industry peer group

### 2 Ensure high performance culture

- Drive sustainable outperformance and shareholder value
- A high proportion of variable pay with stretching performance targets

### 3 Culture of ownership

- Market leading share ownership
- Align the interests of management and shareholders

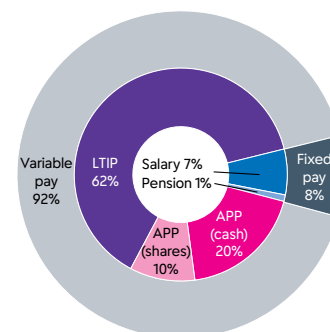
In-employment shareholding requirement			
	Number of shares	Value of shares (£) <sup>1</sup>	% of 2024 annual salary
CEO	200,000	9,562,000	869%
CFO	100,000	4,781,000	629%

Post-employment shareholding requirement <sup>2</sup>			
	Number of shares	Value of shares (£) <sup>1</sup>	% of 2024 annual salary
CEO	100,000	4,781,000	435%
CFO	50,000	2,390,500	315%

- Based on the average closing share price in Q4 2024 of £47.81
- Reflecting 50% of the in-employment shareholding requirement

### 4 Ensure alignment with strategy across the Business

- Alignment of performance metrics with strategic priorities
- Alignment across the business of metrics and ownership



#### Maximum CEO pay under the Remuneration Policy

Note: Value of the CEO's maximum 2025 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

### Summary of our Remuneration Policy

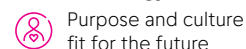
The table below summarises the proposed Directors' Remuneration Policy which can be found on pages 103-109. No structural changes to the Policy are proposed.

	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

### Link to strategy



Purpose and culture  
fit for the future



Excellent brand portfolio  
for value creation



Scaled global  
footprint



Enhanced returns  
to shareholders

### Summary of our proposed Remuneration Policy

Element	Key features of operation of proposed Policy	How we will implement for 2025	Link to strategy	Link to strategy
<b>Salary, benefits and pension</b>	<ul style="list-style-type: none"> <li>Salary increases and pension contribution set in context of wider workforce</li> <li>Salaries and benefits set competitively against peers</li> </ul>	<ul style="list-style-type: none"> <li>4% salary increase, in line with wider UK workforce for the CEO. For the CFO, to reflect the increase in scope and complexity of the CFO role, an additional salary increase of 5% on top of the wider workforce increase of 4% has been awarded</li> <li>Pension contribution, or equivalent cash allowance, currently 10% of salary in line with the wider workforce in the UK</li> </ul>	<ul style="list-style-type: none"> <li>To enable the total package to support recruitment and retention</li> </ul>	
<b>Annual bonus (APP)</b>	<ul style="list-style-type: none"> <li>Target bonus of 120% of salary for CEO and 100% for CFO</li> <li>One-third deferred into awards over Reckitt shares for three years</li> <li>Malus and clawback provisions apply</li> </ul>	<ul style="list-style-type: none"> <li>Targets set for net revenue and adjusted profit before income tax</li> <li>NWC target to act as a downward modifier</li> <li>Threshold performance results in zero payout, with maximum of 3.57x target for truly exceptional performance on all three metrics</li> <li>Remuneration Committee assessment of performance in the round</li> </ul>	<ul style="list-style-type: none"> <li>To drive strong performance, with significant reward for overachievement of annual targets linked to Reckitt's strategic priorities</li> <li>Use of deferral for longer-term shareholder alignment</li> </ul>	
<b>LTIP</b> <b>Performance shares and performance share options</b>	<ul style="list-style-type: none"> <li>Three-year performance period and two-year holding period</li> <li>Malus and clawback provisions apply</li> <li>Options have approximately seven years to exercise post vesting</li> </ul>	<ul style="list-style-type: none"> <li>Targets set for LFL net revenue growth (40% weighting); ROCE (25% weighting); relative TSR (25% weighting); Sustainability (10% weighting)</li> <li>Performance conditions are applied to both performance share options and performance shares</li> <li>Remuneration Committee assessment of performance in the round</li> </ul>	<ul style="list-style-type: none"> <li>To incentivise and reward long-term performance and align the interests of Executive Directors with those of shareholders</li> <li>Two-year holding period for longer-term shareholder alignment</li> </ul>	
<b>Shareholding requirements</b>	<ul style="list-style-type: none"> <li>Period of eight years from appointment to achieve</li> <li>Two-year shareholding requirement post departure</li> </ul>	<p>In-employment shareholding requirement:</p> <ul style="list-style-type: none"> <li>CEO: 200,000 shares</li> <li>CFO: 100,000 shares</li> </ul> <p>Post-employment shareholding requirement equal to the lower of 50% of the in-employment requirement or their actual shareholding on departure</p>	<ul style="list-style-type: none"> <li>Promotes long-term alignment with shareholders</li> <li>Promotes focus on management of corporate risks</li> </ul>	

## Directors' Remuneration Report continued

### Summary of performance and payout

#### Annual performance plan

The performance outcome for the annual bonus was 65% 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
Net Revenue (NR) growth	<£14.26bn	Actual £14.81bn	£15.13bn	1.22x
Adjusted profit before income tax	<£2.90bn	Actual £3.32bn	£3.29bn	1.89x
Average Net Working Capital (NWC)	-5.5%	Actual -7.9%	-7.5%	1.00x
<b>Total</b>				<b>2.31x</b>

● Achieved

	2024 base salary (£)	Target bonus opportunity (% of salary)	Multiplier achieved	Bonus payout (% of max)	Value delivered in cash (£)	Value deferred into shares (£)
Kris Licht	1,100,000	120%	2.31x	65%	2,032,800	1,016,400
Shannon Eisenhardt	760,000	100%	2.31x	65%	1,170,400	585,200
Jeff Carr <sup>1</sup>	190,000	100%	2.31x	65%	292,600	146,300

<sup>1</sup> The 2024 base salary for Jeff Carr is pro-rated for the period served as Executive Director

### LTIP

The 2022 LTIP vested at 68% 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 net revenue growth (3-year CAGR) (40% weighting)	2.0% p.a.	Actual 4.3% p.a.	5.0% p.a.	81%
ROCE (final year) (25% weighting)	13.2%	Actual 15.3%	15.2%	100%
Relative TSR (25% weighting)	<Median	Median	Upper Quartile	0%
ESG % NR from more sustainable products (final year) (5% weighting)	30%	Actual 34.9%	33%	100%
ESG % reduction in GHG emissions (final year) (5% weighting)	65%	Actual 69.4%	69%	100%
<b>Total vesting</b>				<b>68%</b>

● Achieved

	Performance share options granted	Performance shares granted <sup>4</sup>	Total vesting %	Performance share options vesting	Performance shares vesting	Total value of award vesting (£) <sup>2</sup>
Kris Licht <sup>1</sup>	80,000	43,533	68%	54,400	29,602	1,415,272
Jeff Carr <sup>3</sup>	60,000	32,650	68%	40,800	22,202	1,061,478

Shannon Eisenhardt did not participate in the 2022 LTIP.

<sup>1</sup> 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 shown for transparency

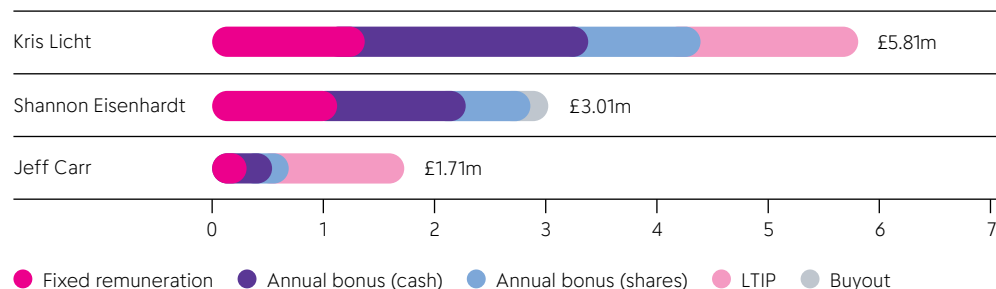
<sup>2</sup> Based on the average closing share price in Q4 2024 of £47.81

<sup>3</sup> Jeff Carr's 2022 LTIP has been pro-rated for the period employed

<sup>4</sup> Performance shares include dividend equivalents accrued over the performance period

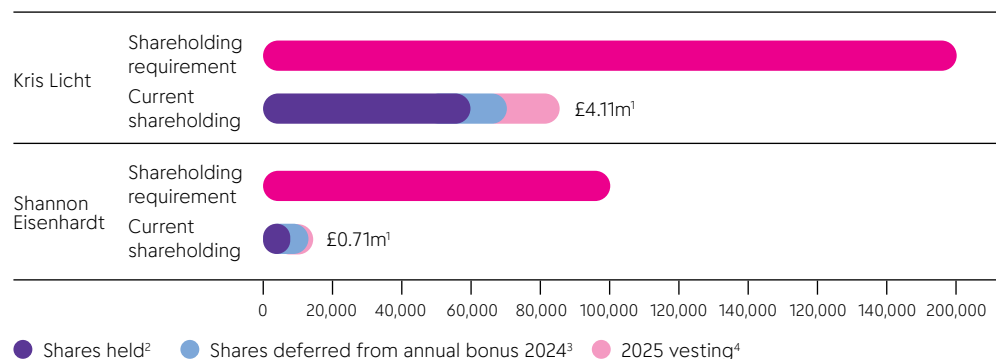
## Directors' Remuneration Report continued

### 2024 single figure



### 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. Both Executive Directors are showing expected progress towards meeting these requirements as reflected below:



<sup>1</sup> Current shareholding value based on the average closing share price in Q4 2024 of £47.81

<sup>2</sup> Includes shares owned outright and shares subject to post-vesting holding restrictions

<sup>3</sup> This is the estimated number of shares awarded, after tax under the Deferred Bonus Plan, including those to be deferred from the 2025 APP

<sup>4</sup> For Kris Licht this is the number of shares vesting in May 2025 under the 2022 LTIP, estimated after tax. For Shannon Eisenhardt this is the number of shares vesting in August 2025 granted as buyout awards, estimated after tax. Both include dividend equivalents

### Remuneration Committee governance

#### Committee membership and meeting attendance

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.

#### 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 remuneration arrangements for appointments to the GEC.

#### Directors' Remuneration Policy

Finalised proposals for the 2025 Executive Director Remuneration Policy, including performance measures and other amendments to policy.

Reviewed feedback from shareholder consultation on the Directors' Remuneration Policy.

Agreed shareholder consultation process and content.

#### Wider workforce

Agreed changes to wider workforce remuneration arrangements as part of the Remuneration Policy review.

Reviewed current shareholdings and share ownership requirements for senior employees with share ownership requirements.

Reviewed wider workforce initiatives.

#### Performance outcomes and target setting

Reviewed and approved performance outcomes to 2023 annual bonus and 2021–2023 LTIP, taking into account wider performance of the Company and Executive Directors.

Approved 2025 annual bonus measures and targets and 2025 LTIP award and performance measures. Approved 2024 LTIP performance targets.

Determined 2025 remuneration packages for the Executive Directors and GEC members.

Regularly reviewed performance for inflight bonus and LTIP awards.

#### Internal and external governance

Reviewed 2024 AGM voting, wider market trends, shareholder guidelines and corporate governance updates.

Reviewed Remuneration Committee terms of reference.

Reviewed Remuneration Committee effectiveness.



## Directors' Remuneration Report continued

### Directors' Remuneration Policy

This section of the report sets out the Remuneration Policy for Executive Directors and Non-Executive Directors, which shareholders will be asked to approve at the 2025 AGM on 8 May 2025 and, if approved, will take effect from this date. Until this time, the Policy approved by shareholders on 20 May 2022 will continue to apply.

The Committee has undertaken a thorough review of the remuneration arrangements over the course of the last year. Input was received from Remuneration Committee members, the Chair of the Board, other Non-Executive Directors and management (including the CEO, CFO, CHRO), and other key stakeholders, whilst ensuring that conflicts of interest were suitably mitigated. Input was also provided by the Committee's appointed independent advisors throughout the process. The Committee believes that the current Policy remains fit for purpose and supports our updated strategy. Therefore there are no structural changes to the Policy. Minor changes have been made to the Policy to clarify its intentions.

The previous Policy received strong support from shareholders with a vote of 92% in favour. As part of this Policy review, the Committee consulted with shareholders representing over 40% of Reckitt's ownership as well as key proxy advisors. The Committee was pleased to note that overall, shareholders were supportive of the Policy.

### Executive Director Remuneration Policy Table

#### Fixed pay policy for Executive Directors

Component purpose and link to strategy	Operation	Opportunity
<b>Base salary</b> To enable the total package to support recruitment and retention	Base salaries are normally reviewed annually, typically with effect from 1 January. An exceptional review may take place to reflect a change in the scale or scope of a Director's role.  Salary levels/increases take account of a number of factors including (but not limited to): <ul style="list-style-type: none"> <li>• Salary increases awarded across the Group as a whole</li> <li>• Individual performance</li> <li>• Scope of the role and experience</li> </ul> The Committee also currently reviews market data for the FTSE 30 excluding financial services and a global sector peer group.	Salary increases for Executive Directors will not normally exceed those of the wider workforce.  Increases may be made above this level to take account of individual circumstances, which may include (but are not limited to): <ul style="list-style-type: none"> <li>• Increase in the size or scope of the role or responsibilities</li> <li>• Increase to reflect the individual's development and performance in the role – for example, where a new incumbent is appointed on a below-market salary</li> <li>• A significant change in the market competitiveness of salary</li> </ul> Salaries in respect of the year under review (and for the following year) are disclosed in the Annual Report on Remuneration.  Where increases are awarded in excess of those to the wider employee population, the Committee will provide the rationale in the relevant year's Annual Report on Remuneration.
<b>Pension</b> To provide appropriate levels of retirement benefit	Executive Directors may receive contributions into a defined contribution pension scheme, a cash allowance or a combination thereof.  Base salary is the only element of remuneration that is pensionable.	The maximum pension contribution or allowance for Executive Directors will normally be in line with that available to UK employees or to participants in the country where they are employed, if different. Contributions are currently set at 10% of salary, in line with the current UK employee contribution rate.
<b>Benefits</b> To enable the total package to support recruitment and retention	Executive Directors receive benefits which consist primarily of the provision of a company car/allowance, healthcare and tax support including preparing tax returns, although the package can include other benefits that the Committee deems appropriate, for example, (but not limited to) the cost of legal fees.  The provision of a car and driver for business use includes travel from home to office.  Relocation allowances and international transfer-related benefits may also be paid, where required.  Where appropriate, benefits may include any tax thereon.  Executive Directors are also eligible to participate in all-employee share plans on the same basis as all employees.	Whilst there is no maximum level of benefits prescribed, they are generally set at an appropriate market-competitive level determined by the Committee.  Benefits in respect of the year under review, and participation in the all-employee share plans, are disclosed in the Annual Report on Remuneration.

## Directors' Remuneration Report continued

### Variable pay policy for Executive Directors

Component purpose and link to strategy	Operation	Opportunity	Performance measures
<b>Annual bonus</b> To drive strong performance, with significant reward for overachievement of annual targets  Use of deferral for longer-term shareholder alignment	<p>Targets are typically set by the Committee around the start of the year. At the end of the year, the Committee determines the extent to which these have been achieved.</p> <p>Performance is normally assessed on an annual basis.</p> <p>Normally one-third of bonus payouts are deferred into share awards (in the form of options or conditional awards) for a period of three years.</p> <p>The Committee has discretion to adjust the formulaic bonus outcomes both upwards and downwards (including to zero) to ensure alignment of pay with performance.</p> <p>Annual bonuses and deferred bonus awards are subject to malus and clawback provisions.</p>	<p>Maximum target opportunity: 120% of salary</p> <p>Maximum opportunity of 3.57x target (428% of salary)</p> <p>2025 target opportunity</p> <ul style="list-style-type: none"> <li>• CEO: 120% of salary</li> <li>• CFO: 100% of salary</li> </ul> <p>2025 maximum opportunity</p> <ul style="list-style-type: none"> <li>• 3.57x target</li> <li>• CEO: 428% of salary</li> <li>• CFO: 357% of salary</li> </ul> <p>Dividend equivalents accrue on deferred share awards during the deferral period.</p>	<p>Performance measures may be a mix of financial, non-financial and/or individual measures. For 2025 the bonus is based on 100% financial measures.</p> <p>Financial performance will be assessed against one or more key metrics of the Business determined on an annual basis.</p> <p>The weighting between different metrics will be determined each year according to Business priorities.</p> <p>For performance below threshold, the bonus payout will be nil.</p> <p>Further details, including the performance measures for the current financial year, are disclosed in the Annual Report on Remuneration.</p>
<b>LTIP (performance share options and performance share awards)</b> To incentivise and reward long-term performance, and align the interests of Executive Directors with those of shareholders	<p>The LTIP comprises grants of performance share options and/or performance share awards (based on a fixed number), which vest subject to the achievement of stretching performance targets.</p> <p>Awards will normally be granted annually with a performance period of at least three years. Additionally, there is normally a two-year holding period following the end of the performance period.</p> <p>The performance conditions are reviewed before each award cycle to ensure they remain appropriately stretching.</p> <p>The Committee has discretion to adjust the formulaic LTIP outcomes both upwards and downwards (including to zero) to improve the alignment of pay with performance.</p> <p>Awards granted under the LTIP are also subject to malus and clawback provisions.</p>	<p>The Committee normally calibrates LTIP share and option grant sizes as a fixed number to provide full alignment with investors, with a robust adjustment mechanism in place to ensure that the value of an Executive Director's total remuneration is appropriate.</p> <p>The award size is determined by the Committee taking into account performance, the prevailing share price, market data and our pay positioning philosophy.</p> <p>Notwithstanding the above, the normal limit on the number of options and shares that can be granted to an individual in respect of any financial year will be 200,000 options and 100,000 shares (and 300,000 options and 150,000 shares in exceptional circumstances). Details of the LTIP opportunity in respect of each year will be disclosed in the Annual Report on Remuneration.</p> <p>Dividend equivalents may accrue on performance share awards that vest. Neither dividends nor dividend equivalents accrue on unvested or vested performance share options before they are exercised.</p>	<p>Performance measures may be a mix of financial and non-financial measures (including Sustainability). For 2025 the LTIP is based on 90% financial measures and 10% on Sustainability measures.</p> <p>Threshold performance will normally result in 20% of maximum vesting. The vesting level will increase on a sliding scale from this threshold to 100% vesting for stretch levels of performance.</p> <p>Further details, including the performance targets attached to the LTIP in respect of each year, are disclosed in the Annual Report on Remuneration.</p>

## Directors' Remuneration Report continued

### Notes to the Policy Table

#### Performance measure selection and approach to target setting

The measures used under the annual bonus are selected to reflect the Group's main priorities for any given financial year. With regard to the LTIP, the Committee regularly reviews the performance measures to ensure that they align well with the Company's strategy and with our shareholders' interests. A combination of net revenue growth, ROCE, relative TSR and Sustainability are considered the most appropriate 2025 LTIP performance measures for a number of reasons:

- They are aligned to the Company's strategic priorities
- They combine a focus on top-line growth and profitability, also capturing how efficient profit generation has been
- They provide well-recognised and accepted measures of the Company's underlying financial performance
- They include focus on shareholder value creation
- They provide a link to our 2030 Sustainability Ambitions
- They are measures that the plan participants can directly impact

Targets applying to the bonus and LTIP are reviewed annually, based on a number of internal and external reference points including the internal business plan, shareholder expectations, and market practice.

#### Malus and clawback

The Committee has the discretion to apply malus and/or clawback in the event of the following circumstances in relation to awards under the annual bonus, Deferred Bonus Plan or the LTIP in the circumstances set out in the relevant plan rules and award documentation which currently includes:

- A material misstatement of the Company's financial results
- Gross misconduct by a participant (or serious misconduct in relation to malus). This includes reputational damage as a result of the misconduct
- An erroneous calculation in assessing the number of shares subject to an award or the payout/ vesting outcome
- Corporate failure of the Company

In these circumstances, the Committee may adjust the amount of cash bonus payable and/or operate clawback of the annual bonus for up to three previous years. Deferred bonus awards are subject to malus and clawback until the third anniversary of grant and the clawback period applicable to LTIP awards ends on the fifth anniversary of the date of grant.

#### Shareholder alignment

The Committee recognises the importance of aligning Executive Directors' and shareholders' interests through executives building up significant shareholdings in the Company. Executive Directors are expected to acquire a significant number of shares over a period of eight years and retain these until retirement from the Board of Directors.

The shareholding requirement for the CEO is currently 200,000 shares and for the CFO is currently 100,000 shares. The shareholding requirement for new Executive Directors will be determined at the time of appointment, taking into account a number of factors, including (but not limited to) the LTIP award levels, share price at the time of appointment and market practice. Details of the Executive Directors' personal shareholdings will be provided in the Annual Report on Remuneration.

A formal post-employment shareholding requirement applies to Executive Directors. They are required to hold the lower of 50% of their shareholding requirement or their actual shareholding at departure, for a period of two years. The Committee is of the view that this is appropriate on the basis that the in-employment requirements are amongst the highest when compared to other UK-listed companies.

The Committee retains discretion to amend the shareholding requirements in exceptional circumstances (for example, in the case of ill health).

#### Remuneration Policy for other employees

Reckitt's approach to setting remuneration is consistent across the Group, with consideration given to the level of experience, responsibility, individual performance and remuneration paid for comparable roles in comparable companies. Reckitt is committed to fair and consistent reward policies for its employees, aligned with our Compass, remuneration philosophy and our culture.

The principles that apply to Executive Directors are cascaded to other employees. Currently, approximately 16,000 employees are eligible to participate in an annual bonus scheme with similar metrics to those used for the Executive Directors, in order to drive alignment and a focus on results. Opportunities and specific performance conditions vary by organisational level, with business area-specific metrics incorporated where appropriate. The Group Leadership Team is also required to build up significant shareholdings in Reckitt. The current shareholding requirement levels are between 7,200 and 40,000 shares which generally represents between c.1x to 4x base salary. Senior managers who comprise c.500 employees are eligible to participate in the LTIP with performance conditions the same as the Executive Directors, although award sizes vary by organisational level. For 2025 we are reducing the short-term leverage for our middle managers and increasing the long-term incentives with an award of restricted shares to further enhance our culture of ownership.

All UK employees are eligible to participate in the Company's all-employee share plans on identical terms, with similar plans also operated for employees working outside of the UK.



Directors' Remuneration Report continued

Legacy arrangements and other terms

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out in this report where the terms of the payment were agreed (i) before the Policy came into effect (provided that the commitment to make the payment complied with any applicable Remuneration Policy of the Company at the time it was agreed) or (ii) at a time when the relevant individual was not a Director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration, and an award over shares is 'agreed' at the time the award is granted.

The Committee may make minor amendments to the Policy to aid its operation or implementation without seeking shareholder approvals (e.g. for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) provided that any such change is not to the material advantage of the Director.

All discretions available under share plan rules will be available under this Policy, except where explicitly limited under this Policy. Share awards can be settled in cash or ADRs at the discretion of the Committee. The Committee may waive or change performance conditions in accordance with its terms or if the Board considers it reasonable and appropriate. The same principles apply to the annual bonus scheme.

In the event of a variation of capital in the Company which impacts the value of a share, which may include, but is not limited to, a capitalisation or rights issue, consolidation, subdivision or reduction of capital, stock-split or demerger, then:

- The maximum number of share awards and options which may be granted under the LTIP may be adjusted to ensure that the overall maximum value of awards would be the same immediately before and after any such event
- The maximum number of shares subject to an award granted under the LTIP or the Deferred Bonus Plan, the option price (where applicable), and the performance condition may be adjusted in accordance with the rules of the plan, as the Committee considers appropriate

Non-Executive Director remuneration

Non-Executive Directors do not have service agreements but are engaged on the basis of a letter of appointment. In line with the UK Corporate Governance Code guidelines, all Directors are currently subject to re-election annually at the AGM.

It is the policy of the Board of Directors that Non-Executive Directors are not eligible to participate in any of the Company's bonus, long-term incentive or pension schemes. An element of the basic fee is, however, currently paid in Reckitt shares.

Details of the policy on fees paid to our Non-Executive Directors are set out in the table below:

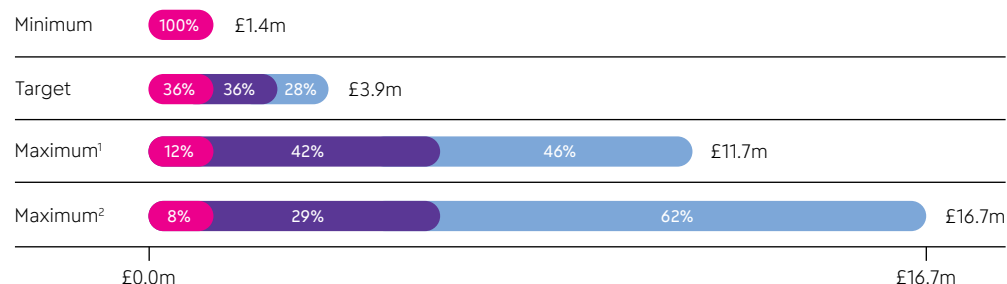
Component and objective	Approach of the Company
<b>Fees (cash and shares)</b>	The fees paid to Non-Executive Directors are determined by the Board of Directors, with recommendations provided by the Chair of the Board and CEO. The fees of the Chair of the Board are determined by the Remuneration Committee.
To attract and retain Non-Executive Directors of the highest calibre with broad commercial experience relevant to the Company	Additional fees may be payable for acting as the Senior Independent Non-Executive Director, as Chair and/or a member of a Committee or for other additional responsibilities or increased time commitments on a one-off or ongoing basis (including the Designated NED for engagement with the Company's workforce).  Fee levels may be reviewed annually, with any adjustments normally effective from 1 January. Fees are reviewed by taking into account external advice on best practice and competitive levels, in particular at FTSE 30 companies. Time commitment and responsibility are also taken into account.  Non-Executive Director fees are normally delivered partly in cash and partly in Reckitt shares or equivalent (e.g. ADRs) which must normally be held until leaving the Company. The fees paid to the Chair of the Board and Non-Executive Directors in respect of the year under review (and for the following year), including the split between cash and shares, are disclosed in the Annual Report on Remuneration.  Aggregate fees are limited by the Company's Articles of Association. Travel and expenses for Non-Executive Directors (including the Chair of the Board) 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. The Company may also cover any additional costs incurred in association with the role (including tax thereon), for example in relation to providing tax support including tax return assistance to Non-Executive Directors.

## Directors' Remuneration Report continued

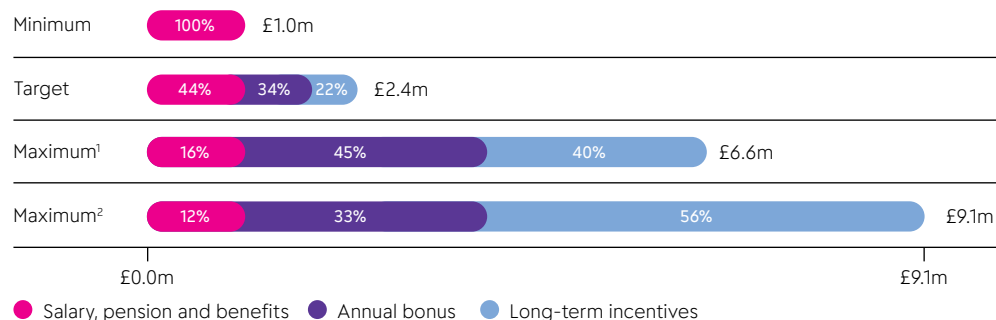
### Scenarios of total remuneration

The charts below provide an estimate of the potential future total remuneration for the Executive Directors. Four scenarios of potential outcomes are provided based on underlying assumptions shown in the notes to the chart.

#### CEO



#### CFO



1 Excluding share price growth

2 Including 50% share price growth

#### Notes

The scenarios in the chart above have been calculated on the following assumptions:

The 'Minimum' scenario reflects base salary, pension and benefits (i.e. fixed remuneration), being the only elements of the Executive Directors' remuneration package not linked to performance. This is based on the base salary and pension allowance as at 1 January 2025 and an illustrative value of the benefits, based on amounts paid in 2024, excluding one-off benefits.

The 'On-target' scenario illustrates fixed remuneration as above, plus target payout of annual bonus and threshold vesting of the LTIP.

The 'Maximum excluding 50% share price growth' scenario sets out fixed remuneration, plus full maximum payout of the annual bonus and full vesting of the LTIP awards.

The 'Maximum including 50% share price growth' scenario sets out fixed remuneration, plus full maximum payout of the annual bonus, full vesting of the LTIP awards and 50% share price growth.

As LTIP awards are set as a fixed number of shares and options, the LTIP value is based on the number of shares and share options to be granted to the Executive Directors in 2025. The value has been calculated using the three-month average share price to the end of 2024 of £47.81. Under the disclosure requirements the first three scenarios above exclude share price appreciation; share options have therefore been valued using a Black-Scholes option pricing model with assumptions aligned to the expected life of the options, at 15% of the assumed share price at grant. The final scenario includes a 50% share price growth assumption, over the performance period, in line with legislation. It should be noted that if the share price appreciation over the performance period is greater than that assumed then the actual total remuneration may be more than that shown in the above charts.

### External appointments

With the approval of the Board of Directors in each case, and subject to the overriding requirements of the Company, Executive Directors may accept external appointments as a Non-Executive Director of another Company and retain any fees received.

### Consideration of conditions elsewhere in the Company

Across Reckitt, remuneration is reviewed regularly with the intention that all employees are paid appropriately in the context of their local market and given their role, experience and performance. The Company seeks to promote and maintain good relations with employee representative bodies – including trade unions and works councils – as part of its employee engagement strategy, and consults on matters affecting employees and business performance as required in each case by law and regulation in the jurisdictions in which the Company operates.

The Company publishes annually to all employees details of executive remuneration and also invites employees to ask any questions or provide any feedback they may have on the topic. As part of the recent review of remuneration arrangements and in the development of the Directors' Remuneration Policy over the past year, the Committee took into account the views of a selection of our employees. Our NED with designated responsibility for workforce engagement, Elane Stock, also met with various groups of colleagues over the year to discuss a variety of topics, with feedback received presented to the Board.

The Committee reviews the overall pay framework of the Group including internal relativities, gender pay and participation in all-employee share plans. The Company encourages share ownership amongst employees.

### Consideration of shareholder views

The Committee considers shareholder views received during the year and at the Annual General Meeting each year, as well as guidance from shareholder representative bodies more broadly, in shaping the Remuneration Policy. The Committee Chair speaks with many of the Company's largest shareholders on the subject of executive remuneration and the Committee is grateful for all of the feedback which is provided. As set out in the Chair's Letter, in developing this Policy, the Company received the benefit of feedback or engagement with approximately 40% of Reckitt's ownership as well as key proxy advisors. The vast majority of shareholders that we engaged with were supportive of the Company's philosophy and policy on remuneration, and the Committee will continue to keep its Remuneration Policy under regular review, to ensure it continues to reinforce the Company's long-term strategy and aligns closely with shareholders' interests. The Committee will continue to consult our major shareholders before making any significant changes to our Remuneration Policy.

## Directors' Remuneration Report continued

### Approach to recruitment remuneration

#### External appointment

In cases of hiring or appointing a new Executive Director from outside the Company, the Remuneration Committee may make use of all existing components of remuneration, as follows:

Component	Approach
<b>Base salary</b>	The base salaries of new appointees will be determined by reference to relevant market data, experience and skills of the individual and internal relativities. Where new appointees have initial base salaries set below market, or below the previous incumbent's salary, the shortfall may be managed with subsequent increases subject to their development in the role.
<b>Pension</b>	The maximum pension contribution or allowance for new appointees will normally be in line with that available to UK employees or to participants in the pension plan relevant to the country where they are employed, if different. For UK employees this is currently 10% of base salary.
<b>Benefits</b>	New appointees will be eligible to receive benefits which may include (but are not limited to) the provision of a car allowance or car and driver, healthcare and any necessary relocation expenses or allowances in line with the ongoing Remuneration Policy (including tax thereon).
<b>Annual bonus</b>	The structure described in the Policy Table will apply to new appointees with the relevant maximum opportunity.
<b>LTIP</b>	New appointees will be granted awards under the LTIP with a structure in line as described in the Policy Table. LTIP grants can take the form of performance share awards, performance share options or a combination of the two.

The overall limit of variable remuneration will be as set out in the Policy Table, taking into account the maximum value of the annual bonus and the maximum awards of options and share awards under the LTIP.

The Committee may make awards in respect of a new appointment to 'buy-out' remuneration arrangements forfeited on leaving a previous employer or engagement, including by utilising Listing Rule 9.4.2, i.e. over and above the approach outlined in the table above. In doing so, the Committee will consider relevant factors including any performance conditions attached to any forfeited awards and the likelihood of those conditions being met, with the intention that the value awarded would be no higher than the expected value of the forfeited arrangements and would be made on a like-for-like basis.

#### Internal promotion

In cases of appointing a new Executive Director by way of internal promotion, the policy will be consistent with that for external appointees, as detailed above; except that where an individual has contractual commitments made prior to their promotion to Executive Director level, the Company will continue to honour these arrangements even in instances where they would not otherwise be consistent with the prevailing Directors' Remuneration Policy at the time of appointment.

### Recruitment of a new Non-Executive Director

In recruiting a new Non-Executive Director, the Remuneration Committee will normally use the policy as set out in the table on page 106. A base fee in line with the prevailing fee schedule will be payable for membership of the Board of Directors, with additional fees payable for acting as Senior Independent Non-Executive Director, as Chair or member of a Committee, or for other additional one-off or ongoing responsibilities (including the Designated NED for engagement with the Company's workforce). Fees will normally be delivered partly in cash and partly in Reckitt shares to be held until retirement from the Company.

The fee for a new Non-Executive Chair of the Board will be set with reference to the time commitment and other requirements of the role and the experience of the candidate. To provide context for this decision, appropriate market data would also be referenced.

Other elements may be included in the following circumstances:

- An interim appointment being made to fill an Executive Director role on a short-term basis
- If exceptional circumstances require that a Non-Executive Director takes on an executive function on a short-term basis

### Service contracts and exit payment policy

Executive Director service contracts, including arrangements for early termination, are carefully considered by the Committee. In accordance with general market practice, each of the current Executive Directors has a rolling service contract which is terminable on 12 months' notice and it is expected this practice will also apply for any new Executive Directors. In such an event, the compensation commitments in respect of their contracts could amount to up to one year's remuneration based on base salary and benefits in kind, and pension rights, during the notice period. Termination payments may take the form of payments in lieu of notice and/or provision of benefits. In appropriate circumstances, the Committee may agree that certain benefits (such as medical insurance and tax support) may be continued following termination of employment. The Company may provide a leaving gift for a departing Director (including payment of any tax thereon) where the Committee feels that it is appropriate to do so and the value of any gift is proportionate and not excessive. Copies of Executive Director service contracts are available to view at the Company's registered office.

The Committee may agree exit payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or in settlement of any claim arising in connection with the cessation of a Director's office or employment. This may include the provision of outplacement support. The Group may also pay reasonable fees for a departing Director to obtain independent legal advice in relation to their termination arrangements and nominal consideration for any agreement to any contractual terms protecting the Company's rights following termination.

The Company's policy on any termination payments is to consider the circumstances on a case-by-case basis, taking into account the relevant contractual terms in the Executive's service contract and the circumstances of the termination. The table overleaf summarises how awards under the annual bonus (including deferred bonus awards) and LTIP are typically treated in specific circumstances, with the final treatment remaining subject to the Committee's discretion as provided under the rules of the plan.



## Directors' Remuneration Report continued

Reason for cessation	Timing of vesting/payment	Calculation of vesting/payment
<b>Annual bonus</b>		
Voluntary resignation or termination with 'cause'	Not applicable.	No bonus to be paid for the financial year.
All other circumstances	Following the end of financial year.	Bonuses will be paid only to the extent that the objectives have been met. Any such bonus will normally be paid on a pro-rata basis up to the termination date and will typically be subject to deferral requirements where applicable.
<b>Deferred bonus share awards</b>		
Voluntary resignation or termination with 'cause'	Not applicable.	Unvested awards lapse, unless the Committee, in its discretion, decides otherwise.
All other circumstances	Subject to the original time horizons, unless the Committee, at its discretion, decides these will vest on cessation of employment.	Awards vest in full.
<b>LTIP</b>		
Gross misconduct	Not applicable.	Unvested awards normally lapse. Vested but unexercised options lapse. Vested share awards and any awards or shares in the holding period are normally retained on the terms of the LTIP, with the holding period continuing to apply (unless the Committee decides that they will be released early).
Any other reason except those set out below.		
Ill health, injury, permanent disability, retirement with the agreement of the Company, the participant's employing entity ceasing to be under the control of the Company, transfer of the undertaking in which the participant works outside the Group, redundancy or any other reason that the Committee determines in its absolute discretion.	Awards will vest in line with the original performance, vesting and holding periods (unless the Committee decides that they will be released early, in the case of awards in the holding period).	Unvested awards normally vest based on the extent to which performance conditions have been achieved (and subject to adjustment of formulaic outcomes as described above) and reduced to reflect the proportion of the performance period worked. The holding period will normally still apply.
Death	As soon as practicable after date of death (which could be at the end of the relevant financial year). No holding period will apply.	Unvested awards will normally vest as soon as practicable after date of death, and, unless the Committee deems otherwise, will normally be subject to the performance condition (and to adjustment of formulaic outcomes as described above) and reduced to reflect the proportion of the performance period worked.
Change of control	On change of control.	Awards will vest to the extent that any performance conditions have been satisfied and subject to adjustment of formulaic outcomes as described above (unless the Committee determines otherwise). Awards will also normally be reduced to take into account the proportion of the performance period not completed, unless the Committee decides otherwise.  Awards may alternatively be exchanged for new equivalent awards in the acquirer or another Company where appropriate.

## Directors' Remuneration Report continued

### Annual Report on Remuneration

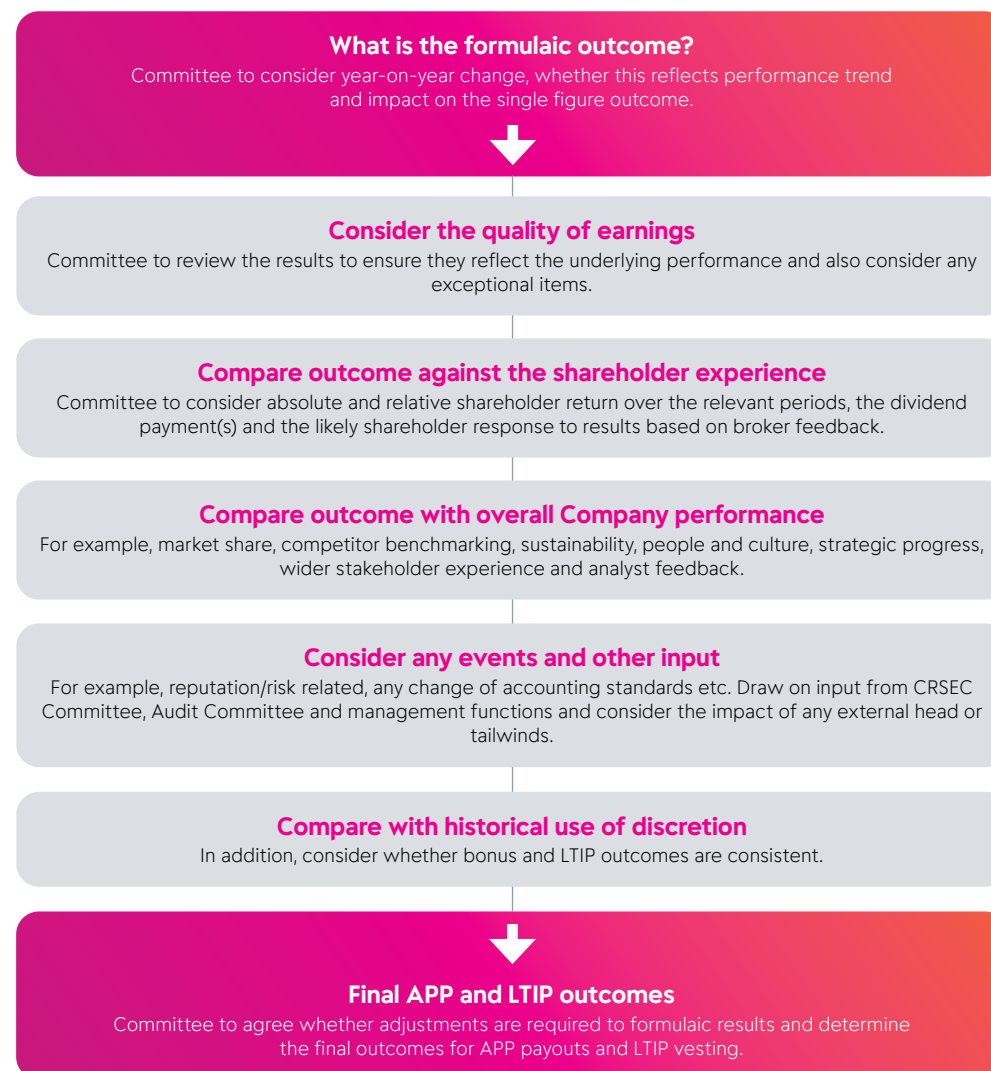
The rest of this report sets out how we have implemented our Remuneration Policy in 2024, and how we intend to implement the Policy in 2025.

#### 2024 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, Kellanova, 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.

#### 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.



## Directors' Remuneration Report continued

### Annual bonus in respect of 2024 performance

#### Executive Director 2024 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. 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

$$\begin{array}{|c|} \hline \text{Net revenue} \\ \text{multiplier} \\ \text{(up to 1.89x)} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Adjusted} \\ \text{profit before} \\ \text{tax multiplier} \\ \text{(up to 1.89x)} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{NWC modifier} \\ \text{(up to 1.00x)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Performance} \\ \text{multiplier} \\ \hline \end{array} \quad \text{(Threshold = 0x; target = 1.0x; max = 3.57x)}$$

- 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.  $1.89 \times 1.89 \times 1.00$ )
- 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

$$\begin{array}{|c|} \hline \text{Base salary} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Target bonus} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Performance} \\ \text{multiplier} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Final bonus} \\ \text{outcome} \\ \hline \end{array} \rightarrow \begin{array}{|c|} \hline \text{Cash} \\ \hline \end{array} \begin{array}{|c|} \hline \text{Shares} \\ \hline \end{array}$$

$\frac{2}{3}$ 
 $+$   $\frac{1}{3}$

- 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.  $1.89 \times 0 \times 1.00$ )
- One-third of any APP is deferred into an award over Reckitt shares, to strengthen alignment with shareholders

### 2024 performance targets

The Remuneration Committee set targets for the Executive Directors prior to the 2024 financial year. These were based on net revenue 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. In setting the targets, the Committee also had regard to competitor performance.

### 2024 financial performance against APP targets

As stated earlier, the Committee has adjusted the 2024 bonus outturn for the impact of the exceptional Mount Vernon tornado for all participants, including Executive Directors. No one could have foreseen the tornado that hit our storage facility and the logistical impact, and therefore this adjustment was made to ensure that underlying performance was measured in a fair and consistent manner.

LFL NR performance for the year resulted in £14.81 billion (on a constant FX basis and after adjustment), which is between threshold and maximum performance, measured against our stretching target range.

We achieved £3.32 billion adjusted profit before income tax (on a constant FX basis), driven by year-on-year margin expansion which resulted in EPS growth of 7.9%. Our profit before tax performance outperformed the target range and resulted in a maximum multiplier.

Average Net Working Capital (NWC) was -7.9%, exceeding the target range and also resulting in the maximum multiplier. The NWC metric for APP purposes is an Operating NWC and is calculated as a 12-month average.



## Directors' Remuneration Report continued

The chart below illustrates performance compared to the targets:

Performance measure	Threshold (zero bonus)	Actual/Achieved	Maximum (3.57x target)	Multiplier
Net Revenue (NR) (constant FX)	<£14.26bn	Actual £14.81bn	£15.13bn	1.22x
Adjusted profit before income tax (constant FX)	<£2.90bn	Actual £3.32bn	£3.29bn	1.89x
Average Net Working Capital (NWC)	-5.5%	Actual -7.9%	-7.5%	1.00x
<b>Total</b>				<b>2.31x</b>

● Achieved

These results reflect a year of continued momentum, with top and bottom-line growth and strong shareholder returns. Total diluted EPS was 349p in 2024, with free cash flow generation of £2,232 million, supporting £2,709 million cash returns to shareholders. Reckitt is well positioned today to continue to deliver mid-single-digit growth in the medium term. With our proposed 5% increase in our annual dividend, we continue to enhance returns to shareholders in line with our framework for sustained value creation.

The overall formulaic bonus multiplier was 2.31x of target (65% of maximum).

### 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

##### Portfolio value creation

- Moving at pace to reshape Reckitt as a world-class consumer health and hygiene organisation
- Significantly sharpened our brand portfolio and moving to a simpler, more effective organisation to maximise long-term value for shareholders

##### Financial performance

- Delivered LFL net revenue growth within revised full-year guidance range and grew adjusted operating profit ahead of net revenue, enabling EPS growth of 8%

##### Product superiority

- Ensured every brand has earned its place in our portfolio by meeting our three principles of value creation
- Invested in our brands and deepened their equities through innovation, driving net revenue growth from premiumisation of our products

##### Win in market

- Equipped our organisation with better tools and capabilities to enable our teams to execute with excellence in market
- Boosted the agility of our US OTC supply capabilities through commissioning a new manufacturing facility in Wilson, North Carolina

#### Fixed cost optimisation

- Expanded our cost efficiency initiatives in our new Fuel for Growth programme, which targets at least 300bps reduction in our corporate fixed costs as we exit 2027, from a 2023 baseline
- Delivered 90bps of fixed cost savings in FY 2024 through streamlining our corporate functions

#### Enhancing returns to shareholders

- Committed to returning surplus cash to our shareholders through our dividend and share buyback programme
- Increased our dividend by 5%
- Returned £2.7 billion in cash to shareholders, a 75% increase versus 2023

#### Market share

- Our competitive position in Health and Hygiene has improved, 55% of top Category Market Units held or gained share, with 15% for Nutrition and 48% for the Group

## Directors' Remuneration Report continued

### Sustainability

#### Purpose-led brands

- 34.9% net revenue from more sustainable products, improved from 29.6% in 2023
- 13% reduction in product carbon footprint vs 2015
- 8% recycled content in our plastic and 15% reduction in virgin plastic packaging
- 24% reduction against target 65% product chemical footprint reduction by 2030. Reduction has been created by ongoing R&D activity

#### Healthier planet

- 69% reduction in GHG emissions in operations. We continue to surpass this target for 65% reduction by 2030
- 100% renewable electricity purchased for manufacturing, 96% of our electricity comes from renewable sources
- Water efficiency: 6% against our target of 30% by 2025. We have focused more on GHG emissions reduction
- Water stressed locations: Revisions in the water stress mapping confirmed 16 sites in 2024, of which 2 (Hosur and Mysore) now achieve neutrality. Programmes are in place in Mexico and Pakistan, with others planned in South Africa and China.
- Waste: 23% reduction against our target of 25% by 2025; 100% zero waste to landfill from manufacturing

### Fairer society

- An inclusive culture where everybody is treated fairly and equally
- Our teams represent the diverse places where we work and the people we serve
- Gender balance at all management levels: 51%
- Achieved the Fair Wage Network Global Living Wage Certification, confirming that we pay all our employees above the living wage globally

### 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
- In 2024, met target to pay the premium on 100% of the latex we buy
- Continued to invest in 1,000+ latex farmers to deliver 15% increase in yield, 10% improvement in quality and resistance to plant diseases and significant increase in incomes
- Worked with human rights organisation Our Journey in Malaysia to complete a mapping of human rights risks
- Continued partnership with the Sustainable Agriculture Initiative's Sustainable Dairy Partnership, to collaborate with suppliers and peers to work on 14 focus areas that will make the dairy industry more sustainable
- Continued to increase RSPO mass balance certified volumes for fat blends and soap noodles (palm oil commitment), aiming for 100%
- Integrated the WWF partnership within our palm sourcing programme in Indonesia and continued to fund the Earthworm programmes in Indonesia and Malaysia
- Continued engaging our third-party manufacturers through Manufacture 2030 to help them reduce their environmental footprint through a series of innovative projects and behavioural changes

- Established Supplier Sustainability Standards in 2024 for selected raw materials and packaging suppliers to comply with, covering areas such as Greenhouse Gas emissions, water, and waste
- Continued focusing on our program for Human Rights and Responsible Workplace in our own operations and as well at external manufacturers and materials suppliers
- Running external Innovation partnership program Partners to Innovate with key strategic suppliers

#### Customers and communities

Delivered improved execution with our largest Global customers, driving product availability enhancing communication and customer satisfaction within key customers.

#### North America

- Improved instock and sales with our largest customer. Specific wins include reaching 97% instock at Walmart with Mucinex. Delsym and Cepacol getting on-shelf ahead of the season, putting our consumers first
- Implemented Truckload Optimization in Canada, saving 33 MT of CO<sub>2</sub> and \$104k CAD in freight costs, achieved best-in-class strategic support with Walmart and Loblaws
- Execution of eleven (11) promotional events with Costco in a single month, achieving a record goal and delivering a 7% increase in sales in the quarter as we sought out new opportunities

## Directors' Remuneration Report continued

### Europe

- Established a permanent direct delivery model in the UKI, achieving significant CO<sub>2</sub> and cost savings, and implemented a collaborative forecasting program, successfully launching all range reviews with Tesco, building shared success
- Selected as a key partner in France by Carrefour within the sustainability program

### Emerging Markets

- Improved service level with Panda in KSA from 67% to 87%, conducted a Value Chain Mapping workshop with Amazon KSA, improving service levels from 71% (2023) to 86% (2024), and received prestigious awards from top customers, including Nahdi's Partner Award

### Sales and Customer Partnerships

- Received multiple awards and customer recognitions as a "partner of choice" where 2024 was the point where "Reckitt turned around last year and they are happy with the improvements that you've made" Walmart Merchant
- Additional positive feedback received Albertsons, Kroger, Target, Walgreens, and Amazon for strong partnerships and innovative approaches, and selected as the Rising Star Partner of the Year with Office Depot for excellence in sales, marketing, and collaboration

### People and culture

#### Pay, recognition and benefits

Alongside the Remuneration Policy Review, we refreshed our philosophy and principles, now putting 'rewarding the right behaviour' at the core of our remuneration strategy. We made changes to our annual bonus plan through the introduction of an individual performance element, recognising both 'what' we do and 'how' we do it is key. In addition, we expanded our LTIP offering to a wider global population. From 2025 these colleagues will be granted Reckitt shares balanced by changes to their annual bonus. Our rebalancing of remuneration reflects our strategy and focus on long-term performance and value creation.

We are proud to announce that in 2024, Reckitt has achieved the Fair Wage Network Global Living Wage Certification, confirming that we pay all our employees above the living wage in all locations, as defined by the Fair Wage Network. This formal accreditation solidifies our commitment to fair compensation and equitable treatment. The living wage accreditation is contained within our "Sustainable Livelihoods" framework which, in addition to compensation, promotes health, equality, employment rights, financial security, and career development, aligned with our 2030 Sustainability Ambitions.

We also continue to be an accredited Living Wage Employer and paying at least the Living Wage to all our UK employees and contractors.

Following a successful pilot in Poland and the United States in 2023, we have now extended our pay equity analyses across our top 10 markets and European countries with very positive results in 2024. Building on this achievement, we are now preparing to expand this initiative to all our global markets in 2025.

Our Gender Pay and Inclusion Report already goes beyond the legal requirement, covering Reckitt's top 10 markets including the UK and included a robust update on Inclusion progress. The median gender pay gap in the UK is -9.1%.

In 2024, we have extended our private healthcare insurance benefit, administered by Bupa, to include all colleagues at our UK manufacturing sites. Previously, this benefit was only available to office-based employees. With this change, all UK employees are now eligible to receive private healthcare insurance.

#### Diversity and Inclusion

Our Inclusion strategy focuses on People, Brands, and Procurement, overseen by our Global Inclusion Board. We implemented the Global Equality Standard (GES) framework globally and in five key markets (Mexico, India, UK, US, and Brazil) starting their three-year road maps in 2024.

The Reckitt 'Leading inclusively' programme was launched at our Leadership Conference, focusing on building diverse teams, active listening, inclusive decision-making and recognising individual contributions. We are finalising plans to embed this philosophy and way of working within our wider Learning and Development curriculum in 2025.

Reckitt's Conscious Inclusion programme places an emphasis on our collective role in creating an inclusive workplace. To date, over 12,300 people have engaged in online learning and team-based conversations.

We submitted gender balance data to the 'FTSE Women Leaders' Review. And participated in the 'Parker Review' – the UK government's annual ethnicity-in-leadership census. At a global level, and in markets where it is possible to seek this information, more than 4,600 colleagues have consented to share their diversity data with us.

Our Global ERGs play an integral role in our Inclusion strategy. We launched the 'Positive Portrayal Panel' in Europe in partnership with our Marketing Excellence team, with the focus on campaign design to ensure diversity and inclusion is at the heart of our consumer focus.

On Disability Inclusion, we refreshed our global disability & adjustments policy and hosted a Stronger Together conversation where leaders and colleagues shared their experiences with disability.



## Directors' Remuneration Report continued

On LGBTQ+ Inclusion, Reckitt India was awarded a bronze rating by the India Workplace Equality Index. Reckitt UKI was ranked as a 'top employer' and received a gold rating for the Stonewall UK Index.

We continue to maintain gender balance at all management levels. Our Women@Reckitt (20+ local champions) exists to champion the case for change. For International Women's Day 2024, champions led local activations including Stronger Together conversations and Speed Mentoring events.

Our Race & Ethnicity ERG operates across 5 regions. In 2024, the Group hosted a Global Day Against Racism event to highlight the power of allyship and the CEO joined the discussion.

351 small and diverse suppliers were supported by Reckitt US in 2024. Over 5% of spending on small and/or diverse businesses was reached by Reckitt US in 2024.

### Wellbeing

In 2024, almost 15,000 attendees to Better Life events. We pivoted our wellbeing program to focus on change and transition during our business transformation, acknowledging that employees needed support with navigating change, looking after their mental wellbeing and being mindful of their team dynamics during this period. We gained a cumulative Net Promoter Score (NPS)\* score of 55 from the 2024 webinar deliveries.

\* NPS is a metric used to gauge customer experience. Bain & Company, creators of NPS, suggest that a score above 50 is excellent

Launched in January 2024, the Better Life Journey-For-All, available in 14 languages, provides all Reckitt employees with a holistic wellbeing assessment with the offer of one-to-one support from a coach-on-demand. Over 860 employees created wellbeing assessment profiles, and results were used to curate upcoming content for employees.

All employees were able to access 1:1 sessions with a trained Hints coach. Participation was broadly similar to 2023 and we chose to pivot our provision in Q4 to address employee needs during transformation, by offering more targeted wellbeing consultations. 100% of respondents who provided feedback said they experienced lifestyle changes as a result of their coaching programme and 90% reported a 5/5 score on personal benefit.

We launched a three-part Mental Health Curriculum - Better Mind, Better Life, curated specifically for Reckitt, in collaboration with doctors, executive performance coaches, clinical psychologists and our coaching partner - Hints Performance. The curriculum focuses on prevention and managing day-to-day and workplace stresses. The curriculum is available in four languages. We aim to improve our FTSE Corporate Mental Health Index score from 58% (Tier 3) to Tier 1 in the next 18-24 months. In addition, we tripled our trained Mental Health First Aider Cohort.

Our Caregivers programme, refreshed in August 2024, shifted focus from 'surviving' to 'thriving' and utilising caregivers' unique skills for career and personal development. Over 4,000 colleagues attended these sessions, a 60% increase YOY.

Reckitt is a 2024 Grocery Aid Silver award winner. Grocery Aid is a UK charity where FMCG companies and retailers unite to raise money, increase awareness, and support colleagues in need. Each year, awards are given to companies based on three criteria: Awareness, Fundraising, and Volunteering. In 2024, Reckitt UK achieved the following:

- Awareness: Our HR team actively raised awareness across our sites, helping Grocery Aid support Reckitt employees in need
- Fundraising: We supported events for major grocery retailers and specific Grocery Aid events, donating over £80k as a UK business
- Volunteering: Reckitt representatives participated in the Grocery Aid D&I board, and Tarsila Calvo, our Head of UK Customer Supply, gave an inspiring talk at the Grocery Aid Live event

### Leadership Development and Learning

In 2024, we conducted a study with EY to identify key challenges and strengths of 215 participating senior leaders. This was complemented by an aggregate analysis of internal 360 and psychometric results, engagement survey data, and a review of external research. The outcome was a report with six critical skills and recommendations, leading to an overhaul of our leadership programs in 2025/2026.

We invested in leadership skills through Embark and Elevate, training 352 HR facilitators with a 98.6% net promoter score. Our Good to Great programme saw 24 leaders undergo a 12-month development. The Accelerate programmes for high potential women enhanced self-awareness and networks, with senior women receiving internal advocates.

Our new learning platform, MyDevelopment, launched in November 2023, saw over 17,000 employees access it in 2024. We launched the Project & Change Learning Hub and the AI Hub, and we now have 10 Academies that are dedicated to deliver the Functional knowledge and skills required for roles across Reckitt. Furthermore, LinkedIn Library continues to be embedded across our Academies & wider Reckitt with 31,000 hours of LinkedIn Learning resources consumed in 2024.

### Talent, Performance, Engagement, and Recognition

We updated our Talent and Performance approach to support Reckitt's evolution, reflecting industry best practices and internal feedback. We will introduce multi-rater feedback for greater collaboration and an enterprise mindset. Our updated talent ratings will recognise diverse career paths and development opportunities. These changes started in January 2025.

All details are subject to works council consultation and/or employee notification in country.

## Directors' Remuneration Report continued

### Decision on 2024 bonus outcomes

Reckitt's performance showed solid progress in 2024 despite weathering unforeseen challenges like the tornado. Our Group LFL NR growth is in line with guidance overall. We achieved our ambition of growing adjusted operating profit ahead of net revenue, enabling us to increase investment in our brands and grow earnings by 8%, supporting a record 2.7 billion in cash returned to shareholders through our dividend and continued share buyback programme. Given this performance and wider assessment as described above and in the Remuneration Chair's letter, including the adjustment made to the 2024 bonus to reflect the impact the tornado in July had on operations, the Committee concluded that the formulaic APP payout based on performance against targets is justified in this wider context.

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.

	Base salary (£) X	Target bonus X	Performance multiplier	=	Total bonus (£) =	Cash (£)	Deferred into shares (£)
Kris Licht	1,100,000	120%	2.31x		3,049,200	2,032,800	1,016,400
Shannon Eisenhardt	760,000	100%	2.31x		1,755,600	1,170,400	585,200
Jeff Carr <sup>1</sup>	190,000	100%	2.31x		438,900	292,600	146,300

<sup>1</sup> The 2024 base salary for Jeff Carr is pro-rated for the period served as Executive Director

### Vesting of the 2022 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 was made under his previous role and Jeff Carr's awards were granted under the previous Remuneration Policy on 20 May 2022. Shannon Eisenhardt did not participate in the 2022 LTIP as she was not an employee of the Company at the time of grant, however, as disclosed last year, she was granted a replacement award for performance shares lapsing due to leaving her previous employer, of which a portion was made subject to the 2022 Reckitt LTIP performance conditions to align her with Reckitt's performance.

### 2022 performance targets

Vesting of awards under the 2022 LTIP was dependent on the performance conditions set out in the table to the right.

### 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 68% vesting of the 2022 LTIP award. As stated earlier, the Committee has adjusted the 2022 LTIP for the impact of the Mount Vernon tornado in July to ensure that underlying performance was measured in a fair and consistent manner. In order to reflect underlying performance, ROCE is calculated on an adjusted basis for incentive plan purposes. Adjustments include: i) calculation on a constant currency basis; ii) exclusion of impairment impact so that management do not benefit from impairments; iii) adjustment for unbudgeted investment over the period to reflect strategic priorities; and iv) adjustment for actual M&A investment over the period. These adjustments are made to reflect underlying performance and to align with plan assumptions to ensure performance is measured on a like-for-like basis. These adjustments have been made for all LTIP participants.

Performance measure	Threshold (20% vesting)	Achieved	Maximum (100% vesting)	Vesting (% of total award)
LFL net revenue growth (3-year CAGR) (40% weighting)	2.0% p.a.	Actual 4.3% p.a.	5.0% p.a.	81%
ROCE (final year) (25% weighting)	13.2%	Actual 15.3%	15.2%	100%
Relative TSR (25% weighting)	<Median Median		Upper Quartile	0%
%NR from more sustainable products (final year) (5% weighting)	30%	Actual 34.9%	33%	100%
% reduction in GHG emissions (final year) (5% weighting)	65%	Actual 69.4%	69%	100%
<b>Total vesting</b>				<b>68%</b>

● 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 2024 as disclosed on pages 112-115 of this report and over the performance period of the 2022 LTIP, as disclosed in previous Annual Reports, as well as the wider stakeholder experience over this period.

### Decision on 2022 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 wider context.

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	2022-2024
0%	0%	21.5%	100%	78%	68%

Based on the performance assessment above, the 2022 LTIP award to Kris Licht and Jeff Carr 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. Shannon did not participate in the 2022 LTIP award, however, as disclosed in the 2023 Directors' Remuneration Report, she was granted replacement awards to compensate for remuneration arrangements forfeited on leaving her previous employer. The buyout award is subject to the same performance conditions and targets as the Reckitt 2022 LTIP award and will be released in August 2025.

	Interests held <sup>1</sup>	Exercise price (£)	Vesting %	Interests vesting	Share price (£) <sup>2</sup>	Estimated value (£)
<b>Kris Licht</b>						
Performance shares	43,533	n/a	68%	29,602	£47.81	£1,415,272
Performance share options	80,000	£63.32	68%	54,400	£47.81	0
<b>Shannon Eisenhardt</b>						
Performance shares (buy-out)	5,479	n/a	68%	3,725	£47.81	£178,092
<b>Jeff Carr</b> (retired 31 March 24)						
Performance shares	32,650	n/a	68%	22,202	£47.81	£1,061,478
Performance share options	60,000	£63.32	68%	40,800	£47.81	0

<sup>1</sup> Includes dividend equivalents accrued over the performance period, which are subject to performance conditions

<sup>2</sup> 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 2024 of £47.81. The actual value at vesting will be disclosed in the 2025 Annual Report

There is a further two-year holding period attached to the 2022 LTIP award for Kris and Jeff, which means that vested performance shares or options will not be released until 1 January 2027, and the resultant shares from the exercise of any vested performance share options will not be released until 1 January 2027.

## 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 2024, 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 <sup>1</sup>		Shannon Eisenhardt <sup>2</sup>		Jeff Carr <sup>3</sup>	
	2024 £	2023 (part-year) £	2024 £	2023 (part-year) £	2024 (part-year) £	2023 £
Base salary	1,100,000	575,000	760,000	158,333	190,000	760,000
Taxable benefits <sup>4</sup>	132,620	57,553	239,157	192,775	4,264	16,884
Pension benefit <sup>5</sup>	110,000	57,500	76,000	15,833	18,999	76,000
Annual bonus <sup>6</sup>	3,049,200	1,845,900	1,755,600	463,917	438,900	2,226,800
LTIP <sup>7,8</sup>	1,415,272	871,455	–	–	1,061,478	1,394,328
Buyout awards <sup>9</sup>	–	–	178,092	349,106	–	–
Fixed remuneration	1,342,620	690,053	1,075,157	366,942	213,263	852,884
Variable remuneration	4,464,472	2,717,355	1,933,692	813,023	1,500,378	3,621,128
Total	5,807,092	3,407,408	3,008,849	1,179,965	1,713,641	4,474,012

1 Kris Licht did not receive a salary increase in 2024. He received an annual salary of £1,100,000 in 2024. For 2023, his salary was pro-rated for the period served as an Executive Director. Kris Licht's salary in 2023 in respect of his employment as President Health and Chief Customer Officer, a role which did not sit on the Board, is not included in the calculation

2 Shannon Eisenhardt did not receive a salary increase in 2024. She received an annual salary of £760,000 in 2024. For 2023, her salary was pro-rated for the period since joining the Company on 17 October 2023 (when she joined Reckitt and the Board)

3 Jeff Carr stepped down as CFO and from the Board on 31 March 2024. His salary, 2024 annual bonus and 2022 LTIP were pro-rated for the period until date of leaving

4 Benefits for Kris Licht in 2024 primarily consist of 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. Where relevant the costs above include a gross-up for tax

5 The Company paid all 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

6 Annual bonus reflects financial performance for the 2024 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 65% of the maximum level in line with the formulaic outcome is appropriate as set out on pages 111 – 116. One-third of this is deferred into share awards for three years and will vest subject to continued employment

7 Reflects the estimated value of LTIP performance share options and performance shares granted to Kris Licht and Jeff Carr in May 2022, including dividend equivalents, which are due to vest in May 2025 at 68% of maximum. Valued using an average share price over Q4 2024 of £47.81. See the relevant section on page 117 for more details. None of this value is attributable to share price growth over the vesting period. 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. Shannon Eisenhardt did not participate in the 2022 LTIP award as she did not join the Group until October 2023

8 The value of the 2021 LTIP vesting for Kris Licht and Jeff Carr has been restated from last year, which used an average share price of £55.56 over Q4 2023 to estimate the value of the vesting. The actual value shown above is based on the actual share price on the date of vesting of £44.69 on 2 May 2024. 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

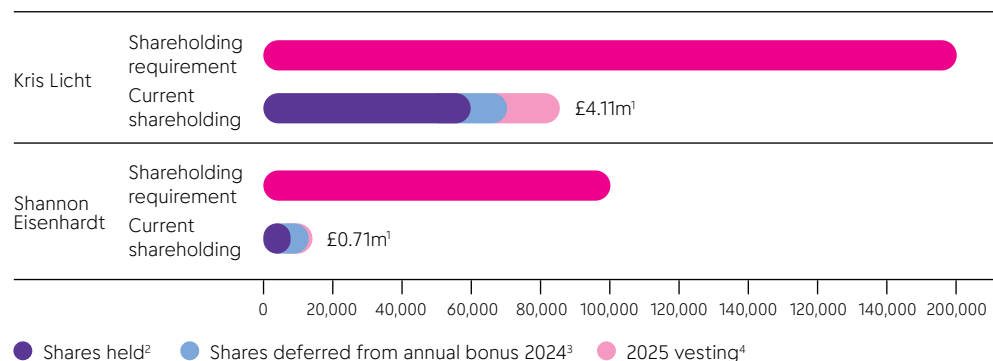
9 As part of Shannon Eisenhardt's recruitment package, she received buyout awards in respect of awards forfeited on leaving her former employer. The value shown in the table for 2023 relates to both an award of restricted shares (£281,121) and the FY24 NIKE annual bonus award (£67,985). The restricted share awards vest in equal tranches. The first tranche 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 valued based on the closing share price of £47.23 at the date of vesting. The payment in respect of the FY24 NIKE annual bonus has been restated based on the actual bonus outturn at NIKE, pro-rated for the period 1 June to 16 October 2023, for the portion of NIKE's performance year elapsed until Shannon joined Reckitt, vesting at 65% of target. Shannon was also granted performance share awards as part of her buyout – an award of 3,526 performance share were 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. This award has lapsed in full. An additional award of 5,248 performance shares were granted in relation to the long-term incentive award over NIKE shares in August 2022. As set out in the 2023 Directors' Remuneration Report, this award will be subject to the same performance conditions and targets as the Reckitt 2022 LTIP award and includes dividend equivalents. This award is due to vest in August 2025 at 68% of maximum. The value of this award has been estimated using an average share price over Q4 2024 of £47.81



## 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. Both 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 2024 of £47.81

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 2025 APP

4 For Kris Licht this is the number of shares vesting in May 2025 under the 2022 LTIP, after tax. For Shannon Eisenhardt this is the number of shares vesting in August 2025 granted as buyout awards, after tax. Both include dividend equivalents

### Directors' interests in shares and options (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 amongst the most demanding in the UK market and are equivalent to c.869% and c.629% of salary for the CEO and CFO, respectively, based on a share price of £47.81. These requirements are also nearly double the current annual LTIP award using a Black-Scholes valuation of 15% 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.435% of salary for the CEO and c.315% for the CFO; it is also broadly in line with the current annual LTIP award, using a Black-Scholes valuation of 15% for the performance share options.

The table below shows the current shareholding of each Executive Director against their respective shareholding requirements as of 31 December 2024:

	Shareholding requirement (number of shares)	Total beneficial interests (number of shares) <sup>1</sup>	Shares awarded under the Deferred Bonus Plan <sup>2</sup>	Shares subject to time vesting only <sup>3</sup>	Performance shares		Options held		
					To vest in 2025 <sup>4</sup>	Unvested, subject to performance <sup>5</sup>	Vested but not exercised	To vest in 2025	Unvested, subject to performance
Kris Licht	200,000	40,822	29,462	10,000	15,689	155,000	89,000	54,400	310,000
Shannon Eisenhardt	100,000	3,071	9,846	0	1,974	74,701	0	0	138,905

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 2024 annual bonus

3 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 in May 2025 under the 2022 LTIP and an estimate number to Shannon Eisenhardt vesting in August 2025 granted under buyout awards, as detailed on page 117, after tax

5 For Shannon Eisenhardt, this includes the performance shares granted under buyout awards

## Directors' Remuneration Report continued

### 2024 LTIP awards granted in 2024 (audited)

The table below sets out the LTIP awards and other awards made to Kris Licht and Shannon Eisenhardt during 2024. Vesting of these awards in full requires achievement of stretching performance conditions over the three-year period. Dividend equivalents accrue on performance shares during the performance period, but will only pay out on vested performance shares. In line with the Directors' Remuneration Policy, for Executive Directors there is a further two-year holding period for the 2024 LTIP commencing after the end of the three-year performance period.

	Date of grant	Shares over which awards granted	Market price at date of award (£) <sup>1</sup>	Exercise price (£) <sup>2</sup>	Face value (£) <sup>3</sup>	Face value less exercise price (£)	Performance period	Exercise/vesting period	Holding period
<b>Performance shares</b>									
Kris Licht	6 March 2024	75,000	50.14	n/a	3,760,500	n/a	1 Jan 2024 – 31 Dec 2026	Mar 2027	1 Jan 2029
Shannon Eisenhardt	6 March 2024	40,000	50.14	n/a	2,005,600	n/a	1 Jan 2024 – 31 Dec 2026	Mar 2027	1 Jan 2029
<b>Performance share options</b>									
Kris Licht	6 March 2024	150,000	50.14	50.90	7,521,000	0	1 Jan 2024 – 31 Dec 2026	Mar 2027 – Mar 2034	1 Jan 2029
Shannon Eisenhardt	6 March 2024	80,000	50.14	50.90	4,011,200	0	1 Jan 2024 – 31 Dec 2026	Mar 2027 – Mar 2034	1 Jan 2029

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

Unchanged from previous years, the Reckitt 2024 LTIP awards vest based on performance conditions of 40% on NR, 25% on ROCE, 25% on relative TSR and 10% on Sustainability measures. The targets for 2024 awards were set out in the 2023 Directors' Remuneration Report.

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 21 relevant peer companies, with the addition of Kenvue (which was listed as an independent business in 2023). The targets associated with the 2024 LTIP awards were disclosed in the 2023 Annual Report on Remuneration.

## Directors' Remuneration Report continued

### Wider workforce pay arrangements

Reckitt continues to cascade 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.

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.

In 2024, Reckitt began strategically reshaping our business to sharpen our portfolio and simplify our structure for accelerated growth, ensuring Reckitt's position as a leader in consumer health and hygiene. Amidst this, and in line with our UK listing requirements to review the Remuneration Policy (see page 103), the Committee took the opportunity to refresh our reward philosophy and subsequent principles, factoring in what we heard from our wider workforce. The Committee remains committed to aligning our remuneration policies with strategic objectives and ensuring our compensation structures support long-term performance and value creation.

We have expanded our LTIP offering to a wider group and rebalancing the mix of short-term and long-term pay for this group, recognising the critical role these employees play in our long-term performance, fostering a culture of ownership, and encouraging a greater focus on the enterprise.

Together, these changes underscore our commitment to rewarding the right behaviours and driving long-term growth and success. Our remuneration package remains highly competitive, helping us attract and retain top talent while fostering a culture of ownership and long-term commitment.

For more details on our initiatives, please refer to the People and culture section on pages 114-115.

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 2024, the Designated Non-Executive Director for Engagement with Company's Workforce<sup>1</sup> activity has allowed them 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 page 78.

The table on page 122 summarises the remuneration structure for the wider workforce.

<sup>1</sup> Mary Harris until May 2024, after which Elane Stock took over this role

## Directors' Remuneration Report continued

Salary	Annual bonus (APP)	Long-term incentive	Pension	All employee shares	Share ownership	Benefits
<p>Salary increases are based on individual performance ratings, talent assessments, and local market practices and conditions e.g. inflation.</p> <p>For 2025, the salary increase budget for the wider UK workforce was 4%.</p> <p>The average total pay across the Group in 2024 was £57,282.</p> <p>The median CEO pay ratio is 1:104 (page 124).</p> <p>Reckitt is accredited by the Fair Wage Network 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.</p>	<p>Our APP is consistently implemented across the organisation with 16,000 participating employees.</p> <p>Target bonuses and maximum multipliers increase with progression and promotion.</p> <p>Bonus payouts, aligned with Executive Directors, are tied to Reckitt's financial performance.</p> <p>All employees are incentivised based on net revenue and a profit measure, varying by role. All roles include a third measure, such as NWC.</p> <p>From 2025, for the majority of our employees, bonuses will be further differentiated based on individual performance.</p> <p>Additional bonus plans for specific areas like sales and factories are in operation.</p>	<p>Reckitt grants LTIP awards to the GEC, Group Leadership team and Senior Management team.</p> <p>The 2025 awards use the same measures and performance period as for the Executive Directors.</p> <p>Awards are a fixed number of options and shares, based on employee level, performance and potential. In addition, participants below the GEC receive restricted share awards. Managers can recommend additional awards to key employees.</p> <p>In 2024, we granted awards under our Middle Manager High Potential Awards to selected employees below senior management levels, recognising their long-term performance and value creation.</p> <p>For 2025, factoring feedback from the wider workforce, we have discontinued this program and instead expanded our LTIP to include all employees in this population, who are now eligible to receive RSU awards, subject to local restrictions.</p>	<p>A pension/gratuity scheme is offered to more than 80% of our global employees.</p> <p>Countries where pension provision is not prevalent in the local market and/or is provided by the state remain an exception to the above.</p> <p>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.</p>	<p>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.</p> <p>At the end of 2024, around 13,000 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.</p> <p>We allow and encourage a 12-month savings sabbatical for employees on maternity leave.</p>	<p>Reckitt is proud of our ownership culture.</p> <p>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.</p> <p>Amongst the GEC, the total shareholding requirement is around £33 million<sup>1</sup> and the average shareholding requirement among this group, excluding the CEO, is c. 426% of salary.</p> <p>Aggregate actual holding for the GEC is £18 million<sup>1</sup>, equivalent to an average of 273% of salary.</p> <p>Total shareholding requirement for all employees with requirements is £58 million<sup>1</sup>, equivalent to an average of 297% of salary.</p> <p>As at 31 December 2024, actual holding is £46 million<sup>1</sup> and the actual average holding is 236% of salary. We regularly check share ownership to review progress.</p>	<p>We provide regularly reviewed, market-competitive and inclusive benefits for all our employees. Core benefits include:</p> <ul style="list-style-type: none"> <li>• Life insurance for all employees at least 2x base salary</li> <li>• Employee Assistance Programme in every country which has helped our employees during the pandemic and beyond</li> <li>• 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</li> <li>• 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</li> <li>• Global parental leave policy. At least 26 weeks paid maternity leave and four weeks paid paternity leave</li> </ul>

<sup>1</sup> Based on the average closing share price in Q4 2024 of £47.81 and includes actual shareholding as at 31 December 2024, actual Deferred Bonus Plan shares awarded (estimated net of tax) and an estimate of those to be deferred from the 2024 annual bonus



## Directors' Remuneration Report continued

Salary	Annual bonus (APP)	Long-term incentive	Pension	All employee shares	Share ownership	Benefits
<b>Comparison with Executive Director remuneration</b>						
<p>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.</p> <p>The CEO received a 4% increase in line with the wider UK population.</p> <p>The CFO received a 9% increase: 4% in line with the wider workforce and an additional 5% reflective of additional IT &amp; Digital responsibilities.</p>	<p>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.</p> <p>One-third of annual bonus payments for Executive Directors are subject to a three-year deferral into awards over Reckitt shares.</p> <p>We have malus and clawback and other safeguards in place to manage any potential risk that may arise from the use of the APP.</p>	<p>Executive Directors' LTIP grants comprise performance share options and performance share awards (based on a fixed number), which for the 2025 awards will vest subject to the achievement of LFL NR, ROCE, relative TSR and Sustainability performance targets.</p> <p>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.</p>	<p>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.</p> <p>They are eligible to take this as a cash alternative.</p>	<p>Executive Directors are eligible to participate in the all-employee Sharesave Scheme on the same basis as all employees.</p>	<p>The Executive Directors have shareholding requirements of 200,000 shares for the CEO and 100,000 for the CFO, one of the highest requirements in the UK market. These are equivalent to 869% and 629% of salary<sup>1</sup>, respectively.</p> <p>Executive Directors are additionally subject to a post-employment shareholding requirement which is enforced through restrictions put in place by our share plan administrator.</p> <p>The table on page 119 sets out the progress of the Executive Directors towards their shareholding requirements.</p>	<p>Executive Directors receive benefits which consist primarily of the provision of a Company car/ allowance, risk insurances and healthcare.</p> <p>In addition, Executive Directors are eligible for the benefits available to the wider workforce in their local market.</p>

<sup>1</sup> Based on the average closing share price in Q4 2024 of £47.81

## 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 65% 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 2024 is

Median <b>-9.1%</b>	Mean <b>0.6%</b>
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#### The gender pay gap in the UK as at 5 April 2023 is

Median <b>-10.6%</b>	Mean <b>3.7%</b>
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Further data and information on the initiatives Reckitt is taking on diversity and inclusion are set out in our 2024 Sustainability 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.

CEO	Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
	2024	Option A	1:138	1:104	1:60
	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.

In calculating the ratio we have used Option A, in line with shareholder guidelines. The employees used in the calculations were selected on 25 February 2025 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 2024 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 2024:

	25th percentile (£)	Median pay (£)	75th percentile (£)
Total employee pay and benefits	42,086	55,921	97,354
Salary component	35,079	37,885	80,630

In addition, Note 5 to the Financial Statements sets out the total employment costs and average number of employees globally, during 2024. Based on these, the average global pay during 2024 was £57,282 and consequently the pay ratio between the CEO and average global employee was 1:101.

## Directors' Remuneration Report continued

### Implementation of Directors' Remuneration Policy in 2025

#### Salary

As set out earlier in the report, the CEO will receive an increase aligned to wider UK workforce at 4%. For the CFO, the salary increase will be a 9% increase (inclusive of the workforce aligned increase of 4%) to reflect the increased scope and responsibilities of her expanded role, which now includes responsibility for IT & Digital. This is no longer a separate GEC role and instead the function reports to the CFO. As part of this, the CFO will now play a critical role in delivering the Group's strategy by building a data-driven, digitally enabled Business, and has responsibility for a significantly larger number of people. The CEO's salary for 2025 is £1,144,000 and the CFO's is £828,000. There was no increase to base salary for either Executive in 2024.

#### 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.

#### 2025 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 2025 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 2024 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.

For the 2025 APP the Committee's assessment of performance in the round will also include consideration of performance in relation to the execution and delivery of the refreshed strategy. The Committee will use its judgement to assess performance against the strategy (including the shareholder and wider stakeholder experience in the year) and may make a downwards or upwards adjustment to reflect this. This additional assessment and potential adjustment will also apply to the rest of the senior management team covering c.450 employees. In line with the approach every year, the Committee will also consider broader performance in the round.

We have not disclosed the performance target ranges for 2025 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 2025.

### 2025 LTIP awards

#### Award levels

Within the limits of the existing Policy, there will be a modest increase in the LTIP award levels for 2025. The award levels for the CEO will be set at 87,500 performance shares and 175,000 performance share options (previously 75,000 and 150,000 respectively), with the CFO's award set at 42,500 performance shares and 85,000 performance share options (previously 40,000 and 80,000 respectively). This takes into account the context of our refreshed strategy, the global talent markets in which we operate, and our remuneration principles including our long standing pay positioning philosophy.

#### Performance conditions

The LTIP performance metrics and their associated weightings have been reviewed in the year and the Committee is of the view that the current overall balance of measures remains appropriate and aligned to our strategy and culture. Whilst our wider Sustainability strategy and our commitment to achieving net zero by 2040 remains unchanged, we are proposing to enhance our commitment to reducing Scope 3 carbon emissions through a simplification to the Sustainability measure in the LTIP. Therefore, the metrics and weightings have changed slightly from the 2024 LTIP awards and are as follows:

- LFL NR growth (40% weighting)
- ROCE (25% weighting)
- Relative TSR (25% weighting)
- % NR from more sustainable products (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 2025 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 2.5% per annum growth increasing to full vesting for achieving 5.5% per annum growth.

Directors' Remuneration Report continued

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 17.5% increasing to full vesting for achieving 19.5%.

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 is that, for 2025 LTIP awards, JDE Peet's, Lindt, and Mondelēz will be removed from the peer group. These companies are not constituents of the MSCI World Household & Personal Products index and it is considered that their portfolios overlap less closely with Reckitt's.

Therefore, the peer group for the 2025 LTIP awards comprises 18 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. 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 2025 LTIP award is set out below:

Beiersdorf	Estée Lauder	L'Oréal
Church & Dwight	Haleon	Nestlé
Clorox	Henkel	Procter & Gamble
Colgate Palmolive	Kao	Shiseido
Danone	Kenvue	Unicharm
Essity	Kimberly-Clark	Unilever

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.

Sustainability

Sustainability measures were introduced from the 2022 LTIP to align participants with, and incentivise delivery of, our 2030 Sustainability Ambitions. As stated earlier in the report, the Sustainability measure for the 2025 LTIP award will be based on % NR from more sustainable products, which includes over 60% of our Scope 3 carbon emissions. The Sustainability 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.

Percentage of net revenue from more sustainable products 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 Sustainable Innovation Calculator. 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 34.9% of NR from more sustainable products in 2024 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 2027.

Summary of 2025 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)
<b>LFL NR growth (3-year CAGR)</b> (40% weighting)	2.5%	5.5%
<b>ROCE (final year) on a constant foreign exchange basis</b> (25% weighting)	17.5%	19.5%
<b>Relative TSR</b> (25% weighting)	Median	Upper quartile
<b>Sustainability: % of NR from more sustainable products (final year)</b> (10% weighting)	43%	46%

In line with normal market practice and our historic approach, for material acquisitions and divestments during the performance period the Committee intends to adjust the APP and LTIP targets, in line with shareholder expectations, to ensure that participants are no better or worse off.



## 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 2023/24 comparison, and similarly for previous year comparisons.

	2023/24			2022/23			2021/22			2020/21			2019/20		
	Salary/fee	Benefits	Bonus	Salary/fee	Benefits	Bonus	Salary/fee	Benefits	Bonus	Salary/fee	Benefits	Bonus	Salary/fee	Benefits	Bonus
All UK employees <sup>1</sup>	5.6%	8.9% <sup>2</sup>	-23.3%	6.5%	1.6% <sup>2</sup>	6.1%	4.1%	2.1% <sup>2</sup>	15.6%	5.9%	6.2% <sup>2</sup>	-8.9%	4.5%	1.5% <sup>2</sup>	505.4%
Sir Jeremy Darroch (Chair of the Board) <sup>3</sup>	234.4%	–	–	516.2%	–	–	–	–	–	–	–	–	–	–	–
Olivier Bohuon <sup>4</sup>	-46.0%	–	–	23.2%	–	–	2.6%	–	–	–	–	–	–	–	–
Andrew Bonfield <sup>5</sup>	22.9%	–	–	-0.7%	–	–	6.2%	–	–	2.4%	–	–	4.1%	–	–
Jeff Carr (former CFO) <sup>6</sup>	-75.0%	-74.7%	-80.3%	5.4%	0.4%	-13.5%	3.0%	0.4%	12.8%	41.5%	37.3%	29.3%	–	–	–
Fiona Dawson <sup>7</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Shannon Eisenhardt (CFO)	380.0%	24.1%	278.4%	–	–	–	–	–	–	–	–	–	–	–	–
Mary Harris <sup>8</sup>	3.3%	–	–	-1.6%	–	–	-3.8%	–	–	2.0%	–	–	14.4%	–	–
Marybeth Hays <sup>9</sup>	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Tamara Ingram	16.2%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Mehmood Khan <sup>8</sup>	14.8%	–	–	3.4%	–	–	2.6%	–	–	2.7%	–	–	4.7%	–	–
Pam Kirby <sup>4</sup>	-64.3%	–	–	2.6%	–	–	2.0%	–	–	2.0%	–	–	7.3%	–	–
Kris Licht (CEO)	91.3%	130.4%	65.2%	–	–	–	–	–	–	–	–	–	–	–	–
Chris Sinclair <sup>4</sup>	-65.1%	–	–	5.3%	–	–	10.0%	–	–	3.6%	–	–	10%	–	–
Alan Stewart <sup>4</sup>	-64.1%	–	–	17.2%	–	–	–	–	–	–	–	–	–	–	–
Elane Stock <sup>8</sup>	17.5%	–	–	3.4%	–	–	2.6%	–	–	2.7%	–	–	4.7%	–	–
Margherita Della Valle	6.6%	–	–	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 2020/21, 2021/22, 2022/23 and 2023/24. 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 Sir Jeremy Darroch became Chair of the Board following the AGM in May 2024

4 From May 2024, Pam Kirby, Chris Sinclair and Alan Stewart retired from the Board and Olivier Bohuon is no longer a member, following his death

5 Andrew Bonfield became Senior Independent Director following the AGM in May 2024

6 Jeff Carr stepped down as CFO and from the Board on 31 March 2024

7 Fiona Dawson joined the Board on 1 June 2024

8 Mary Harris, Mehmood Khan and Elane Stock had changes to their committee roles during 2024

9 Marybeth Hays joined the Board on 1 February 2024 and had a change to her committee role during 2024

## 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 2023 and 2024, along with the percentage change in both.

	2024 (£m)	2023 (£m)	% change 2023/24
Total shareholder distribution <sup>1</sup>	<b>2,709</b>	1,546	75.2%
Total employee expenditure <sup>2</sup>	<b>2,446</b>	2,569	-4.8%

1 Details of shareholder distribution are set out in Notes 24 and 28 to the Financial Statements and are made up of dividends of £1,381 million and share buybacks of £1,328 million

2 Details of employee expenditure are set out in Note 5 to the Financial Statements

### Payments to past Directors (audited)

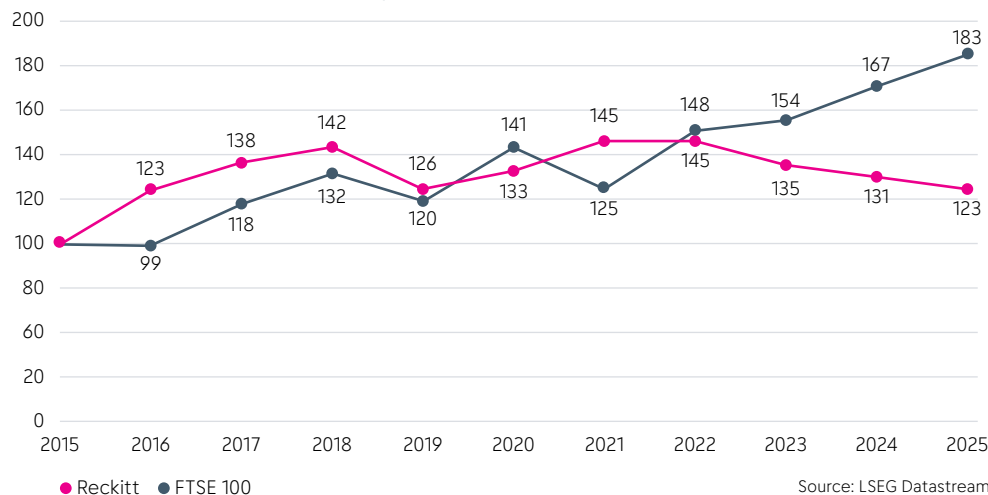
No other benefits or payments were delivered to former Directors in the year in excess of the minimum threshold of a pre-tax value of £15,000 set by the Remuneration Committee for this purpose.

### Performance graph

The graph below shows the TSR of the Company and the UK FTSE 100 Index over the period since 1 January 2015. This shows the growth in the value of a hypothetical holding of £100 invested on 31 December 2014. 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 2015

#### £ value of £100 invested at 1 January 2015



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)
2015				25,527	100%	80%
2016				15,289	0%	50%
2017				8,999	0%	50%
2018				14,314	84%	65%
2019			4,599 <sup>1</sup>	938	12% <sup>2</sup>	0% <sup>3</sup>
2020			8,434 <sup>1</sup>		100%	0% <sup>3</sup>
2021			5,967		91%	21.5%
2022		2,118	918		100% <sup>4</sup>	100% <sup>5</sup>
2023	3,407 <sup>6</sup>	5,260			82%	78% <sup>6,7</sup>
2024	5,807 <sup>6</sup>				65%	68% <sup>6</sup>

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

## Directors' Remuneration Report continued

### Single total figure of 2024 remuneration for NEDs and implementation for 2025 (audited)

The following NED fee policy will apply from 1 January 2025. The table also sets out the fees that were in place for the year ended 31 December 2024.

	2025 fees		2024 fees	
	Cash fee (£)	Fee delivered in Reckitt shares (£)	Cash fee (£)	Fee delivered in Reckitt shares (£)
<b>Base fees</b>				
Chair of the Board	532,500	177,500	510,000	170,000
Non-Executive Director	86,250	28,750	82,500	27,500
<b>Additional fees</b>				
Chair of Committee	40,000	–	35,000	–
Member of Committee	22,500	–	20,000	–
Designated Non-Executive Director for Engagement with Company's Workforce	22,500	–	20,000	–
Senior Independent Director	40,000	–	35,000	–

The fee for the Chair of the Board has been increased to £710,000, an increase of 4%. The basic NED fee will increase to £115,000, which is broadly in line with the wider workforce. The proportion delivered in Reckitt shares continues to be 25% of the base fee, being £177,500 for the Chair and £28,750 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 2024 and the prior year:

	2024 fees			2023 fees		
	Cash (£)	Shares (£)	Total (£)	Cash (£)	Shares (£)	Total (£)
Sir Jeremy Darroch <sup>1</sup>	385,833	122,500	508,333	126,500	25,500	152,000
Andrew Bonfield <sup>2</sup>	140,833	27,500	168,333	111,500	25,500	137,000
Fiona Dawson <sup>3</sup>	59,792	13,750	73,542	–	–	–
Mary Harris <sup>4</sup>	119,167	27,500	146,667	116,500	25,500	142,000
Marybeth Hays <sup>4,5</sup>	103,016	25,208	128,224	–	–	–
Tamara Ingram	102,500	27,500	130,000	88,458	23,375	111,833
Mehmood Khan <sup>4</sup>	112,500	27,500	140,000	96,500	25,500	122,000
Elane Stock <sup>4</sup>	115,833	27,500	143,333	96,500	25,500	122,000
Margherita Della Valle	102,500	27,500	130,000	96,500	25,500	122,000
Olivier Bohuon <sup>6</sup>	78,542	–	78,542	119,833	25,500	145,333
Pam Kirby <sup>6</sup>	46,830	9,167	55,997	131,500	25,500	157,000
Chris Sinclair <sup>6</sup>	173,696	56,667	230,363	495,000	165,000	660,000
Alan Stewart <sup>6</sup>	40,018	9,167	49,185	111,500	25,500	137,000

<sup>1</sup> Sir Jeremy Darroch became Chair of the Board following the AGM in May 2024. The change in fee is reflected

<sup>2</sup> Andrew Bonfield became Senior Independent Director following the AGM in May 2024. The change in fee is reflected

<sup>3</sup> Fiona Dawson joined the Board on 1 June 2024. Fees shown for 2022 are paid from this date

<sup>4</sup> Elane Stock, Mary Harris, Mehmood Khan and Marybeth Hays had changes to their committee roles during the year which is reflected in their fee above

<sup>5</sup> Marybeth Hays joined the Board on 1 February 2024. Fees shown are paid from this date

<sup>6</sup> Chris Sinclair, Pam Kirby, Alan Stewart and Olivier Bohuon were members of the Board until May 2024

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 2024 AGM

The following table shows the results of the voting on the 2023 Directors' Remuneration Report at the 2024 AGM and 2022 Directors' Remuneration Policy at the 2023 AGM:

	Votes for	For %	Votes against	Against %	Total	Votes withheld
Approve the 2023 Directors' Remuneration Report	505,228,167	94%	29,722,171	6%	534,950,338	8,796,621
Approve the Directors' Remuneration Policy	493,637,970	92%	45,472,574	8%	539,110,544	3,364,148

For 2025, as stated earlier in the report, we will be submitting our Directors' Remuneration Policy for approval at the AGM on 8 May 2025, in line with the normal three-year lifecycle. As part of the Policy renewal, the Remuneration Committee has engaged with shareholders and shareholder advisory bodies over the past year and have had engagement with approximately 40% of Reckitt's ownership as well as the key proxy advisors. The vast majority of shareholders that we engaged with were supportive of the proposals and noted that there is no significant change.

### 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:

	Date of appointment	Length of service as of 31 December 2024	
		Years	Months
Sir Jeremy Darroch	1 November 2022	2	2
Andrew Bonfield	1 July 2018	6	6
Mary Harris	10 February 2015	9	11
Tamara Ingram	1 February 2023	1	11
Mehmood Khan	1 July 2018	6	6
Elane Stock	1 September 2018	6	4
Margherita Della Valle	1 July 2020	4	6
Marybeth Hays	1 February 2024	0	11
Fiona Dawson	1 June 2024	0	7

The CEO and CFO service contracts contain a 12-month notice period. 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](http://www.remunerationconsultantsgroup.com). During 2024, 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 £412,150 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<sup>1</sup> and buyout awards (audited)

	Grant date	Award at grant date	Granted during the year	Dividend equivalents accrued from grant date <sup>2</sup>	Exercised/ vested during the year	Lapsed during the year	At 31 December 2024	Option price (£)	Market price at date of award (£)	Market price at date of exercise/ vesting (£)	Exercise/vesting period
<b>Kris Licht</b>											
Performance-based share options	01.05.2020	50,000	–	–	–	–	50,000	65.2	–	–	May 2023–May 2030
	28.05.2021	50,000	–	–	–	11,000	39,000	64.67	–	–	May 2024–May 2031
	20.05.2022	80,000	–	–	–	–	80,000	63.32	–	–	May 2025–May 2032
	21.03.2023	80,000	–	–	–	–	80,000	58.28	–	–	Mar 2026–Mar 2033
	06.03.2024	–	150,000	–	–	–	150,000	50.9	–	–	Mar 2027–Mar 2034
Performance-based share awards	28.05.2021	25,000	–	–	19,500	5,500	–	–	63.68	44.69	May–2024
	20.05.2022	40,000	–	3,533	–	–	43,533	–	62.42	–	May–2025
	21.03.2023	40,000	–	3,048	–	–	43,048	–	59.18	–	Mar–2026
	06.03.2024	–	75,000	3,306	–	–	78,306	–	50.14	–	Mar–2027
<b>Shannon Eisenhardt</b>											
Performance-based share options	26.10.2023	58,905	–	–	–	–	58,905	58.87	–	–	Mar 2026–Oct 2033
	06.03.2024	–	80,000	–	–	–	80,000	50.9	–	–	Mar 2027–Mar 2034
Performance-based share awards	26.10.2023	29,453	–	1,298	–	–	30,751	–	55.94	–	Mar–2026
	06.03.2024	–	40,000	1,763	–	–	41,763	–	50.14	–	Mar–2027
Buyout awards	26.10.2023	2,782	–	122	2,904	–	–	–	55.94	47.23	Dec–2024
Buyout awards	26.10.2023	3,526	–	92	–	3,618	–	–	55.94	–	Aug–2024
Buyout awards	26.10.2023	5,248	–	231	–	–	5,479	–	55.94	–	Aug–2025

<sup>1</sup> 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

<sup>2</sup> Dividend equivalents accrue on performance shares during the vesting period from the 2022 LTIP awards onwards and vest subject to the same performance conditions

## Directors' Remuneration Report continued

### Directors' interests in shares in the Deferred Bonus Plan<sup>1</sup> (audited)

1 January 2024										
	Grant date	Award at grant date	Granted during the year	Vested during the year (including dividend equivalents) <sup>2</sup>	Lapsed during the year	At 31 December 2024	Option price (£)	Market price at date of award (£)	Market price at date of vesting (£)	Vesting period
<b>Kris Licht</b>										
Deferred Bonus Plan	25.03.21	8,059	–	8,778	–	–	–	64.22	43.52	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
Deferred Bonus Plan	21.03.24	–	18,295	–	–	18,295	–	43.00	–	Mar 2027
<b>Shannon Eisenhardt</b>										
Deferred Bonus Plan	21.03.24	–	3,359	–	–	3,359	–	43.00	–	Mar 2027

<sup>1</sup> One-third of the annual bonus is delivered in the form of conditional share awards which are deferred for three years

<sup>2</sup> 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.

1 January 2024										
Sharesave Scheme	Grant date	At 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	At 31 December 2024	Option price (£)	Market price at exercise (£)	Exercise period	
Kris Licht	26.03.2024	–	780	–	–	780	40.49	–	May 2029–Oct 2029	
Shannon Eisenhardt	26.03.2024	–	780	–	–	780	40.49	–	May 2029–Oct 2029	

There have been no changes to the Directors' interests as set out in the above tables between 31 December 2024 and 5 March 2025.

## 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 5 March 2025 had the following beneficial interests in the ordinary shares of the Company:

	5 March 2025	31 December 2024	31 December 2023
Sir Jeremy Darroch	1,663	<b>1,663</b>	234
Andrew Bonfield	1,427	<b>1,427</b>	1,121
Fiona Dawson <sup>1</sup>	298	<b>298</b>	–
Shannon Eisenhardt <sup>2</sup>	3,071	<b>3,071</b>	1,471
Mary Harris	3,597	<b>3,597</b>	3,262
Marybeth Hays <sup>3</sup>	290	<b>290</b>	–
Tamara Ingram	565	<b>565</b>	215
Mehmood Khan	1,418	<b>1,418</b>	1,083
Kris Licht	40,822	<b>40,822</b>	25,995
Elane Stock	4,717	<b>4,717</b>	2,992
Margherita Della Valle	1,058	<b>1,058</b>	738
Olivier Bohuon <sup>4</sup>	–	<b>1,149</b>	1,149
Jeff Carr <sup>5</sup>	–	<b>51,069</b>	51,069
Pam Kirby <sup>6</sup>	–	<b>5,462</b>	5,462
Chris Sinclair <sup>7</sup>	–	<b>14,322</b>	14,322
Alan Stewart <sup>8</sup>	–	<b>427</b>	427

1 Fiona Dawson joined the Board on 1 June 2024

2 Shannon Eisenhardt joined the Board on 17 October 2023 and became CFO in March 2024 following Jeff Carr's retirement

3 Marybeth Hays joined the Board on 1 February 2024

4 From 5 May 2024, following his death, Olivier Bohuon is no longer a member of the Board and his interest in shares is shown up to this date

5 Jeff Carr stepped down from the Board on 31 March 2024 and his interest in shares is shown up to this date

6 Pam Kirby stepped down from the Board on 2 May 2024 and her interest in shares is shown up to this date

7 Chris Sinclair stepped down from the Board on 2 May 2024 and his interest in shares is shown up to this date

8 Alan Stewart stepped down from the Board on 2 May 2024 and his interest in shares is shown up to this date

No person who was a Director (or a Director's connected person) on 31 December 2024 and at 5 March 2025 had any notifiable share interests in any subsidiary

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.

### Mary Harris

#### Chair of the Remuneration Committee

#### Reckitt Benckiser Group plc

5 March 2025

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 2024. Certain matters required to be included in this Directors' Report are included in the Strategic Report on pages 1-57, 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 58-138 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:

Section	Pages
Acquisitions and disposals	196
Awards under employee share schemes and long-term incentive schemes	194-195
Corporate Governance Report	58-138
Statement of Directors' Responsibilities, including disclosure of information to the Auditor	138
Disclosure of Greenhouse Gas (GHG) emissions	38; 46-51
Employment policy and employee involvement	8-9
Engagement with employees, suppliers, customers and others	74-77
Environmental, social and governance (ESG) matters	38; 45-51
Financial Instruments and Financial Risk Management	179-185
Future developments in the business	1-57
Post Balance Sheet events	196 and 204
Research and development activities	10-15
Shareholder information	228-231
Sustainability and corporate responsibility	38; 45-51
Viability Statement	57
Charitable donations	48-50
Subsidiary undertakings (including overseas branches)	205-217

Information on the Board's stakeholder engagement and activities can be found on pages 74-77 and further information is also set out in the Section 172 Statement, which can be found on page 78.

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 155. The profit for the year attributable to equity shareholders of the Company amounted to £1,426 million.

The Directors resolved to pay an interim dividend of 80.4 pence per ordinary share (2023: 76.6 pence), which was paid to shareholders on 13 September 2024.

The Directors recommend a final dividend for the year of 121.7 pence per share (2023: 115.9 pence) which, together with the interim dividend, makes a total dividend for the year of 202.1 pence per share (2023: 192.5 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 29 May 2025 to shareholders on the register at the close of business on 11 April 2025.

## Directors

Details of the Company's Directors who served during the financial year ended 31 December 2024 and details of Directors appointed during 2025 can be found on pages 60 to 62.

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 Mary Harris, all Directors will offer themselves for election or re-election at the 2025 AGM in compliance with the Code. Details of the Directors standing for election or re-election can be found in the 2025 Notice of AGM.

Information on the service agreements of Executive Directors can be found in the Directors' Remuneration Report on pages 96-133. 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 Companies Act 2006 (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/investors/corporate-governance](http://www.reckitt.com/investors/corporate-governance) 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



## Report of the Directors continued

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 2024 at the Company's expense.

### Directors' interests

A statement of Directors' interests in the share capital of the Company is shown on page 133 of the Directors' Remuneration Report. Details of Executive Directors' options to subscribe for shares in the Company are included on pages 131-132 in the audited part of the Directors' Remuneration Report.

During the year, no Director 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 128-133. 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 2024.

### Share capital

As at 31 December 2024, the Company's issued share capital consisted of 736,535,179 ordinary shares of 10 pence each of which 686,622,825 carried voting rights and 49,912,354 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 2024 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 the 2025 AGM.

At the 2025 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 2026, 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 2024 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 the forthcoming AGM.

On 24 July 2024, the Company announced, consistent with its capital allocation framework, a £1 billion share buyback programme to be carried out over 12 months (the 2024 Programme). On 26 July 2024, the Company announced the commencement of the first tranche of the 2024 Programme to return up to £250 million to shareholders, which completed on 1 October 2024. On 24 September 2024, the Company announced the second tranche of the 2024 Programme to return up to £250 million to shareholders, which completed on 10 December 2024. On 9 December 2024, the Company announced the commencement of the third and final tranche of the 2024 Programme to return up to £500 million to shareholders, which commenced on 12 December 2024 and will end on or before 30 June 2025.

During the financial year ended 31 December 2024, the Company purchased in aggregate 28,488,957 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 2024 was £1,328 million. A further 3,010,976 shares have been repurchased between 1 January 2025 and 3 March 2025 at a cost of £154 million.

As at the last practicable date 52,435,986 ordinary shares held in treasury (representing 7.66% 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 2025 AGM, the Directors will seek to renew the authority granted to them under section 701 of CA 2006 to repurchase shares in the market. Such authority, if approved, will be limited to a maximum of 68,400,000 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

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 characteristic. Employment applications are considered on the basis of aptitude and ability, and fair consideration is given to all applications.

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 manner throughout their careers, whether that means accessing training, learning and development opportunities or career progression. Further details of our Inclusion and Anti-Harassment Policies can be found at [www.reckitt.com/our-company/policies-reports](http://www.reckitt.com/our-company/policies-reports) and on pages 8 and 9.

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.

Reckitt's Leadership Behaviours are critical enablers of our success. At Reckitt, we Own, Create, Deliver and Care. These behaviours are for everyone in the organisation and are part of our annual Performance Development Reviews. We create an inclusive environment for employees to act with integrity, responsibility and consistency in line with our Purpose, Compass and ambitions as a business as set out on page 8.

### 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 around 13,000 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 25 on pages 194–195 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 2025.

### Financial instruments and risk

The financial risk management objectives and policies of the Group are set out in Note 15, from page 179 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.

### Substantial shareholdings

As at 31 December 2024, 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 <sup>1</sup>	Indirect	5.00%
Morgan Stanley Investment Management Limited	20 October 2022 <sup>2</sup>	Direct	4.99%

1 Under a section 793 CA 2006 request, Massachusetts Financial Services Company confirmed on 11 February 2025 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 5 February 2025 that its aggregate holding had decreased. The voting percentage was not disclosed

As at 5 March 2025, the Company has not received any further notifications under DTR 5 of the Disclosure Guidance and Transparency Rules.

### 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 2025, will be proposed at the forthcoming AGM.

### 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 58-138. The Board has received an update in relation to the changes to the Code following the publication of the UK Corporate Governance Code 2024 and intends to be compliant with all the new relevant provisions within the timeframes indicated. The Board has carried out an evaluation of the changes required in the reporting requirements.

### Annual General Meeting (AGM)

The forthcoming AGM of Reckitt Benckiser Group plc will be held on Thursday 8 May 2025 at 14:00 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](http://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

5 March 2025

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
- 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
- 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 60-62 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
- The Annual Report and Financial Statements includes 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 and Parent's Auditor is unaware
- 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 Auditor is 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

5 March 2025



# 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 2024, and of the Group's profit for the year then ended;
- The Group Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards;
- The Parent Company 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 2024 (FY24) 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 Statement of Changes in Equity, Group Cash Flow Statement and Notes 1 to 31 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 FY23 audit, and considering developments affecting the Group since then, we have updated our risk assessment.

The risk of impairment associated with the Biofreeze CGU was assessed to be less quantitatively significant to the financial statements than in prior periods and is therefore no longer assessed to be a Key Audit Matter.

The risk associated with the accounting for the forward purchase of shares held by the non-controlling interest of "RB Manon" has also decreased, due to it being a significant unusual transaction in FY23.

We have not observed a material change in the level of risk relating 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.

Key Audit Matters	VS FY23	Item
Recoverability of IFCN CGU's goodwill and indefinite life intangible assets	↔	4.1
Revenue recognition in relation to trade spend arrangements and associated accruals	↔	4.2
Potential liabilities arising from the US litigation concerning Necrotizing Enterocolitis (NEC)	↔	4.3
Provisions for uncertain tax positions	↔	4.4
Potential liabilities arising from the amendment to the South Korean Humidifier Sanitiser (HS) law	↔	4.5
Recoverability of the Parent Company's investment in Reckitt Benckiser Limited	↔	4.6

#### Audit Committee interaction

During the year, the Audit Committee met four times. KPMG are invited to 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 4, including matters that required particular judgement for each.

The matters included in the Audit Committee Chair's report on page 86 are materially consistent with our observations of those meetings.

Independent Auditor’s Report continued

2 Overview of our audit continued

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 FY24 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 seven financial years ended 31 December 2024.

The group engagement partner is required to rotate every five years. As these are the third set of the Group’s financial statements signed by Andrew Bradshaw, he will be required to rotate off after the audit of the financial statements for the year ending 31 December 2026.

The average tenure of component engagement partners reporting is 3 years, with the shortest being 1 year and the longest being 6 years.

Total audit fee	£19.7m
Audit related fees (including interim review)	£0.9m
Other services	£3.6m
Non-audit fee as a percentage of total audit and audit related fee	17.5%
Date first appointed	3 May 2018
Uninterrupted audit tenure	7 years
Next financial period which requires a tender	2028
Tenure of group engagement partner	3 years
Average tenure of component signing partners	3 years

Materiality

(Item 6 below)

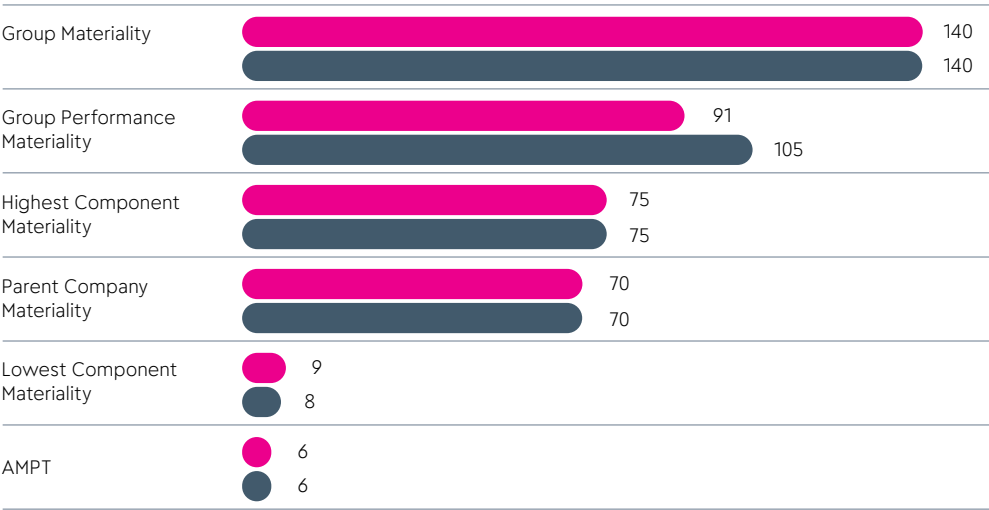
The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group Financial Statements as a whole at £140m (FY23: £140m) and for the Parent Company Financial Statements as a whole at £70m (FY23: £70m).

Consistent with FY23, we determined that group normalised profit before tax from continuing operations (‘PBTCO’) remains the benchmark for the Group. As such, we based our Group materiality on normalised PBTCO of £3,081m (FY23: £3,130m), of which it represents 4.5% (FY23: 4.5%).

Materiality for the Parent Company Financial Statements was determined with reference to a benchmark of Parent Company total assets of which it represents 0.45% (FY23: 0.46%).

Materiality levels used in our audit



 FY24 £m  FY23 £m

## Independent Auditor's Report continued

### 2 Overview of our audit continued

#### Group scope

(Item 7 below)

We have performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group Financial Statements, what audit procedures to perform 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. We scoped the audit by obtaining an understanding of the Group and its environment, and assessing the risk of material misstatement in each financial statement caption, at both the Group and component level.

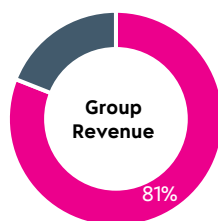
Based on this assessment, we performed audit procedures at 52 of the Group's 363 identified components across 25 countries.

The components within the scope of our work accounted for the percentages illustrated below.

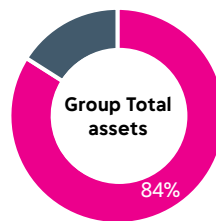
In addition, for the remaining components for which we performed no audit procedures, we performed analysis at an aggregated group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

Our audit procedures covered 80.7% of Group revenue:



We performed audit procedures in relation to components that accounted for the following percentages:



#### 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 38 and in the Sustainability Performance Review on page 45.

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 2024.

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 reports in order to independently assess the climate-related risks and their potential impact.

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 pages 218-222 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.
- Potential adverse financial outcomes from the ongoing NEC litigation.

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.

We assessed the completeness and accuracy of the going concern disclosure in Note 1 to the Group and Parent Company's 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 accounting 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 same statement under the UK Listing Rules 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 Risk Management on page 66 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 57 under the UK 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.

##### 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.



## Independent Auditor's Report continued

### 4 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.

#### 4.1 Recoverability of the goodwill and indefinite life intangible assets relating to the IFCN CGU (Group)

##### Financial Statement Elements

	FY24	FY23
Goodwill and indefinite life intangible assets (IFCN CGU)	<b>£4,472m</b>	£5,104m
Impairment charge (IFCN CGU)	<b>£696m</b>	£810m

##### Our assessment of risk vs FY23

We have not identified any significant change to the level of risk relating to the recoverability of the goodwill and indefinite life intangible assets relating to the IFCN CGU.



##### Our results

**FY24: acceptable**

FY23: 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 cash generating unit ("IFCN CGU") is assessed using value in use which is based on forecast financial information within a discounted cash flow model ("the Model").

Key assumptions in the Model include forecast financial performance, in particular net revenue in North America, the discount rate, gross margin (including the impact of expected capital expenditure) as well as external factors impacting forecast category growth.

In the current year the Group recognised an impairment charge against goodwill relating to the IFCN CGU of £696m (FY23: £810m), reflecting significantly increased forecast capital expenditure requirements combined with higher uncertainty in margin growth assumption and FDA 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 transactions.

##### Our response to the risk

**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 Model with reference to historic performance and external market data relating to projected growth for the relevant categories.

We benchmarked margin and other costs assumptions against historical achievement, external cost inflation growth forecasts and our assessment of the likely impact of expected capital expenditure, leveraging the experience of KPMG supply chain consultants.

**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.

Independent Auditor’s Report continued

4 Key Audit Matters continued

4.1 Recoverability of the goodwill and indefinite life intangible assets relating to the IFCN CGU (Group) continued

Description of the Key Audit Matter continued

Our response to the risk continued

**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 Model. We assessed whether the premium applied to the discount rate was appropriate considering the inherent forecasting uncertainty, particularly in relation to expected capital expenditure. We also used implied earnings multiples to benchmark the recoverable amount of the IFCN CGU using implied earnings multiples to comparable companies and historic transactions within the industry.

**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’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, gross margin, and discount rate.

Areas of particular auditor judgement

We identified the following as the 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, and discount rate, fell within our acceptable range.

Our results

We found the carrying value of goodwill and indefinite life intangible asset balances relating to the IFCN CGU and the related impairment charge of £696m to be acceptable (FY23 result: the Group’s conclusion that there was an impairment of the goodwill and intangible assets to the IFCN CGU of £810m to be acceptable).

Further information in the Annual Report and accounts: See the Audit Committee Report on page 90 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 90 for the accounting policy on recoverability of goodwill and indefinite life intangible assets and Note 9 for the financial disclosures.

4.2 Revenue recognition in relation to trade spend arrangements and associated accruals (Group)

Financial Statement Elements

	FY24	FY23
Trade spend accruals	£1,074m	£1,125m

Our assessment of risk vs FY23

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 FY23.



Our results

FY24: acceptable
FY23: 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. There is a risk that inappropriate judgements in multiple markets may, in aggregate, lead to a material misstatement of 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.

## Independent Auditor's Report continued

### 4 Key Audit Matters continued

#### 4.2 Revenue recognition in relation to trade spend arrangements and associated accruals (Group) continued

##### Our response to the risk

Our procedures performed across 29 components to address the risk included:

**Accounting policies:** We critically assessed the appropriateness of the Group's accounting policies relating to trade spend against the 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, 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 material misstatement due to fraud and error. For a sample of these trade spend accruals, our component teams:

- 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 and implementation 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, use of unpredictable procedures and the extent of our control reliance.
- Our assessment of findings from our component team's procedures, including the historical comparisons of FY23 accruals and whether those indicated material errors, and whether the FY24 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 a net 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 (FY23 result: acceptable).

Further information in the Annual Report and accounts: See the Audit Committee Report on page 90 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 161 for the accounting policy on revenue recognition in relation to trade spend arrangements and associated accruals, and Note 1 for the financial disclosures.

#### 4.3 Contingent liabilities arising from the US litigation concerning Necrotizing Enterocolitis (NEC) (Group)

##### Financial statements disclosure in Note 20

##### Our assessment of risk vs FY23

We have not identified any significant changes to the level of risk relating to contingent liabilities arising from the US litigation concerning Necrotizing Enterocolitis compared to FY23. ↔

##### Our results

**FY24: acceptable**

FY23: acceptable

Independent Auditor’s Report continued

4 Key Audit Matters continued

4.3 Contingent liabilities arising from the US litigation concerning Necrotizing Enterocolitis (NEC) (Group) continued

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.

In FY24, there was one court ruling against the Group and another in their favour. Due to the uncertainty of the remaining cases, significant judgement - that could be subject to potential management bias - is required to determine whether potential economic outflows are both probable and can be reliably estimated.

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 legal counsel:** We inquired as to the progress of the litigation 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 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 in Note 20, particularly the uncertainties relating to the amount and timing of any resulting outflow.

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 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;
- Our conclusions on the appropriateness of the Group’s methodology and accounting policies; and
- 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 likelihood, amount and timing of any resulting outflows.

Our results

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 (FY23 result: acceptable)


Further information in the Annual Report and accounts: See the Audit Committee Report on page 90 for details on how the Audit Committee considered contingent liabilities arising from the NEC litigation in the United States as an area of significant attention, page 187 for the accounting policy on contingent liabilities arising from NEC litigation in the United States, and Note 1 for the financial disclosures.

4.4 Provisions for uncertain tax positions (Group)

Financial Statement Elements

	FY24	FY23
Uncertain tax positions	£595m	£619m

Our assessment of risk vs FY23

We have not identified any significant changes to our assessment of the level of risk relating to provisions for uncertain tax positions compared to FY23. 

Our results

<b>FY24: acceptable</b>
FY23: acceptable



## Independent Auditor's Report continued

### 4 Key Audit Matters continued

#### 4.4 Provisions for uncertain tax positions (Group) continued

##### 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 certain expenditure; and
- Permanent establishment risk.

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.

##### 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; and
- 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 (FY23 result: acceptable).

Further information in the Annual Report and accounts: See the Audit Committee Report on page 90 for details on how the Audit Committee considered provisions for uncertain tax positions as an area of significant attention, page 166 for the accounting policy on uncertain tax positions and Note 22 for the financial disclosures.

#### 4.5 Contingent liabilities arising from the amendment to the South Korean Humidifier Sanitiser (HS) Law (Group)

##### Financial statements disclosure in Note 20

##### Our assessment of risk vs FY23

We have not identified any significant changes to the level of risk relating to contingent liabilities arising from the South Korean Humidifier Sanitiser (HS) Law compared to FY23.



##### Our results

**FY24: acceptable**

FY23: acceptable

Independent Auditor’s Report continued

4 Key Audit Matters continued

4.5 Contingent liabilities arising from the amendment to the South Korean Humidifier Sanitiser (HS) Law (Group) continued

Description of the Key Audit Matter

The risk: dispute outcome

The Group is involved in an ongoing litigation relating to the HS issue 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 of the law amendment, additional judgement is needed to assess whether there could be further levy payments, which would require a provision.

The amounts involved 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 legal counsel:** We inquired of the Group’s internal and external counsel to obtain an understanding of developments, the progress of litigation and the likelihood of reaching a broader resolution. We requested and received formal correspondence directly from the Group’s external counsel 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 HS matter in Note 20, particularly the uncertainties relating to the amount and timing of any resulting outflow.

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 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 the HS issue in South Korea;
- Our conclusions on the appropriateness of the Group’s methodology and accounting policies; and
- 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 outflows.

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 (FY23 result: acceptable).


Further information in the Annual Report and accounts: See the Audit Committee Report on page 90 for details on how the Audit Committee considered contingent liabilities arising from the amendment to the South Korean HS law as an area of significant attention, page 187 for the accounting policy on contingent liabilities arising from the amendment to the South Korean HS law, and Note 20 for the financial disclosures.

4.6 Recoverability of the parent company’s investment in the subsidiary, Reckitt Benckiser Limited (Parent Company)

Financial statements disclosure in Note 2 to the Parent Company Financial Statements

	FY24	FY23
Parent company investment	£15,248m	£15,174m

Our assessment of risk vs FY23

We have not identified any significant changes to our assessment of the level of risk relating to recoverability of the Parent Company’s investment compared to FY23 

Our results

**FY24: acceptable**

FY23: acceptable

## Independent Auditor's Report continued

### 4 Key Audit Matters continued

#### 4.6 Recoverability of the parent company's investment in the subsidiary, Reckitt Benckiser Limited (Parent Company) continued

##### 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 97.9% (FY23: 98.7%) 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.

##### Areas of particular auditor judgement

We identified no areas of particular auditor judgement in relation to this key audit matter.

##### Our results

We found the Parent Company's conclusion that there is no impairment of its investment in the subsidiary to be acceptable (FY23 result: acceptable).

Further information in the Annual Report and accounts: See the Audit Committee Report on page 90 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 164 for the accounting policy on recoverability of the Parent Company's investment in the subsidiary, Reckitt Benckiser Limited, and Note 2 for the financial disclosures.

### 5 Our ability to detect irregularities, and our response

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 professionals to assist us in identifying fraud risks based on their experience of comparable businesses, similar sectors, as well as of the geographies in which the Group operates. Our forensic professionals 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;
- Reading minutes of meetings of the Board, Audit Committee, Executive Committee, Corporate Responsibility, Sustainability, Ethics and Compliance Committees, and Annual General meeting; and
- 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 inspection of reports to the Group's whistleblowing hotline and the responses to those reports, including those concerning investigations.

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 auditor to component auditors of relevant fraud risks identified at the group level and requesting component auditors performing procedures at component level to report to the group auditor any identified fraud risk factors or identified or suspected instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, and taking into account possible pressures to meet performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We also performed procedures to address management bias. In particular:

- The risk that group and component management could make inappropriate accounting entries;
- For trade spend arrangements and other associated accruals that may be manipulated to alter the timing of recognition of revenue and profit;
- The risk of bias when making accounting estimates and judgements, including the recoverable amount of the IFCN CGU reflecting possible pressures to realise value from significant transactions and litigations (contingent liability disclosure).

Further detail on our procedures is set out in the Key Audit Matter disclosures, section 4 of this report.

For all components within scope, we identified 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 accruals.

## Independent Auditor's Report continued

### 5 Our ability to detect irregularities, and our response continued

#### 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, through discussion 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 auditor to all component auditors of relevant laws and regulations identified at the group level, and a request for component auditors to report to the Group auditor 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. Firstly, 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) and 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

Secondly, 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;
- 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 in section 4 of this report.

#### Actual or suspected breaches discussed with audit committee

We discussed with the Audit Committee other matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.



## Independent Auditor's Report continued

### 5 Our ability to detect irregularities, and our response continued

#### 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.

### 6 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

(FY23: £140m)

##### Materiality for the GROUP 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 Financial Statements as a whole was set at £140m (2023: £140m). This was determined with reference to a benchmark of group normalised profit before tax from continuing operations ('PBTCO').

Consistent with FY23, we determined that Group normalised PBTCO remains the main benchmark for the Group. We normalised by adding back adjustments that do not represent the normal, continuing operations of the Group. The items we adjusted for were the impairment of goodwill, the impact of one-off costs relating to the restructuring programme, 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 2024, totalling £1,019 million net (FY23: £695 million). As such, we based our Group materiality on Group normalised PBTCO of £3,123m (FY23: £3,096m).

Our group materiality of £140m was determined by applying a percentage to group normalised PBTCO. When using a benchmark of normalised PBTCO to determine overall materiality, KPMG's approach for listed entities considers a guideline range of 3% - 5% of the measure. In setting group materiality, we applied a percentage of 4.5% (FY23: 4.5%) to the benchmark.

Materiality for the Parent Company Financial Statements as a whole was set at £70m (FY23: £70m), determined with reference to a benchmark of parent company total assets of which it represents 0.45% (FY23: 0.46%).

#### £91m

(FY23: £105m)

##### 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 65% (FY23: 75%) of materiality for Reckitt Benckiser Group's financial statements as a whole to be appropriate. We applied this percentage in our determination of performance materiality based on our understanding of the control environment.

The Parent Company performance materiality was set at £52.5m (FY23: £52m), which equates to 75% (FY23: 75%) of materiality for the Parent Company financial statements as a whole.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

#### £6m

(FY23: £6m)

##### 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 the Company's Audit Committee.

## Independent Auditor's Report continued

### 6 Our determination of materiality continued

Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 4.3% (FY23: 4.3%) of our materiality for the Group 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 Financial Statements of £140m (FY23: £140m) compares as follows to the main financial statement caption amounts:

	Total Group Revenue		Group profit before tax		Total Group Assets	
	FY24	FY23	FY24	FY23	FY24	FY23
Financial statement Caption	<b>£14,169m</b>	£14,607m	<b>£2,104m</b>	£2,401m	<b>£25,307m</b>	£27,136m
Group Materiality as percentage of caption	<b>1.0%</b>	1.0%	<b>6.7%</b>	6.2%	<b>0.6%</b>	0.5%

### 7 The scope of our audit

#### Group scope

##### What we mean

How the group auditor determined the procedures to be performed across the Group.

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level), and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group Financial Statements and which procedures to perform at these components to address those risks.

In total, we identified 363 components based on our evaluation of the Group's operational structure, the Group's legal structure, the existence of common risk profiles across entities, the presence of key audit matters and other audit specific factors, and our ability to perform audit procedures centrally.

We identified quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Additionally, having considered qualitative and quantitative factors, we selected additional components with accounts and disclosures contributing to the specific RMMs of the Group Financial Statements.

The below summarises where we performed audit procedures:

Component type	Number of components where we performed audit procedures	Range of materiality applied
Quantitatively significant components	1	£52m
Other components where we performed further audit procedures	51	£9m - £75m
Total	52	

We involved component auditors in performing the audit work on 49 components. We performed audit procedures on the items excluded from the normalised group profit before tax used as the benchmark for our materiality. We set the component materialities having regard to the mix of size and risk profile of the components across the Group. We also performed the audit of the Parent Company.

Our audit procedures covered 81% of Group net revenue. We performed audit procedures in relation to components that accounted for 76% of group profit before tax and 84% of group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 1.3% of group total revenue, group profit before tax or group total assets. We performed analysis at an aggregated group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

The group auditor has also performed audit procedures on the following areas on behalf of the component auditors:

- Testing of IT Systems;
- Exceptional items such as impairment (note that component auditors perform work over local redundancies); and
- Testing of revenue recorded through a common service provider.

IT systems and parts 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 auditor. The group auditor communicated the results of these procedures to the component auditors where relevant.

## Independent Auditor's Report continued

### 7 The scope of our audit continued

#### Group scope continued

##### Impact of controls on our group audit

During the audit we identified three global Enterprise Resource Planning ('ERP') finance IT systems that were relevant to our audit which are used by all the components in the Group and are all managed centrally from the UK. We used our IT auditors to assist us in assessing the design and operating effectiveness of the general IT controls of two of these global IT systems covering the majority of components in scope (by number). For these systems, having performed additional procedures to respond to deficiencies identified, we were able to adopt a control reliance approach. We also tested the design and operating effectiveness of IT general controls of related IT systems, infrastructure layers and utility tools, including an IT system which covers manual journals, all of which we were also able to rely on. However, given the decentralised nature of the Group's overall control environment and the limited number of automated controls in key transactional areas, this had a limited impact on our audit approach.

We did not seek to rely on general IT controls on the other identified IT system owing to our knowledge of the control environment and the limited number of components which use this system.

The Group has a decentralised control environment and is on a controls transformation journey, (as noted on pages 91-92 of the Audit Committee report) which includes the refinement of the Group's control framework and moving controls to shared service centres. As a result of this and considering the most efficient and effective approach for gaining the appropriate audit evidence, we did not seek to rely on manual transactional controls. We took a predominantly substantive approach in all areas of the audit and accordingly increased the extent of our substantive procedures.

#### Group auditor oversight

##### What we mean

The extent of the Group auditor's involvement in work performed by component auditors.

As part of establishing the overall group audit strategy and plan, we conducted the risk assessment and planning discussion meeting with component auditors to discuss group audit risks relevant to the components, including the key audit matter in respect of revenue recognition in relation to trade spend arrangements and associated accruals.

We physically visited component auditors in 22 countries in November and December 2024 to attend management balance sheet reviews ahead of the year end (2023: 21). We also attended three meetings virtually.

We had regular two-way contact with our component auditors throughout the year, including issuing instructions to them on the scope of their work, risk assessment challenge and clearance meetings at the planning, interim and final phases of the audit.

We also inspected the work performed by the component auditors for the purpose of the group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on revenue, trade spend accruals, cash and journals.

### 8 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.

## Independent Auditor's Report continued

### 8 Other information in the annual report continued

#### 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;
- 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 UK 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;
- 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;
- 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.

### 9 Respective responsibilities

#### Directors' responsibilities

As explained more fully in their statement set out on page 138, 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](http://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.

### 10 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  
5 March 2025



## Group Income Statement

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
<b>Continuing Operations</b>			
<b>Net revenue</b>	2	<b>14,169</b>	14,607
Cost of sales		<b>(5,574)</b>	(5,847)
Gross profit		<b>8,595</b>	8,760
Impairment of intangible assets		<b>(839)</b>	(810)
Other operating expenses		<b>(5,331)</b>	(5,419)
Net operating expenses	3	<b>(6,170)</b>	(6,229)
<b>Operating profit</b>	2	<b>2,425</b>	2,531
Finance income	6	<b>81</b>	210
Finance expense	6	<b>(402)</b>	(340)
<b>Profit before income tax</b>		<b>2,104</b>	2,401
Income tax charge	7	<b>(672)</b>	(753)
<b>Net profit from continuing operations</b>		<b>1,432</b>	1,648
<b>Net (loss)/profit from discontinued operations</b>		<b>(4)</b>	9
<b>Net profit</b>		<b>1,428</b>	1,657
Attributable to non-controlling interests		<b>2</b>	14
Attributable to owners of the Parent Company		<b>1,426</b>	1,643
<b>Net profit</b>		<b>1,428</b>	1,657
<b>Basic earnings/(loss) per ordinary share</b>			
From continuing operations (pence)	8	<b>204.2</b>	227.9
From discontinued operations (pence)	8	<b>(0.6)</b>	1.3
From total operations (pence)	8	<b>203.6</b>	229.2
<b>Diluted earnings/(loss) per ordinary share</b>			
From continuing operations (pence)	8	<b>203.8</b>	227.4
From discontinued operations (pence)	8	<b>(0.6)</b>	1.3
From total operations (pence)	8	<b>203.2</b>	228.7

## Group Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Net profit		<b>1,428</b>	1,657
<b>Other comprehensive income/(expense)</b>			
<i>Items that have or may be reclassified to the Income Statement in subsequent years</i>			
Net exchange (loss) on foreign currency translation, net of tax	7, 26	<b>(442)</b>	(639)
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	7, 26	<b>(11)</b>	(131)
Gains on net investment hedges, net of tax	7, 26	<b>85</b>	42
Fair value gains/(losses) on cash flow hedges, net of tax	7, 26	<b>9</b>	(16)
Reclassification of cash flow hedges to the Income Statement	7, 26	<b>29</b>	(23)
		<b>(330)</b>	(767)
<i>Items that will not be reclassified to the Income Statement in subsequent years</i>			
Remeasurements of defined benefit pension plans, net of tax	7	<b>(13)</b>	(26)
Revaluation of equity instruments – FVOCI, net of tax	7	<b>(28)</b>	(10)
		<b>(41)</b>	(36)
<b>Other comprehensive expense, net of tax</b>		<b>(371)</b>	(803)
<b>Total comprehensive income</b>		<b>1,057</b>	854
Attributable to non-controlling interests		<b>2</b>	13
Attributable to owners of the Parent Company		<b>1,055</b>	841
<b>Total comprehensive income</b>		<b>1,057</b>	854
<b>Total comprehensive income attributable to owners of the Parent Company arising from:</b>			
Continuing operations		<b>1,059</b>	832
Discontinued operations		<b>(4)</b>	9
		<b>1,055</b>	841

## Group Balance Sheet

As at 31 December 2024

	Note	2024 £m	2023 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill and other intangible assets	9	17,565	18,588
Property, plant and equipment	10	2,385	2,399
Equity instruments	11	108	118
Deferred tax assets	12	243	287
Retirement benefit surplus	23	269	270
Other non-current receivables	14	130	172
<b>Total non-current assets</b>		<b>20,700</b>	21,834
<b>Current assets</b>			
Inventories	13	1,517	1,637
Trade and other receivables	14	2,091	2,062
Derivative financial instruments	15, 17	61	64
Current tax recoverable		45	80
Cash and cash equivalents	16	880	1,387
Assets held for sale		4	72
<b>Total current assets</b>		<b>4,598</b>	5,302
<b>Total assets</b>		<b>25,298</b>	27,136
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term borrowings	17	(1,423)	(1,679)
Provisions for liabilities and charges	18	(112)	(142)
Trade and other payables	21	(5,291)	(5,506)
Derivative financial instruments	15, 17	(38)	(78)
Share repurchase liability	24	(477)	(296)
Current tax liabilities	22	(602)	(620)
Liabilities held for sale		–	(17)
<b>Total current liabilities</b>		<b>(7,943)</b>	(8,338)

	Note	2024 £m	2023 £m
<b>Non-current liabilities</b>			
Long-term borrowings	17	(7,235)	(6,858)
Deferred tax liabilities	12	(2,849)	(2,899)
Retirement benefit obligations	23	(235)	(233)
Provisions for liabilities and charges	18	(62)	(57)
Derivative financial instruments	15, 17	(173)	(187)
Non-current tax liabilities	22	–	(28)
Other non-current liabilities	21	(81)	(67)
<b>Total non-current liabilities</b>		<b>(10,635)</b>	(10,329)
<b>Total liabilities</b>		<b>(18,578)</b>	(18,667)
<b>Net assets</b>		<b>6,720</b>	8,469
<b>Equity</b>			
<b>Capital and reserves</b>			
Share capital	24	74	74
Share premium		254	254
Merger reserve		(14,229)	(14,229)
Other reserves	26	(1,390)	(1,060)
Retained earnings		21,990	23,409
Attributable to owners of the Parent Company		6,699	8,448
Attributable to non-controlling interests		21	21
<b>Total equity</b>		<b>6,720</b>	8,469

The accompanying notes form part of these Financial Statements. The Financial Statements on pages 155 to 196 were approved by the Board of Directors and signed on its behalf on 5 March 2025 by:

**Sir Jeremy Darroch**  
Director  
Reckitt Benckiser Group plc

**Kris Licht**  
Director  
Reckitt Benckiser Group plc

## Group Statement of Changes in Equity

For the year ended 31 December 2024

	Note	Share capital £m	Share premium £m	Merger reserves <sup>1</sup> £m	Other reserves <sup>2</sup> £m	Retained earnings £m	Total attributable to owners of the Parent Company £m	Non-controlling interests £m	Total equity £m
<b>Balance at 1 January 2023</b>		<b>74</b>	<b>254</b>	<b>(14,229)</b>	<b>(294)</b>	<b>23,638</b>	<b>9,443</b>	<b>40</b>	<b>9,483</b>
<b>Comprehensive income</b>									
Net profit		–	–	–	–	1,643	1,643	14	1,657
Other comprehensive income/(expense)		–	–	–	(766)	(36)	(802)	(1)	(803)
<b>Total comprehensive income/(expense)</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(766)</b>	<b>1,607</b>	<b>841</b>	<b>13</b>	<b>854</b>
<b>Transactions with owners</b>									
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)
<b>Total transactions with owners</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1,836)</b>	<b>(1,836)</b>	<b>(32)</b>	<b>(1,868)</b>
<b>Balance at 31 December 2023</b>		<b>74</b>	<b>254</b>	<b>(14,229)</b>	<b>(1,060)</b>	<b>23,409</b>	<b>8,448</b>	<b>21</b>	<b>8,469</b>
<b>Comprehensive income</b>									
Net profit		–	–	–	–	1,426	1,426	2	1,428
Other comprehensive income/(expense)		–	–	–	(330)	(41)	(371)	–	(371)
<b>Total comprehensive income/(expense)</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(330)</b>	<b>1,385</b>	<b>1,055</b>	<b>2</b>	<b>1,057</b>
<b>Transactions with owners</b>									
Treasury shares reissued	24	–	–	–	–	3	3	–	3
Purchase of ordinary shares by employee share ownership trust		–	–	–	–	(2)	(2)	–	(2)
Repurchase of ordinary shares	24	–	–	–	–	(1,509)	(1,509)	–	(1,509)
Share-based payments	25	–	–	–	–	85	85	–	85
Cash dividends	28	–	–	–	–	(1,381)	(1,381)	(2)	(1,383)
<b>Total transactions with owners</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2,804)</b>	<b>(2,804)</b>	<b>(2)</b>	<b>(2,806)</b>
<b>Balance at 31 December 2024</b>		<b>74</b>	<b>254</b>	<b>(14,229)</b>	<b>(1,390)</b>	<b>21,990</b>	<b>6,699</b>	<b>21</b>	<b>6,720</b>

<sup>1</sup> 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

<sup>2</sup> Refer to Note 26 for an explanation of other reserves

## Group Cash Flow Statement

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
<b>Cash Flows from Operating Activities</b>			
Profit before tax		<b>2,104</b>	2,401
Net finance expense	6	<b>321</b>	130
Operating profit from continuing operations		<b>2,425</b>	2,531
Loss/(profit) on sale of property, plant and equipment and intangible assets		<b>3</b>	(34)
Depreciation, amortisation and impairment	9, 10	<b>1,308</b>	1,290
Share-based payments	25	<b>85</b>	102
Decrease in inventories		<b>61</b>	118
Increase in trade and other receivables		<b>(133)</b>	(87)
Decrease in payables and provisions		<b>(74)</b>	(91)
<b>Cash generated from continuing operations</b>		<b>3,675</b>	3,829
Interest paid		<b>(350)</b>	(293)
Interest received		<b>58</b>	30
Tax paid		<b>(700)</b>	(922)
Net cash flows attributable to discontinued operations	30	<b>(1)</b>	(8)
<b>Net cash generated from operating activities</b>		<b>2,682</b>	2,636
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	10	<b>(370)</b>	(348)
Purchase of intangible assets	9	<b>(95)</b>	(101)
Proceeds from the sale of property, plant and equipment		<b>14</b>	63
Proceeds from sale of intangible assets and related businesses, net of cash disposed		<b>57</b>	1
Acquisition of businesses, net of cash acquired	29	<b>–</b>	(81)
Other investing activities		<b>(2)</b>	–
<b>Net cash used in investing activities</b>		<b>(396)</b>	(466)

	Note	2024 £m	2023 £m
<b>Cash Flows from Financing Activities</b>			
Treasury shares reissued	24	<b>3</b>	48
Purchase of ordinary shares by employee share ownership trust		<b>(3)</b>	(2)
Repurchase of ordinary shares	24	<b>(1,328)</b>	(207)
Proceeds from borrowings	17	<b>1,768</b>	1,638
Repayment of borrowings	17	<b>(1,687)</b>	(1,855)
Dividends paid to owners of the Parent Company	28	<b>(1,381)</b>	(1,339)
Dividends paid to non-controlling interests		<b>(2)</b>	(8)
Acquisition of non-controlling interest		<b>(38)</b>	–
Other financing activities <sup>1</sup>		<b>(47)</b>	(84)
<b>Net cash used in financing activities</b>		<b>(2,715)</b>	(1,809)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(429)</b>	361
Cash and cash equivalents at beginning of the year		<b>1,380</b>	1,156
Exchange losses		<b>(72)</b>	(137)
<b>Cash and cash equivalents at end of the year</b>		<b>879</b>	1,380
Cash and cash equivalents comprise:			
Cash and cash equivalents per the Balance Sheet <sup>2</sup>	16	<b>880</b>	1,387
Overdrafts	17	<b>(1)</b>	(7)
		<b>879</b>	1,380

<sup>1</sup> 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

<sup>2</sup> Included within cash and cash equivalents is £120 million of cash (2023: £229 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 consolidated Financial Statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

#### Basis of preparation

These consolidated 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 consolidated 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 accounting standard amendments were adopted by the Group on 1 January 2024. They have not had a significant impact on the consolidated Financial Statements.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

The Group has supplier finance arrangements. Adoption of the amendments to IAS 7 and IFRS 7 has resulted in the Group providing disclosures about these arrangements in Note 15 to the consolidated Financial Statements.

Certain changes to IFRS will be applicable to the Group financial statements in future years, but are not expected to have a material effect on the reported net revenue, profit or equity in the financial statements. Changes include the proposed IFRS 18, which is expected to change certain aspects of the Group's reporting of the profit and loss account, balance sheet, cash flow statement, and certain notes to the accounts. The requirements of IFRS 18 are expected to be implemented with effect from 1 January 2027, with retrospective application.

### 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 for at least 12 months from the date of approval of the Financial Statements.

At 31 December 2024, the Group had cash and cash equivalents (excluding restricted cash) of £0.8 billion. The Group also had access to committed borrowing facilities of £4.45 billion, of which £124 million (2023: £nil) was drawn at year end and of which £3.5 billion (31 December 2023: £4.5 billion) expire after more than two years. Further detail is contained within the Viability Statement on page 57 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, particularly in relation to impairment testing of intangible assets. These factors have not had a significant effect on the Group's critical accounting estimates and judgements made with respect to the current year.

### 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.

## Notes to the Financial Statements continued

### 1 Accounting Policies continued

#### Foreign currency translation continued

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 is 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.

#### 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.

## Notes to the Financial Statements continued

### 1 Accounting Policies continued

#### 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 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.

#### 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 is 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.

## Notes to the Financial Statements continued

### 1 Accounting Policies continued

#### Goodwill and other intangible assets continued

##### (iv) Distribution rights

Payments made in respect of product registration and 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 a 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 annually, and adjusted if necessary. 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.

#### Leases

The Group has various lease arrangements for buildings (such as offices and warehouses), cars, and IT equipment. Lease terms are negotiated on an individual basis locally and subject to local 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 at the termination of the lease.

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 are remeasured when required to account for revised future payments.



## Notes to the Financial Statements continued

### 1 Accounting Policies continued

#### 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) and discounted to present value. 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 net selling price less applicable selling expenses.

#### Trade and other receivables

Trade and other receivables are initially recognised at the fair value of consideration plus 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 less 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.

#### 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.

## Notes to the Financial Statements continued

### 1 Accounting Policies continued

#### 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 venture 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 equity 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.

#### Employee share schemes

Incentives in the form of shares are provided to employees under equity-settled share option and restricted share plans, 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 within other finance income/other finance expense.

## Notes to the Financial Statements continued

### 1 Accounting Policies continued

#### Post-retirement benefits other than pensions

Some Group companies provide post-retirement medical care and other benefits 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 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.

### 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 determined that the Essential Home business should not be classified as held for sale as at 31 December 2024, given the significant level of pre-sale activity remaining to be completed before the Essential Home business could be considered to be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such disposal groups;
- 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 life intangible assets in relation to the Infant Feeding and Child Nutrition (IFCN) cash generating unit and Biofreeze 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.

## Notes to the Financial Statements continued

### 1 Accounting Policies continued

#### Key sources of estimation uncertainty continued

##### 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 or credit 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 2024 are £595 million (2023: £619 million) (Note 22).

##### 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 2024, the Group recognised total accruals of £1,074 million (2023: £1,125 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% (2023: 13%) 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 2024, adjustments to trade spend accruals as at 31 December 2023, due to changes in accounting estimates, resulted in a credit to net revenue of £77 million (2023: £132 million credit to net revenue).

##### 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 2024, the Group recognised legal provisions of £112 million (2023: £137 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.



## Notes to the Financial Statements continued

### 2 Operating Segments continued

The segment information for the operating segments for the year ended 31 December 2024 and 31 December 2023 is as follows:

Year ended 31 December 2024	Hygiene £m	Health £m	Nutrition £m	Adjusting items £m	Total £m
Net revenue	6,140	5,882	2,147	–	14,169
Depreciation and amortisation (Note 9 & 10)	(159)	(189)	(88)	(25)	(461)
Operating profit	1,375	1,699	401	(1,050)	2,425
Net finance expense					(321)
Profit before income tax					2,104
Income tax charge					(672)
Net profit from continuing operations					1,432

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	(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

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 2024 a £696 million impairment of IFCN intangible assets, £142 million impairment of Biofreeze intangible assets, restructuring and other project costs of £167 million linked to the group strategic announcements in 2024, is included on page 226.

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:

2024	UK £m	US £m	All other countries £m	Total £m
Net revenue	886	4,183	9,100	14,169
Goodwill and other intangible assets	1,911	8,980	6,674	17,565
Property, plant and equipment	283	788	1,314	2,385
Other non-current receivables (excluding derivative financial instruments)	6	19	88	113

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

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 (2023: no individual more than 10% of revenue).

### 3 Analysis of Net Operating Expenses

	2024 £m	2023 £m
Distribution costs <sup>1</sup>	(3,537)	(3,703)
Research and development costs	(325)	(337)
Other administrative expenses <sup>2</sup>	(1,474)	(1,382)
Impairment of intangible assets <sup>3</sup>	(839)	(810)
Other net operating income	5	3
Net operating expenses	(6,170)	(6,229)

<sup>1</sup> Included in distribution costs is an amount of £2,162 million (2023: £2,193 million) relating to marketing costs

<sup>2</sup> Other administrative expenses includes a net foreign exchange loss of £13 million (2023: loss of £6 million) and £167 million (2023: £nil) of restructuring expenses

<sup>3</sup> Impairment of intangible assets includes £838 million relating to the IFCN and Biofreeze businesses (2023: £810 million goodwill impairment relating to the IFCN business). Further details can be found in Note 9

## Notes to the Financial Statements continued

### 4 Auditor Remuneration

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's Auditor and its associates:

	2024 £m	2023 £m
Audit services pursuant to legislation		
Audit of the Group's Annual Report and Financial Statements	8.0	8.9
Audit of the Financial Statements of the Group's subsidiaries	11.7	10.5
Audit-related assurance services	0.9	0.9
<b>Total audit and audit-related services</b>	<b>20.6</b>	<b>20.3</b>
Fees payable to the Company's Auditor and its associates for other services		
Other assurance services	3.6	0.4
<b>Total non-audit services</b>	<b>3.6</b>	<b>0.4</b>
	<b>24.2</b>	<b>20.7</b>

### 5 Employee Costs

Total employee costs, including those for Directors, were:

	Note	2024 £m	2023 £m
Wages and salaries		2,026	2,126
Social security costs		272	281
Other pension costs	23	63	60
Share-based payments	25	85	102
<b>Total staff costs</b>		<b>2,446</b>	<b>2,569</b>

Executive and Non-Executive Directors' aggregate emoluments are disclosed on pages 96-133 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:

	2024 £m	2023 £m
Short-term employee benefits	26	31
Post-employment and other long-term benefits	–	–
Share-based payments	22	22
	<b>48</b>	<b>53</b>

### Staff numbers

The monthly average number of people employed by the Group, including Directors, during the year was:

	2024 '000	2023 '000
North America	5.0	5.2
Europe/ANZ	14.1	14.2
Rest of world	18.8	20.7
	<b>37.9</b>	<b>40.1</b>

### 6 Net Finance Expense

	2024 £m	2023 £m
<b>Finance income</b>		
Foreign exchange net gain on liquidation of subsidiaries	–	130
Interest income on cash and cash equivalents	53	41
Pension net finance income	5	8
Finance income on tax balances	15	–
Foreign exchange gains on intercompany financing, net of hedging	–	21
Other finance income	8	10
<b>Total finance income</b>	<b>81</b>	<b>210</b>
<b>Finance expense</b>		
Interest payable on borrowings	(363)	(295)
Finance expense on tax balances	–	(22)
Forward purchase agreement interest expense	(17)	–
Interest payable on leases	(13)	(14)
Other finance expense	(9)	(9)
<b>Total finance expense</b>	<b>(402)</b>	<b>(340)</b>
<b>Net finance expense</b>	<b>(321)</b>	<b>(130)</b>

In 2023, 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.

## Notes to the Financial Statements continued

### 7 Income Tax Expense

	2024 £m	2023 £m
Current tax	747	783
Adjustment in respect of prior periods	(47)	22
Total current tax	700	805
Origination and reversal of temporary differences	(30)	(51)
Impact of changes in tax rates	2	(1)
Total deferred tax	(28)	(52)
<b>Income tax charge</b>	<b>672</b>	<b>753</b>

Current tax includes tax incurred by UK entities of £97 million (2023: £108 million). This is comprised of UK corporation tax of £62 million (2023: £63 million) and overseas tax suffered of £35 million (2023: £45 million). UK current tax is calculated at 25% (2023: 23.5%) 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 £700 million (2023: £922 million). The variance from the current year tax charge of £747 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 and refunds received from taxing authorities in respect of previous periods.

Origination and reversal of temporary differences includes adjustments in respect of prior periods of £36 million expense (2023: £11 million expense).

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:

	2024 £m	2023 £m
<b>Continuing operations</b>		
Profit before income tax	2,104	2,401
Tax at the notional UK corporation tax rate of 25% (2023: 23.5%)	526	564
Effect of:		
Overseas tax rates	8	43
Movement in provision related to uncertain tax positions (note 22)	(143)	(50)
Net impact of divestments and assets reclassified to held for sale	(3)	(6)
Unrecognised tax losses, other unrecognised tax assets and deferred tax liability on unremitted earnings	36	(34)
Withholding and local taxes	30	30
Reassessment of prior year estimates	(11)	33
Impact of changes in tax rates	2	(1)
Non-taxable foreign exchange gain arising from legal entity simplification (Note 6)	–	(31)
Non-deductible impairment of goodwill	174	190
Other permanent differences	53	15
<b>Income tax charge</b>	<b>672</b>	<b>753</b>

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 took 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 Company recorded a Pillar Two current tax expense of £1 million for 2024.

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.

## Notes to the Financial Statements continued

### 7 Income Tax Expense continued

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. 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 and 2024 impact of non-deductible goodwill impairment is attributable to IFCN.

UK deferred tax assets and liabilities have been calculated based on the substantively enacted rate of 25% (2023: 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.

On 19 September 2024, the Court of Justice of the European Union annulled the European Commission's decision finding certain United Kingdom rules on the taxation of controlled foreign companies (CFCs) to be State Aid incompatible with the internal market and set aside the judgement of the General Court confirming that decision. The Group has therefore released the uncertain tax position in respect of this matter.

The tax credited /(charged) relating to components of other comprehensive income is as follows:

	2024			2023		
	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	(438)	(4)	(442)	(639)	–	(639)
Reclassification of foreign currency translation reserves on disposals or liquidation of foreign operations	(11)	–	(11)	(131)	–	(131)
Gains/(losses) on cash flow and net investment hedges	123	–	123	14	(11)	3
Remeasurement of defined benefit pension plans (Note 23)	(13)	–	(13)	(42)	16	(26)
Revaluation of equity instruments	(27)	(1)	(28)	(10)	–	(10)
Other comprehensive (expense)/income	(366)	(5)	(371)	(808)	5	(803)
Current tax		–			–	
Deferred tax (Note 12)		(5)			5	
		(5)			5	

The tax charged directly to the Statement of Changes in Equity during the year is as follows:

	2024 £m	2023 £m
Current tax	–	1
	–	1



## Notes to the Financial Statements continued

### 8 Earnings Per Share

	2024 pence	2023 pence
Basic earnings per share		
From continuing operations	<b>204.2</b>	227.9
From discontinued operations	<b>(0.6)</b>	1.3
<b>Total basic earnings per share</b>	<b>203.6</b>	229.2
Diluted earnings per share		
From continuing operations	<b>203.8</b>	227.4
From discontinued operations	<b>(0.6)</b>	1.3
<b>Total diluted earnings per share</b>	<b>203.2</b>	228.7

#### Basic

Basic earnings per share is calculated by dividing the net income attributable to owners of the Parent Company from continuing operations (2024: £1,430 million income, 2023: £1,634 million income) and discontinued operations (2024: £4 million expense; 2023: £9 million income) by the weighted average number of ordinary shares in issue during the year (2024: 700,386,007; 2023: 716,700,954).

#### 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 2024, there were 16,237,641 (2023: 15,150,221) 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.

	2024 average number of shares	2023 average number of shares
On a basic basis	<b>700,386,007</b>	716,700,954
Dilution for Executive Share Awards	<b>1,261,552</b>	1,368,088
Dilution for Employee Sharesave Scheme Options	<b>94,701</b>	214,492
On a diluted basis	<b>701,742,260</b>	718,283,534

### 9 Goodwill and Other Intangible Assets

	Brands £m	Goodwill £m	Software £m	Other £m	Total £m
<b>Cost</b>					
At 1 January 2023	14,525	11,036	653	278	26,492
Additions	–	–	101	–	101
Arising on business combinations	–	17	–	39	56
Disposals	(1)	–	–	–	(1)
Reclassifications	–	–	4	–	4
Reclassifications to held for sale	(124)	–	–	–	(124)
Exchange adjustments	(583)	(660)	(5)	(4)	(1,252)
<b>At 31 December 2023</b>	<b>13,817</b>	<b>10,393</b>	<b>753</b>	<b>313</b>	<b>25,276</b>
Additions	–	–	95	–	95
Arising on business combinations	–	2	1	–	3
Disposals	–	(8)	(5)	–	(13)
Reclassifications	5	(4)	–	(1)	–
Exchange adjustments	(118)	(40)	(10)	7	(161)
<b>At 31 December 2024</b>	<b>13,704</b>	<b>10,343</b>	<b>834</b>	<b>319</b>	<b>25,200</b>
<b>Accumulated amortisation and impairment</b>					
At 1 January 2023	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)
<b>At 31 December 2023</b>	<b>311</b>	<b>5,815</b>	<b>412</b>	<b>150</b>	<b>6,688</b>
Amortisation	21	–	79	8	108
Impairment <sup>1</sup>	143	696	–	–	839
Disposals	(1)	–	(1)	–	(2)
Exchange adjustments	(7)	11	(5)	3	2
<b>At 31 December 2024</b>	<b>467</b>	<b>6,522</b>	<b>485</b>	<b>161</b>	<b>7,635</b>
<b>Net book value</b>					
<b>At 31 December 2023</b>	<b>13,506</b>	<b>4,578</b>	<b>341</b>	<b>163</b>	<b>18,588</b>
<b>At 31 December 2024</b>	<b>13,237</b>	<b>3,821</b>	<b>349</b>	<b>158</b>	<b>17,565</b>

1. Includes impairment of IFCN and Biofreeze. See Annual Impairment Review section below

## Notes to the Financial Statements continued

### 9 Goodwill and Other Intangible Assets continued

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 £107 million (2023: £88 million).

The net book values of significant brand intangible assets acquired through business combinations are as follows:

Acquisition	Acquisition year	2024 £m	2023 £m
Mead Johnson Nutrition Company	2017	4,503	4,480
SSL International	2010	1,790	1,847
Boots Healthcare International	2006	1,363	1,405
Adams Respiratory Therapeutics	2008	1,230	1,210
Schiff Nutrition International	2012	1,050	1,032
L&F Household	1994	846	834
Lanai Holdings	2021	511	644
American Home Products Corporation	1990	440	439
Bristol-Myers Squibb OTC	2013	297	362
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	2024 £m	2023 £m
<b>Indefinite life assets</b>		
Brands	13,166	13,415
Goodwill	3,821	4,578
Other	115	107
<b>Total indefinite life assets</b>	<b>17,102</b>	<b>18,100</b>
<b>Finite life assets</b>		
Brands	71	91
Software	349	341
Other	43	56
<b>Total finite life assets</b>	<b>463</b>	<b>488</b>
<b>Total net book value of intangible assets</b>	<b>17,565</b>	<b>18,588</b>

### 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:

GCGU/CGU	2024		
	Indefinite life assets £m	Goodwill £m	Total £m
Health <sup>1</sup>	6,981	3,776	10,757
Hygiene	1,828	45	1,873
IFCN	4,472	–	4,472
	<b>13,281</b>	<b>3,821</b>	<b>17,102</b>
GCGU/CGU	2023		
	Indefinite life assets £m	Goodwill £m	Total £m
Health <sup>1</sup>	7,258	3,849	11,107
Hygiene	1,844	45	1,889
IFCN	4,420	684	5,104
	<b>13,522</b>	<b>4,578</b>	<b>18,100</b>

1 Indefinite lived intangible assets and goodwill for VMS, and goodwill for Biofreeze, were transferred to the Health GCGU in 2023

	2024 £m	2023 £m
<b>Indefinite life assets excluding goodwill</b>		
Intimate Wellness	2,083	2,143
Biofreeze	481	613

## Notes to the Financial Statements continued

### 9 Goodwill and Other Intangible Assets continued

#### 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 CGU, as at 31 December 2024 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 (2023: value-in-use basis) with key assumptions including a pre-tax discount rate of 9% for Health, Hygiene and Intimate Wellness (2023: 11% for Health, Hygiene and Intimate Wellness), and a terminal growth rate of either 2.5% for Health, Intimate Wellness and Biofreeze (2023: 2.5%), or 2% for Hygiene and IFCN (2023: 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.

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 and 2024. 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.

In 2023, as a result of these regulatory factors and to incorporate the effect of higher interest rates, management 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, and so management recorded an impairment loss against IFCN goodwill of £810 million.

During 2024, management further developed their response to the changing regulatory environment and to provide greater resilience to the supply network which now includes significantly more capital expenditure and the accelerated replacement of capital equipment. This capital investment programme over the next five years includes the delivery of replacement spray dryer capacity.

This resulted in the IFCN net book value exceeding its recoverable amount, therefore management has recorded an impairment loss against IFCN goodwill of £696 million to record the IFCN CGU at its recoverable amount of £3,890 million.

The recoverable amount for IFCN has been calculated on a value-in-use basis (2023: 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% (2023: 11%) and an IFCN specific terminal growth rate of 2.0% (2023: 2.0%).

The determination of the recoverable amount for IFCN at 31 December 2024 incorporates certain key 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, execution of the capital programme, ongoing resilience risk within the supply network, net revenue growth rates, the commercial success of new product launches and the expansion of speciality nutrition. The value in use does not include any possible net cash outflows in respect of current and future NEC litigation (note 20). As no headroom exists between the IFCN recoverable amount and net book value, any changes to these assumptions, 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:

	2024
Pre-tax discount rate	11%
Terminal growth rate	2.0%
Net revenue compound annual growth rate (CAGR) for the period 2024-2029 <sup>1</sup>	3.2%
Gross margin CAGR for the period 2024-2029 <sup>1</sup>	2.7%
	2023
Pre-tax discount rate	11.0%
Terminal growth rate	2.0%
Net revenue compound annual growth rate (CAGR) for the period 2023-2028 <sup>1,2</sup>	1.5%
Gross margin CAGR for the period 2023-2028 <sup>3</sup>	2.2%

<sup>1</sup> These have been determined on a constant FX basis

<sup>2</sup> The net revenue CAGR for the period 2024-2028 is circa 4%, following rebasing of Nutrition net revenue in 2024

<sup>3</sup> The gross margin CAGR for the period 2024-2028 is circa 5%

## Notes to the Financial Statements continued

### 9 Goodwill and Other Intangible Assets continued

#### IFCN continued

The key estimates incorporated within the determination of the IFCN recoverable amount are summarised below:

Key estimates	Commentary
Capital expenditure	A significant capital investment programme has commenced to meet regulatory requirements and to build greater resilience in the wider supply network.
Market	In the US, management expects birth rates to be relatively stable. Tendering for WIC contracts continues to be highly competitive but management expects this to remain stable.  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 3.2%. 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) decline marginally as the capital expenditure programme is delivered. In the long term these are expected to return to more normalised levels.
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. The specific risk premium reflects the risk associated with the delivery of the capital investment programme over the next five years and the continued impact of the evolving regulatory environment.
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.

	2024 £m
Expected net revenue growth rates (2025 to 2029) adjusted by 100bps	<b>+475/-460</b>
Expected EBIT growth rates (2025 to 2029) adjusted by 100bps	<b>+220/-215</b>
Terminal growth rate (applied from 2030) adjusted by 50bps	<b>+330/-280</b>
Pre-tax discount rate adjusted by 50bps	<b>+280/-250</b>

The inclusion of a further £200 million of capital expenditure in the value-in-use model, without any associated improvements in gross margin, would result in an additional impairment of £154 million.

	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	+220/-210
Terminal growth rate (applied from 2029) adjusted by 50bps	+290/-250
Pre-tax discount rate adjusted by 50bps	+270/-240

#### 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.

During 2024, Biofreeze performed below expectations following a reduction in the level of displays present in the category, competitive pressure from both private label and branded competitors as well as new entrants to the market. This resulted in Biofreeze net book value exceeding its recoverable amount at 31 December 2024, therefore management has recorded an impairment against the brand intangibles of £142 million (\$178 million) to record Biofreeze at its recoverable amount of £531 million (\$664 million). 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% (2023: 2.5%).

The determination of the recoverable amount for Biofreeze in the 2024 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.



## Notes to the Financial Statements continued

### 9 Goodwill and Other Intangible Assets continued

#### Biofreeze continued

The key assumptions used in the estimation of value-in-use of Biofreeze at 31 December 2024 are outlined below.

	31 December 2024
Pre-tax discount rate	11%
Terminal growth rate	2.5%
Net revenue compound annual growth rate (CAGR) for the period 2024-2029	8%
Gross margin CAGR for the period 2024-2029	8%

The key estimates incorporated within the determination of the Biofreeze recoverable amount in 2024 are summarised below:

Key estimates	Commentary
Net revenue	In the short to medium term, the valuation model assumes a five-year CAGR of 8%, 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.
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. For valuation purposes management used the mid-point of the calculated range to reflect uncertainty in certain key assumptions.
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 hence is theoretical in nature.

	31 December 2024 £m
Expected net revenue growth rates (2025 to 2029) adjusted by 100bps	+45/-40
Expected EBIT growth rates (2025-2029) adjusted by 100bps	+30/-25
Terminal growth rate (applied from 2030) adjusted by 50bps	+45/-40
Pre-tax discount rate adjusted by 50bps	+45/-40

### 10 Property, Plant and Equipment

	Land and buildings £m	Plant and equipment £m	Right of use assets £m	Assets under construction £m	Total £m
<b>Cost</b>					
At 1 January 2023	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)
<b>At 31 December 2023</b>	<b>1,463</b>	<b>2,530</b>	<b>567</b>	<b>329</b>	<b>4,889</b>
Additions	34	52	70	266	422
Disposals	(23)	(100)	(57)	–	(180)
Reclassifications (including held for sale)	66	196	–	(242)	20
Exchange adjustments	(35)	(63)	(16)	(5)	(119)
<b>At 31 December 2024</b>	<b>1,505</b>	<b>2,615</b>	<b>564</b>	<b>348</b>	<b>5,032</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2023	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)
<b>At 31 December 2023</b>	<b>595</b>	<b>1,628</b>	<b>263</b>	<b>4</b>	<b>2,490</b>
Charge for the year	66	202	85	–	353
Disposals	(13)	(91)	(42)	–	(146)
Impairment	3	3	–	2	8
Reclassifications (including held for sale)	(1)	8	–	2	9
Exchange adjustments	(16)	(42)	(9)	–	(67)
<b>At 31 December 2024</b>	<b>634</b>	<b>1,708</b>	<b>297</b>	<b>8</b>	<b>2,647</b>
<b>Net book value</b>					
<b>As at 31 December 2023</b>	<b>868</b>	<b>902</b>	<b>304</b>	<b>325</b>	<b>2,399</b>
<b>As at 31 December 2024</b>	<b>871</b>	<b>907</b>	<b>267</b>	<b>340</b>	<b>2,385</b>

## Notes to the Financial Statements continued

### 10 Property, Plant and Equipment continued

At 31 December 2024, the Group's right of use assets included land and buildings of £232 million (2023: £276 million) and other assets of £35 million (2023: £28 million). The depreciation charged on the right of use assets comprises £71 million (2023: £82 million) on the land and buildings and £14 million (2023: £14 million) on the other assets.

At 31 December 2024, the Group has commitments to purchase property, plant and equipment of £70 million (2023: £69 million).

### 11 Equity Instruments

	2024				2023			
	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	–	57	51	108	–	45	69	114
Investments in associates	–	–	–	–	4	–	–	4
	–	57	51	108	4	45	69	118

Equity investments at 31 December 2024 and 2023 is composed of a number of listed and unlisted equity investments in which the Group has a minority stake.

In 2024, equity investments includes investments of £57 million (2023: £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.

The Group also holds a number of individually immaterial investments in associates over which it exercises a significant influence. In 2024, there are no impairments and gains or losses associated with equity accounted investments that are less than £1 million.

### 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 2024	(60)	(3,121)	511	64	(6)	(2,612)
(Charged) / credited to the Income Statement	(18)	19	46	(13)	(6)	28
Credited/(charged) to other comprehensive income	–	–	(5)	–	–	(5)
Exchange differences	(5)	12	(18)	(6)	–	(17)
<b>At 31 December 2024</b>	<b>(83)</b>	<b>(3,090)</b>	<b>534</b>	<b>45</b>	<b>(12)</b>	<b>(2,606)</b>

2024	Accelerated capital allowances £m	Intangible assets £m	Short-term temporary differences £m	Tax losses £m	Retirement benefit obligations £m	Total £m
<b>Deferred tax assets</b>	<b>18</b>	<b>(27)</b>	<b>197</b>	<b>44</b>	<b>11</b>	<b>243</b>
<b>Deferred tax liabilities</b>	<b>(101)</b>	<b>(3,063)</b>	<b>337</b>	<b>1</b>	<b>(23)</b>	<b>(2,849)</b>
<b>Deferred tax</b>	<b>(83)</b>	<b>(3,090)</b>	<b>534</b>	<b>45</b>	<b>(12)</b>	<b>(2,606)</b>

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
<b>At 31 December 2023</b>	<b>(60)</b>	<b>(3,121)</b>	<b>511</b>	<b>64</b>	<b>(6)</b>	<b>(2,612)</b>

## Notes to the Financial Statements continued

### 12 Deferred Tax continued

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 assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority. Deferred tax on short-term temporary differences of £534 million (2023: £511 million) are comprised of accrued expenses deductible for tax on a cash basis of £362 million (2023: £404 million), other short-term temporary differences of £205 million (2023: £140 million) and net of deferred tax liabilities on unremitted earnings of £33 million (2023: £33 million).

#### Unrecognised deferred tax assets

Deferred tax assets on certain corporation tax losses and other short-term temporary differences totalling £4,738 million gross (2023: £4,734 million gross) have not been recognised at 31 December 2024 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 2024 is £7,405 million (2023: £7,833 million).

### 13 Inventories

	2024 £m	2023 £m
Raw materials and consumables	359	401
Work in progress	87	82
Finished goods and goods held for resale	1,071	1,154
<b>Total inventories</b>	<b>1,517</b>	1,637

The total cost of inventories recognised as an expense and included in cost of sales amounted to £5,324 million (2023: £5,577 million). This includes inventory write-offs and losses of £112 million (2023: £111 million).

The Group inventory provision at 31 December 2024 was £153 million (2023: £108 million).

### 14 Trade and Other Receivables

Amounts falling due within one year	Note	2024 £m	2023 £m
Trade receivables		1,783	1,741
Less: Provision for impairment of receivables		(33)	(36)
Trade receivables – net		1,750	1,705
Other receivables	14b	218	266
Prepayments and accrued income		123	91
Trade and other receivables		2,091	2,062

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Currency analysis	2024 £m	2023 £m
US dollar	616	575
Euro	283	302
Sterling	169	173
Brazilian real	142	170
Other currencies	881	842
<b>Trade and other receivables</b>	<b>2,091</b>	2,062

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:

	2024 £m	2023 £m
Not overdue	1,514	1,455
Up to 3 months overdue	219	250
Over 3 months overdue	50	36
<b>Trade receivables</b>	<b>1,783</b>	<b>1,741</b>

At 31 December 2024, a provision of £33 million (2023: £36 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 2024, trade receivables of £236 million (2023: £250 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 £156 million (2023: £187 million).

#### c. Other non-current receivables

Other non-current receivables consists of:

	2024 £m	2023 £m
Other receivables	63	72
Prepayments	22	20
Non-current tax recoverable	28	30
Derivative financial instruments	17	50
<b>Other non-current receivables</b>	<b>130</b>	<b>172</b>

#### d. Financial instruments (Note 15)

At 31 December 2024, £1,853 million (2023: £1,836 million) of the current and non-current receivables totalling £2,221 million (2023: £2,234 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.



## Notes to the Financial Statements continued

### 15 Financial Instruments and Financial Risk Management

Financial instruments by category

		At 31 December 2024					At 31 December 2023				
	Note	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	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	1,853	–	–	–	1,853	1,836	–	–	–	1,836
Derivative financial instruments											
FX forward exchange contracts	17	–	30	31	–	61	–	48	16	–	64
Cross currency interest rate swaps	17	–	17	–	–	17	–	50	–	–	50
Equity instruments	11	–	–	57	51	108	–	–	45	69	114
Cash and cash equivalents	16	880	–	–	–	880	1,387	–	–	–	1,387
Liabilities as per the Balance Sheet											
Current and non-current trade and other payables	21	5,050	–	–	–	5,050	5,276	–	–	–	5,276
Share repurchase liability	24	477	–	–	–	477	296	–	–	–	296
Borrowings (loans, overdrafts and other non-current borrowings) <sup>1</sup>	17	157	–	–	–	157	43	–	–	–	43
Lease liabilities	19	300	–	–	–	300	327	–	–	–	327
Senior notes	17	1,307	–	–	–	1,307	1,292	–	–	–	1,292
Bonds	17	6,302	–	–	–	6,302	6,875	–	–	–	6,875
Commercial paper	17	592	–	–	–	592	–	–	–	–	–
Derivative financial instruments											
FX forward exchange contracts	17	–	19	19	–	38	–	20	58	–	78
Interest rate swaps	17	–	158	–	–	158	–	115	–	–	115
Cross currency interest rate swaps	17	–	15	–	–	15	–	72	–	–	72

<sup>1</sup> 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

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 2024				At 31 December 2023			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Assets as per the Balance Sheet</b>								
Derivative financial instruments								
FX forward exchange contracts	–	61	–	61	–	64	–	64
Cross currency interest rate swaps	–	17	–	17	–	50	–	50
Equity instruments	25	57	26	108	22	45	47	114
<b>Liabilities as per the Balance Sheet</b>								
Derivative financial instruments								
FX forward exchange contracts	–	38	–	38	–	78	–	78
Interest rate swaps	–	158	–	158	–	115	–	115
Cross currency interest rate swaps	–	15	–	15	–	72	–	72

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 2024 and 31 December 2023 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 2024 is a liability of £6,189 million (2023: £6,788 million) and the fair value of the senior notes as at 31 December 2024 is a liability of £1,191 million (2023: £1,203 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.

	Gross amounts of recognised financial assets/liabilities in the Balance Sheet £m	Related financial instruments that are not offset £m	Net amount £m
<b>At 31 December 2024</b>			
<b>Financial assets</b>			
Derivative financial instruments	77	(31)	46
<b>Financial liabilities</b>			
Derivative financial instruments	(211)	31	(180)
	Gross amounts of recognised financial assets/liabilities in the Balance Sheet £m	Related financial instruments that are not offset £m	Net amount £m
<b>At 31 December 2023</b>			
<b>Financial assets</b>			
Derivative financial instruments	114	(39)	75
<b>Financial liabilities</b>			
Derivative financial instruments	(265)	39	(226)

## Notes to the Financial Statements continued

### 15 Financial Instruments and Financial Risk Management continued

#### 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.

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 2024 was £7,565 million receivable (2023: £8,426 million) and £7,546 million payable (2023: £8,440 million).

These forward foreign exchange contracts are mainly expected to mature over the period January 2025 to December 2025 (2023: January 2024 to December 2024).

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 (2023: immaterial).

Gains and losses recognised in other comprehensive income and the hedging reserve on forward exchange contracts in 2024 of £38 million gain, net of tax (2023: £39 million loss, net of tax) are recognised in the Income Statement in the periods in which the hedged forecast transaction affects the Income Statement.

At 31 December 2024, the Group had forward contracts used for cash flow hedging with total fair value of £14 million asset (2023: £1 million liability). 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 (2023: £4 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 British pound sterling/euro, 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.

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 2024 was a £85 million gain (2023: £42 million gain). 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 £96 million loss respectively (2023: £20 million loss and £101 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 2024 no material ineffectiveness (2023: no material ineffectiveness) has been recognised in the Income Statement. The interest rate element of the swap is discussed in interest rate risk below.

## Notes to the Financial Statements continued

### 15 Financial Instruments and Financial Risk Management continued

#### Financial risk management continued

##### 1. Market risk continued

##### (a) Currency risk continued

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.

In 2024, the Group issued two new bonds comprising of a €900 million and £300 million bonds due to expire in June 2029 and December 2032 respectively. The bonds were issued as part of refinancing repayment of the \$2 billion bond in June 2024. The bonds carry fixed interest rates of 3.625% and 5.000% respectively. No hedging instruments were issued in relation to these bonds.

The gains and losses from fair value movements on derivatives held at fair value through profit or loss, recognised in the Income Statement in 2024, was a £63 million loss (2023: £109 million loss). 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 efficiency opportunities; and improving sales mix.

##### (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 2024 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 2024 no material ineffectiveness (2023: 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 £10 million (2023: £11 million) or decrease of £10 million (2023: £11 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 (2023: £4 million) on an asset that are inherently linked to a liability included above, resulting in a net impact of £6 million.



## Notes to the Financial Statements continued

### 15 Financial Instruments and Financial Risk Management continued

#### Financial risk management continued

##### 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.

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.

Credit ratings	2024		2023	
	Limit £m	Exposure £m	Limit £m	Exposure £m
AAA+ to AAA-	3,156	26	3,156	292
AA+ to AA-	550	196	275	84
A+ to A-	3,750	1,118	4,000	1,568
BBB+ and below	205	116	125	84

##### 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 2025 and 2044.

The Group has various borrowing facilities available to it. The Group has bilateral and syndicated credit facilities provided by high-quality international banks which include a financial covenant and which is not expected to restrict the Group's future operations.

At the end of 2024, the Group had long-term debt excluding lease liabilities of £7,014 million (2023: £6,609 million), of which £6,325 million (2023: £6,010 million) is repayable in more than two years. In addition, the Group has committed borrowing facilities totalling £4,450 million (2023: £4,500 million), of which £3,500 million (2023: £4,450 million) expires after more than two years. 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 2024 calculated in accordance with the Articles of Association was £20,097 million (2023: £25,344 million).

The following tables analyse the Group's financial liabilities and derivatives which will be settled on a net basis 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.

	Total £m	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
<b>At 31 December 2024</b>					
Bonds	(7,450)	(179)	(882)	(3,640)	(2,749)
Commercial paper	(594)	(594)			
Senior notes	(1,834)	(656)	(33)	(98)	(1,047)
Trade and other payables	(5,207)	(5,118)	(89)	–	–
Share repurchase liability	(477)	(477)	–	–	–
<b>At 31 December 2023</b>					
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)	–	–	–

## Notes to the Financial Statements continued

### 15 Financial Instruments and Financial Risk Management continued

#### Financial risk management continued

##### 3. Liquidity risk 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.

	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
<b>At 31 December 2024</b>				
FX forward exchange contracts				
Outflow	(7,527)	(19)	–	–
Inflow	7,546	19	–	–
Cross currency interest rate swaps				
Outflow	(111)	(88)	(1,472)	(776)
Inflow	46	46	1,352	717
Interest rate swaps				
Outflow	(58)	(43)	(86)	(14)
Inflow	40	22	16	5
<b>At 31 December 2023</b>				
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

GT monitors 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

	Note	2024 £m	2023 £m
Cash and cash equivalents including overdrafts		879	1,380
Financing liabilities	17	(8,793)	(8,670)
Net debt		7,914	7,290
Total equity		6,720	8,469
		14,634	15,759

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.

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 2024, 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 £7,914 million (2023: £7,290 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.

## Notes to the Financial Statements continued

### 15 Financial Instruments and Financial Risk Management continued

#### Supply chain finance continued

The balance payable is 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. Security or guarantees have not been provided by Group.

	End of reporting period 31.12.2024 £m
<b>Carrying amount of financial liabilities</b>	
Presented in trade and other payables <sup>1</sup> :	437
– of which suppliers have received payment from finance provider	347
<b>Range of payment due dates (Goods and Freight Providers)<sup>2</sup></b>	
Liabilities that are part of the arrangements	Cost of inventories: 90 Days - 210 Days Freight: 60 Days - 210 Days Net Operating Expenses: 30 Days - 210 Days
Comparable trade payables that are not part of the arrangements <sup>2</sup>	Cost of inventories: 30 Days - 180 Days Freight: 30 Days - 150 Days Net Operating Expenses: 0 Days - 150 Days
<b>Non-cash changes</b>	
There were no material business combinations or foreign exchange differences in either period. There were non-cash transfers from trade payables to finance payables of £nil in 2024.	

1 The carrying amount of financial liabilities presented in trade and other payables as at 31 December 2024 is £437m (1 January 2024 £396m). The first-year application exemptions have been utilised for the disclosure of opening balances

2 Comparable payables have been identified based on the type of product supplied and legal entity who purchases the goods or services

### 16 Cash and Cash Equivalents

	2024 £m	2023 £m
Cash at bank and in hand	504	647
Short-term bank deposits	376	740
Cash and cash equivalents	880	1,387

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, £120 million (2023: £229 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	2024 £m	2023 £m
<b>Current</b>			
Bank loans and overdrafts <sup>1</sup>		148	30
Commercial paper		592	–
Bonds		–	1,571
Senior notes		604	–
Lease liabilities	19	79	78
<b>Total short-term borrowings</b>		1,423	1,679
<b>Non-current</b>			
Bonds		6,302	5,304
Senior notes		703	1,292
Other non-current borrowings		9	13
Lease liabilities	19	221	249
<b>Total long-term borrowings</b>		7,235	6,858
<b>Total borrowings</b>		8,658	8,537
Derivative financial instruments – as shown below		136	140
Less overdrafts presented in cash and cash equivalents in the Cash Flow Statement		(1)	(7)
<b>Total financing liabilities</b>		8,793	8,670

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:

2024 (£m)	Assets		Liabilities	
	Current	Non-current <sup>1</sup>	Current	Non-current
Derivative financial instruments (financing liabilities)	32	14	(25)	(157)
Derivative financial instruments (non-financing liabilities)	29	3	(13)	(16)
At 31 December 2024	61	17	(38)	(173)

1 Included within other non-current receivables on the Balance Sheet

## Notes to the Financial Statements continued

### 17 Financial Liabilities – Borrowings continued

2023 (£m)	Assets		Liabilities	
	Current	Non-current <sup>1</sup>	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)

<sup>1</sup> Included within other non-current receivables on the Balance Sheet

Reconciliation of movement in financing liabilities to the Cash Flow Statement	2024 £m	2023 £m
At 1 January	8,670	9,140
Proceeds from borrowings	1,768	1,638
Repayment of borrowings	(1,687)	(1,855)
Other financing cash flows	(47)	(84)
<b>Total financing cash flows</b>	<b>34</b>	<b>(301)</b>
New lease liabilities	70	44
Exchange, fair value and other movements	19	(213)
<b>Total non-cash financing items</b>	<b>89</b>	<b>(169)</b>
<b>At 31 December</b>	<b>8,793</b>	<b>8,670</b>

Maturity of borrowings (excluding lease liabilities)	2024 £m	2023 £m
<b>Bank loans and overdrafts repayable:</b>		
Within one year or on demand	148	30
<b>Other borrowings repayable:</b>		
Within one year:		
Commercial paper	592	–
Bonds	–	1,571
Senior notes	604	–
After one year and in less than five years:		
Bonds	3,949	3,205
Senior notes	–	599
After five years or longer:		
Bonds	2,353	2,099
Senior notes	703	693
Other non-current borrowings	9	13
	8,210	8,180
<b>Gross borrowings (unsecured)</b>	<b>8,358</b>	<b>8,210</b>

### 18 Provisions for Liabilities and Charges

	Legal provisions £m	Other provisions £m	Total provisions £m
At 1 January 2023	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)
<b>At 31 December 2023</b>	<b>137</b>	<b>62</b>	<b>199</b>
Charged to the Income Statement	23	18	41
Utilised during the year	(7)	–	(7)
Released to the Income Statement	(36)	(17)	(53)
Reclassification	–	–	–
Exchange adjustments	(5)	(1)	(6)
<b>At 31 December 2024</b>	<b>112</b>	<b>62</b>	<b>174</b>

Provisions have been analysed between current and non-current as follows:

	2024 £m	2023 £m
Current	112	142
Non-current	62	57
<b>Total</b>	<b>174</b>	<b>199</b>

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 2024, the Group recognised legal provisions of £112 million (2023: £137 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 majority of these matters, £82 million (2023: £109 million) is recorded as a current provision as it is possible the matter could be settled in the next 12 months, however, it is possible that they may not be. Legal provisions include £30 million (2023: £27 million) relating to the Humidifier Sanitiser (HS) issue in Korea (see Note 20).

Other provisions include environmental and other obligations throughout the Group, the majority of which are expected to be utilised within five years.



## Notes to the Financial Statements continued

### 19 Lease Liabilities

	2024 £m	2023 £m
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Within one year	87	81
Later than one and less than five years	172	199
After five years	99	103
Total undiscounted lease liabilities at 31 December	358	383
Lease liabilities included in the statement of financial position at 31 December	300	327
Current	79	78
Non-current	221	249

Interest charged on lease liabilities amounted to £13 million (2023: £14 million).

### 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, the South Korean government had 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 (essentially allowing the MOE to recognise a variety of disease as IRF injury based on individual review of each IRF application); (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 £30 million (2023: £27 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 certain 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 of exclusive 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 the product liability actions are not considered probable and cannot be reliably estimated at the current time. Given the uncertainty on the number of cases and range of possible results and/or outcomes on each case, the possible economic outflow cannot be reliably estimated, but may be significant. In 2025 there are currently two trials scheduled, these are currently expected to take place in H2 2025.

#### Whitfield Case

On 31 October 2024, a state court jury in the city of St. Louis, Missouri ruled in favour of Mead Johnson. The case involved a child who was born prematurely, developed NEC and has allegedly experienced subsequent long-term health issues. Given the verdict, an economic outflow is not considered probable. The Plaintiff has filed a post-trial motion seeking a new trial.

#### Watson Case

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 appealing the verdict, and at this time, an economic outflow is not considered probable. There is a possible outcome that may be unfavourable, however, the Group expects to benefit from relevant product liability insurance subject to limits and deductibles that the Group considers to be reasonable.

#### 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. In October 2024, a motion to dismiss the lawsuits was granted, dismissing all claims. The plaintiffs are appealing that ruling. 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).

## Notes to the Financial Statements continued

### 21 Trade and Other Payables

	2024 £m	2023 £m
Trade payables	2,268	2,194
Other payables	151	118
Forward share purchase liability <sup>1</sup>	133	158
Other tax and social security payable	161	163
Interest accrued on tax balances	101	122
Indemnity provisions for disposed businesses	47	48
Accruals	2,430	2,703
<b>Trade and other payables</b>	<b>5,291</b>	<b>5,506</b>

1 Relates to an agreement signed in May 2023 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

Included within accruals is £1,074 million (2023: £1,125 million) in respect of amounts payable to trade customers and government bodies for trade spend.

### Other non-current liabilities

	2024 £m	2023 £m
US employee-related payables	57	45
Indemnity provisions for disposed businesses	2	–
Other	22	22
<b>Other non-current liabilities</b>	<b>81</b>	<b>67</b>

### Financial instruments (Note 15)

At 31 December 2024, £5,050 million (2023: £5,276 million) of the current and non-current trade and other payables totalling £5,372 million (2023: £5,573 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

	2024 £m	2023 £m
Current tax liabilities	602	620
Non-current tax liabilities	–	28
<b>Total current and non-current tax liabilities</b>	<b>602</b>	<b>648</b>

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 £595 million (2023: £619 million) relating to uncertain tax positions. Within this, £257 million (2023: £187 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 £338 million (2023: £432 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 £595 million (2023: £619 million) has been presented as a current liability. The associated interest accrued on uncertain tax positions of £101 million (2023: £122 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. The majority of these plans are funded. The Group's most significant pension plan (UK) is set up under Trust and is a separate entity from the Group. The defined benefits section of this plan 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.

The principal UK plan also had a defined contribution section which was closed on 31 March 2024; from that date, UK employees were moved into a separate master trust arrangement and their funds within the defined contribution section were transferred over to the master trust in July 2024. 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 2025 (2024: £nil). Funding levels are monitored on an annual basis.

## Notes to the Financial Statements continued

### 23 Pension and Post-Retirement Commitments continued

#### Plan details continued

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. Benefit changes and back payments have been made to members of one of the smaller UK schemes, with work continuing on the other schemes to calculate the required adjustments to benefits.

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. 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 2025 will be £6 million (2024: £8 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 2024. For the UK plans, the weighted average duration of the deferred benefit obligation is 11.3 years (2023: 12.4 years). The decrease from the prior year has been driven by rises in bond yields, changes to demographic assumptions, and an ageing scheme population.

#### Significant actuarial assumptions

The significant actuarial assumptions used in determining the Group's defined benefit obligation for the UK and US (Medical) plans as at 31 December were:

	2024		2023	
	UK %	US (Medical) %	UK %	US (Medical) %
Rate of increase in pensionable salaries	N/A	–	N/A	–
Rate of increase in deferred pensions during deferment	2.9	–	2.8	–
Rate of increase in pension payments	3.2	–	3.1	–
Discount rate	5.6	5.4	4.7	4.9
Inflation assumption – RPI	3.3	–	3.2	–
Annual medical cost inflation	–	5.0–7.0	–	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:

	2024		2023	
	UK years	US years	UK years	US years
<b>Number of years a current pensioner is expected to live beyond 60:</b>				
Male	27.0	25.1	27.2	25.3
Female	28.6	27.3	28.8	27.4
<b>Number of years a future pensioner is expected to live beyond 60:</b>				
Male	28.3	26.8	28.4	27.0
Female	29.9	28.9	30.0	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 is made for future improvements in mortality by adopting the CMI's published 2023 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 default weightings of 0% / 0% / 15% / 15% applied to 2020 / 2021 / 2022 / 2023 calendar year data, reflecting the extent to which high levels of mortality experienced since 2020 as a result of the COVID-19 pandemic may be expected to reoccur in the future. For the US plan the mortality assumptions were determined using the Pre-2012 Total Dataset and projected with Mortality Improvement Scale MP-2021.

#### Amounts recognised on the Balance Sheet

The amounts recognised on the Balance Sheet are as follows:

	2024 £m	2023 £m
<b>Balance Sheet liability for:</b>		
US (Medical)	(64)	(73)
Other	(171)	(160)
<b>Liability on Balance Sheet</b>	<b>(235)</b>	<b>(233)</b>
<b>Balance Sheet assets for:</b>		
UK	214	206
Other	55	64
<b>Asset on Balance Sheet</b>	<b>269</b>	<b>270</b>
<b>Net pension asset</b>	<b>34</b>	<b>37</b>

## Notes to the Financial Statements continued

### 23 Pension and Post-Retirement Commitments continued

#### Amounts recognised on the Balance Sheet continued

The UK surplus of £214 million (2023: £206 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.

The funded and unfunded amounts recognised on the Balance Sheet are determined as follows:

	2024				2023			
	UK £m	US (Medical) £m	Other £m	Total £m	UK £m	US (Medical) £m	Other £m	Total £m
Present value of funded obligations	(853)	–	(410)	(1,263)	(969)	–	(400)	(1,369)
Fair value of plan assets	1,070	–	419	1,489	1,178	–	443	1,621
Surplus of funded plans	217	–	9	226	209	–	43	252
Present value of unfunded obligations	–	(64)	(125)	(189)	–	(73)	(139)	(212)
Irrecoverable surplus	(3)	–	–	(3)	(3)	–	–	(3)
Net pension surplus/(liability)	214	(64)	(116)	34	206	(73)	(96)	37

Group plan assets are comprised as follows:

	2024				2023			
	UK £m	US (Medical) £m	Other £m	Total £m	UK £m	US (Medical) £m	Other £m	Total £m
Equities	68	–	97	165	60	–	99	159
Government bonds	123	–	74	197	136	–	108	244
Corporate bonds	289	–	168	457	290	–	150	440
Real estate/property – unquoted	8	–	6	14	28	–	11	39
Insurance contracts	249	–	–	249	273	–	–	273
Other assets – unquoted	333	–	74	407	391	–	75	466
Fair value of plan assets	1,070	–	419	1,489	1,178	–	443	1,621

In 2020 and 2021, the Trustees of three of the UK pension plans entered into annuity buy-in agreements which cover, in aggregate, £249 million of pension liabilities valued under IAS 19 at 31 December 2024 (£273 million of pension liabilities valued under IAS 19 at 31 December 2023). 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 the years 2022 to 2024.

At 31 December 2024 the Group has not committed to any buy-out arrangements in respect of any of the UK pension schemes.

Included in other assets are £273 million (2023: £319 million) relating to liability driven investment funds. This is a bespoke pooled investment vehicle, a unit linked insurance policy fund (ULIP) 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:

	2024		2023	
	UK £m	US (Medical) £m	UK £m	US (Medical) £m
Active participants	–	(14)	(1)	(19)
Participants with deferred benefits	(286)	(1)	(334)	(1)
Participants receiving benefits	(567)	(49)	(634)	(53)
Present value of obligation	(853)	(64)	(969)	(73)



## Notes to the Financial Statements continued

### 23 Pension and Post-Retirement Commitments continued

#### Amounts recognised on the Balance Sheet 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 2023	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)	–	–	–	–
(Gains)/Losses from changes 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	–	–	37	37	–	–	(37)	(37)
<b>As at 31 December 2023</b>	<b>969</b>	<b>73</b>	<b>539</b>	<b>1,581</b>	<b>(1,178)</b>	<b>–</b>	<b>(443)</b>	<b>(1,621)</b>
Current service cost	–	–	12	12	–	–	–	–
Administrative costs	3	–	–	3	–	–	2	2
Interest expense/(income)	44	4	21	69	(54)	–	(20)	(74)
	47	4	33	84	(54)	–	(18)	(72)
Remeasurements:								
Return on plan assets, excluding amounts included in interest income	–	–	–	–	103	–	17	120
(Gains)/losses from changes in demographic assumptions	(8)	(4)	11	(1)	–	–	–	–
(Gains) from changes in financial assumptions	(81)	(3)	(11)	(95)	–	–	–	–
Experience (gains)/losses	(15)	–	4	(11)	–	–	–	–
	(104)	(7)	4	(107)	103	–	17	120
Exchange differences	–	–	(3)	(3)	–	–	(1)	(1)
Contributions – employers	–	–	–	–	–	(6)	(12)	(18)
Benefit payments	(59)	(6)	(38)	(103)	59	6	38	103
<b>As at 31 December 2024</b>	<b>853</b>	<b>64</b>	<b>535</b>	<b>1,452</b>	<b>(1,070)</b>	<b>–</b>	<b>(419)</b>	<b>(1,489)</b>

## 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:

	2024 £m	2023 £m
Defined contribution plans	48	44
Defined benefit plans (net charge excluding interest)		
UK	3	3
Other	12	13
Total pension costs included in operating profit (Note 5) <sup>1</sup>	63	60
Pension net finance income included in net finance expense (Note 6)	(5)	(8)
Income Statement charge included in profit before income tax	58	52
<b>Remeasurement gains/(losses) for<sup>2</sup>:</b>		
UK	1	(44)
US (Medical)	7	3
Other	(21)	(1)
	(13)	(42)

<sup>1</sup> The Income Statement charge recognised in operating profit includes current service cost, past service cost and administrative costs

<sup>2</sup> Remeasurement gains/(losses) exclude £nil (2023: £1 million) 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:

2024	Change in assumption	Change in defined benefit obligation
Discount rate	Increase 0.1%	Decrease by 1.1%
Discount rate	Increase 1.0%	Decrease by 9.9%
RPI increase	Increase 0.1%	Increase by 0.9%
RPI increase	Increase 1.0%	Increase by 7.7%
Life expectancy	Members live 1 year longer	Increase by 3.1%
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%	Increase by 1.0%
RPI increase	Increase 1.0%	Increase by 8.9%
Life expectancy	Members live 1 year longer	Increase by 3.3%

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

#### Risk and risk management continued

##### Asset volatility continued

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. The trustees of the principal UK plan have carried out climate change scenario analysis to help them understand and quantify the potential effects of climate change on the plan's assets and liabilities and identify possible actions to address the risks and opportunities presented.

##### Changes in bond yields

A decrease in government and corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings

##### 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 than 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.

In June 2023, the High Court in England handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Group and pension trustees are currently considering the implications of the case for the Group's UK plans. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the Directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

### 24 Share Capital

	Equity ordinary shares number	Nominal value £m
<b>Issued and fully paid</b>		
At 31 December 2023	736,535,179	74
<b>At 31 December 2024</b>	<b>736,535,179</b>	<b>74</b>

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 July 2024, the Group announced a new share buyback programme of an amount of £1 billion to be effected over 12 months. During 2024, as part of this share buyback programme, the Group entered into commitments to purchase £1 billion of ordinary shares.

A share repurchase liability of £477 million has been recognised in the Balance Sheet as at 31 December 2024 (2023: £296 million), reflecting contractual obligations to purchase ordinary shares (including associated costs).

During the year to 31 December 2024, 28,488,957 shares have been purchased at a total cost of £1,328 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 (2023: nil ordinary shares) were allotted, 1,083,133 ordinary shares were released from Treasury (2023: 2,047,518) and 28,488,957 ordinary shares (2023: 3,782,835 ordinary shares) were bought back, to satisfy vesting/exercises under the Group's various share schemes as follows:

	2024		2023	
	Number of shares	Consideration £m	Number of shares	Consideration £m
<b>Ordinary shares of 10p</b>				
<b>Released from Treasury</b>				
Executive Share Options – exercises	18,117	1	380,348	19
Restricted Shares Awards – vesting	1,013,180	–	1,037,960	–
Total under Executive Share Option and Conditional Award Schemes	1,031,297	1	1,418,308	19
Savings-related Share Option Schemes – exercises	51,836	2	629,210	29
<b>Total released from Treasury</b>	<b>1,083,133</b>	<b>3</b>	2,047,518	48
<b>Bought into Treasury</b>				
Repurchase of shares	(28,488,957)	(1,328)	(3,782,835)	(207)
<b>Total</b>	<b>(27,405,824)</b>	<b>(1,325)</b>	(1,735,317)	(159)

## Notes to the Financial Statements continued

### 24 Share Capital continued

#### Allotment of ordinary shares and release of treasury shares continued

In 2024, 1,083,133 Treasury shares were released (2023: 2,047,518) and 28,488,957 ordinary shares (2023: 3,782,835 ordinary shares) were bought back, leaving a balance held at 31 December 2024 of 49,912,354 (2023: 22,506,530). Proceeds received from the reissuance of Treasury shares to exercise share options were £3 million (2023: £48 million).

### 25 Share-Based Payments

The Group operates a number of incentive schemes, including a Long-Term Incentive Plan (LTIP), and various other share plans. All awards under these plans are equity-settled. The total expense recognised in respect of share-based payments for the year was £85 million (2023: £102 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 continued employment, typically over three years from grant. 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 LTIP awards from 2022 to 2024 are as follows:

LTIP performance metrics – 2022, 2023 and 2024 awards	Weighting
Like-for-like net revenue growth	40%
Return on Capital Employed (ROCE)	25%
Relative Total Shareholder Return (TSR)	25%
Sustainability	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 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 could be retested in years four or five of the scheme. The final retest date was in 2024, at which point any remaining unvested shares or options lapsed. 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 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	
	2024	2023
Exercise price	<b>£50.90</b>	£58.28
Performance period	<b>2024-26</b>	2023-25
Share price on grant date	<b>£50.14</b>	£59.18
Volatility	<b>22.3%</b>	22.6%
Dividend yield	<b>3.9%</b>	3.1%
Expected life	<b>6.9 years</b>	6.6 years
Risk-free interest rate	<b>3.9%</b>	3.2%
Weighted average fair value per award	<b>£7.68</b>	£10.49

An estimate of future volatility is made with reference to historical volatility over a similar time period to the expected life 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 £41.65 per award (2023: £51.38 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 2024		Year ended 31 December 2023	
	Number of awards	Weighted average exercise price	Number of awards	Weighted average exercise price
Outstanding at 1 January	18,562,750	£45.24	18,707,602	£44.99
Granted	6,449,300	£31.65	4,806,191	£36.92
Exercised	(1,112,643)	£2.90	(2,084,209)	£23.51
Lapsed	(4,628,219)	£46.90	(2,866,834)	£45.48
Outstanding at 31 December	19,271,188	£42.73	18,562,750	£45.24
Exercisable at 31 December	4,273,783	£63.35	3,009,018	£61.36

The weighted average share price over the year was £47.28 (2023: £58.38).

#### Summary of outstanding awards

For awards outstanding at the year end the weighted average remaining contractual life is 5.0 years (2023: 5.3 years) and the range of exercise prices is as follows:

	Price to be paid £		Number of awards outstanding	
	From	To	at 31 December 2024	at 31 December 2023
LTIP – performance share options	42.01	78.00	11,621,996	11,522,463
LTIP – performance shares	–	–	3,404,027	3,584,219
LTIP – time-vested shares	–	–	1,197,033	861,596
SOPP	–	–	141,400	150,200
Savings-related share options	40.49	62.44	2,906,732	2,444,272
<b>Total</b>			<b>19,271,188</b>	<b>18,562,750</b>

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.

There has been no material modification of outstanding awards such as would impact the expense recognised in respect of share-based payments.

### 26 Other Reserves

	Hedging reserve £m	Foreign currency translation reserve £m	Total other reserves £m
<b>Attributable to owners of the parent</b>			
Balance at 1 January 2023	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)
<b>Total other comprehensive expense for the year</b>	<b>(39)</b>	<b>(727)</b>	<b>(766)</b>
<b>Balance at 31 December 2023</b>	<b>(26)</b>	<b>(1,034)</b>	<b>(1,060)</b>
Other comprehensive income/(expense):			
Fair value gains on cash flow hedges, net of tax	9	–	9
Reclassification of cash flow hedges to the Income Statement	29	–	29
Net exchange losses on foreign currency translation, net of tax	–	(442)	(442)
Gains on net investment hedges, net of tax	–	85	85
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	–	(11)	(11)
<b>Total other comprehensive income/(expense) for the year</b>	<b>38</b>	<b>(368)</b>	<b>(330)</b>
<b>Balance at 31 December 2024</b>	<b>12</b>	<b>(1,402)</b>	<b>(1,390)</b>

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 2024, a net gain of £11 million (2023: £131 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 £nil million (2023: £130 million net gain) related to the liquidation of subsidiaries (see Note 6 for further details).

## 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

	2024 £m	2023 £m
Cash dividends on equity ordinary shares:		
2023 Final paid: 115.9p (2022: Final paid 110.3p) per share	820	790
2024 Interim paid: 80.4p (2023: Interim paid: 76.6p) per share	561	549
<b>Total dividends for the year</b>	<b>1,381</b>	1,339

The Directors are proposing a final dividend in respect of the financial year ended 31 December 2024 of 121.7 pence per share which will absorb an estimated £830 million of shareholders' funds. If approved by shareholders it will be paid on 29 May 2025 to shareholders who are on the register on 11 April 2025, with an ex-dividend date of 10 April 2025.

### 29 Acquisitions and Disposals

#### Acquisitions

On 25 September 2023, the Group acquired a business distributing Reckitt products in the Kingdom of Saudi Arabia. This was accounted for as a business combination with the purchase consideration £79 million, of which a preliminary fair value of £56 million was allocated to goodwill and intangible assets, and a preliminary fair value of £23 million to inventories acquired.

The measurement period to finalise the purchase price allocation concluded in 2024. The finalisation led to a £3 million increase in goodwill and other intangible assets and a £6 million reduction in inventory assets during the year.

#### Disposals

There were no disposals material to the Group during 2024 and 2023.

### 30 Discontinued Operations

The expense in the current year from discontinued operations of £4 million relates to interest accruing on an uncertain tax position relating to the former RB Pharmaceuticals business (now Indivior plc). The income in the prior year from discontinued operations of £9 million relates to the Group's disposal of the RB Pharmaceuticals business (now Indivior plc).

### 31 Post Balance Sheet Events

There have been no events subsequent to the Balance Sheet date which require disclosure.

## Five-Year Summary (Unaudited)

The five-year summary below is presented on an IFRS basis. The years ending 31 December 2020, 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 show the results for continuing operations.

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
<b>Income Statement</b>					
<b>Net revenue</b>	<b>14,169</b>	14,607	14,453	13,234	13,993
Operating profit/(loss)	<b>2,425</b>	2,531	3,249	(804)	2,160
Net finance (expense)/income	<b>(321)</b>	(130)	(161)	547	(286)
Share of loss and impairment of equity-accounted investees, net of tax	<b>–</b>	–	(21)	(3)	(1)
<b>Profit/(loss) before income tax</b>	<b>2,104</b>	2,401	3,067	(260)	1,873
Income tax (charge)/credit	<b>(672)</b>	(753)	(711)	208	(720)
Attributable to non-controlling interests	<b>(2)</b>	(14)	(19)	(11)	(16)
<b>Net profit/(loss) attributable to owners of the Parent Company from continuing operations</b>	<b>1,430</b>	1,634	2,337	(63)	1,137
<b>Balance Sheet</b>					
Net assets	<b>6,720</b>	8,469	9,483	7,453	9,159
<b>Key Statistics – IFRS basis</b>					
Operating margin	<b>17.1%</b>	17.3%	22.5%	(6.1%)	15.4%
Diluted earnings per share, continuing	<b>203.8p</b>	227.4p	325.7p	(8.8p)	159.3p
Declared total dividends per ordinary share	<b>202.1p</b>	192.5p	183.3p	174.6p	174.6p

## Parent Company Balance Sheet

As at 31 December 2024

	Note	2024 £m	2023 £m
<b>Fixed assets</b>			
Investments	2	15,248	15,174
<b>Current assets</b>			
Debtors due within one year	3, 6	313	185
Debtors due after more than one year	4, 6	8	14
		321	199
<b>Current liabilities</b>			
Creditors due within one year	5, 6	(3,901)	(5,361)
Share repurchase liability	6, 8	(477)	(296)
<b>Net current liabilities</b>		<b>(4,057)</b>	<b>(5,458)</b>
<b>Total assets less current liabilities</b>		<b>11,191</b>	<b>9,716</b>
Provisions for liabilities and charges	7	(25)	(26)
<b>Net assets</b>		<b>11,166</b>	<b>9,690</b>
<b>Equity</b>			
Share capital	8	74	74
Share premium		254	254
Retained earnings		10,838	9,362
<b>Total equity</b>		<b>11,166</b>	<b>9,690</b>

Reckitt Benckiser Group plc has made a profit of £4,280 million (2023: £4,135 million) for the financial year.

The Financial Statements on pages 198-217 were approved by the Board of Directors and signed on its behalf on 5 March 2025 by:

**Sir Jeremy Darroch**

Director  
Reckitt Benckiser Group plc

Company Number: 06270876

**Kris Licht**

Director  
Reckitt Benckiser Group plc

## Parent Company Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
<b>Balance at 1 January 2023</b>	<b>74</b>	<b>254</b>	<b>6,921</b>	<b>7,249</b>
<b>Comprehensive income</b>				
Profit for the financial year	–	–	4,135	4,135
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>4,135</b>	<b>4,135</b>
<b>Transactions with owners</b>				
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)
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>(1,694)</b>	<b>(1,694)</b>
<b>Balance at 31 December 2023</b>	<b>74</b>	<b>254</b>	<b>9,362</b>	<b>9,690</b>
<b>Comprehensive income</b>				
Profit for the financial year	–	–	4,280	4,280
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>4,280</b>	<b>4,280</b>
<b>Transactions with owners</b>				
Treasury shares reissued	–	–	3	3
Purchase of ordinary shares by employee share ownership trust	–	–	(2)	(2)
Repurchase of shares	–	–	(1,509)	(1,509)
Share-based payments	–	–	11	11
Capital contribution in respect of share-based payments	–	–	74	74
Cash dividends	–	–	(1,381)	(1,381)
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>(2,804)</b>	<b>(2,804)</b>
<b>Balance at 31 December 2024</b>	<b>74</b>	<b>254</b>	<b>10,838</b>	<b>11,166</b>

Reckitt Benckiser Group plc has £9,912 million (2023: £8,521 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 1-57.

#### 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 57 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](http://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 FRS 102)' 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 remeasured at their fair value.

## Notes to the Parent Company Financial Statements continued

### 1 Parent Company Accounting Policies continued

#### 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.

#### 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 £245 million (2023: £156 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 judgement 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 2024, the Company recognised legal provisions of £25 million (2023: £26 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.

## Notes to the Parent Company Financial Statements continued

### 2 Investments

	Shares in subsidiary undertakings £m
<b>Cost</b>	
At 1 January 2023	15,078
Additions during the year	96
<b>At 31 December 2023</b>	15,174
Additions during the year	74
<b>At 31 December 2024</b>	<b>15,248</b>
<b>Provision for impairment</b>	
At 1 January 2023	–
<b>At 31 December 2024</b>	<b>–</b>
<b>Net book value</b>	
At 31 December 2023	15,174
<b>At 31 December 2024</b>	<b>15,248</b>

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The subsidiary undertakings as at 31 December 2024, all of which are included in the Group Financial Statements, are shown in Note 12 of the Company Financial Statements.

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 and Reckitt Piramal Private Limited which have a year ending 31 March; Scholl Latin America Limited which has a year ending 4 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 and RBHCR Health Reckitt Costa Rica Sociedad Anónima which has a year ending 30 September.

Additions during the year, and in 2023, 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

	2024 £m	2023 £m
Amounts owed by Group undertakings	<b>307</b>	178
Other debtors	<b>6</b>	7
	<b>313</b>	185

Amounts owed by Group undertakings are unsecured, interest free and are repayable on demand (2023: same).

### 4 Debtors Due After More Than One Year

	2024 £m	2023 £m
Deferred tax assets	<b>2</b>	1
Other debtors	<b>6</b>	13
	<b>8</b>	14

Deferred tax assets consist of short-term timing differences.

### 5 Creditors Due Within One Year

	2024 £m	2023 £m
Amounts owed to Group undertakings	<b>3,639</b>	5,196
Taxation and social security	<b>246</b>	157
Derivative liabilities	<b>1</b>	1
Other creditors	<b>15</b>	7
	<b>3,901</b>	5,361

Included in the amounts owed to Group undertakings is an amount of £3,613 million (2023: £5,123 million) which is unsecured, carries interest at the official SONIA fallback rate and is repayable on demand (2023: interest at the official ISDA fallback rate and is repayable on demand). All other amounts owed to Group undertakings are unsecured, non-interest bearing and are repayable on demand (2023: 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 £245 million (2023: £156 million) has been presented as a current liability.



## Notes to the Parent Company Financial Statements continued

### 6 Financial instruments

	2024 £m	2023 £m
<b>Financial assets measured at amortised cost</b>		
Amounts owed by Group undertakings	307	178
Other debtors – current and non-current	12	20
	319	198
<b>Financial liabilities</b>		
<b>Derivative financial instruments measured at fair value through profit or loss</b>		
Derivative liabilities	(1)	(1)
<b>Financial liabilities measured at amortised cost</b>		
Amounts owed to Group undertakings	(3,639)	(5,196)
Share repurchase liability	(477)	(296)
Other payables	–	(7)
	(4,117)	(5,500)

### 7 Provisions for Liabilities and Charges

	Legal provisions £m	Total provisions £m
At 1 January 2023	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
Charged to the Statement of Comprehensive Income	1	1
Utilised during the year	(1)	(1)
Released to the Statement of Comprehensive Income	(1)	(1)
<b>At 31 December 2024</b>	<b>25</b>	<b>25</b>

Provisions have been analysed between current and non-current as follows:

	2024 £m	2023 £m
Current	25	26
Non-current	–	–
	25	26

Provisions relate to legal provisions in relation to a number of historical matters.

### 8 Share Capital

	Equity ordinary shares	Nominal value £m
<b>Issued and fully paid</b>		
At 31 December 2023	736,535,179	74
<b>At 31 December 2024</b>	<b>736,535,179</b>	<b>74</b>

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.

## Notes to the Parent Company Financial Statements continued

### 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 \$2,500 million bond (2023: \$4,500 million bond), made up of one tranche of \$2,500 million (2023: one tranche of \$2,500 million and one tranche of \$2,000 million). The Company has issued a further guarantee in relation to the issuance of a £500 million bond (2023: same). Details are included in Note 15 of the Group Financial Statements.

The Company also 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 (2023: same). The Company has issued a further guarantee in relation to the issuance of a £300 million bond (2023: same). 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 €900 million bond. 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.

During the year, the Company continued to provide a guarantee on behalf of Reckitt Benckiser Treasury Services plc in relation to issuance of commercial paper under a USD-denominated \$8,000 million commercial paper programme and a €3,000 million euro commercial paper programme. 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 £4,450 million (2023: £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 (2023: same) 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 (2023: 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 (2023: same). 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.

## Subsidiary Undertakings

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

### 12 Subsidiary Undertakings

In accordance with section 409 of the Companies Act 2006 (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 2024 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 2024, six legal entities were dissolved, liquidated or otherwise disposed of (2023: five legal entities). The removal of legal entities ultimately allows management to focus on the core business, reduces compliance obligations and costs, 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.

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Argentina</b>			
<i>Bucarelli 2608 PB "A", Ciudad Autonoma de Buenos Aires, Argentina</i>			
Reckitt Benckiser Argentina S.A.			Ordinary
Reckitt Benckiser Health Argentina S.A.			Ordinary
<b>Australia</b>			
<i>King &amp; Wood Mallesons, 'Governor Phillip Tower' Level 61, 1 Farrer Place, Sydney NSW 2000, Australia</i>			
Mead Johnson Nutrition (Australia) Pty Ltd			Ordinary
<i>Level 47, 680 George Street, Sydney NSW 2000, Australia</i>			
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
<b>Austria</b>			
<i>Guglgasse 15, 1110, Vienna, Austria</i>			
RB Hygiene Home Austria GmbH			Ordinary
Reckitt Benckiser Austria GmbH			Ordinary
<b>Bahamas</b>			
<i>c/o 103-105 Bath Road, Slough, Berkshire SL1 3UH, United Kingdom</i>			
Scholl Latin America Limited	♦		Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Bahrain</b>			
<i>Building 330, Road 1506, Block 115, Bahrain International Investment Park, Hidd. Kingdom of Bahrain, Bahrain</i>			
Reckitt Benckiser Bahrain W.L.L			Ordinary
<b>Bangladesh</b>			
<i>58-59 Nasirabad Industrial Area, Chittagong 4209, Bangladesh</i>			
Reckitt Benckiser (Bangladesh) PLC		82.96122751	Ordinary
<b>Belarus</b>			
<i>of. 166, 66, K Liebknekhta st., Minsk, 220036, Belarus</i>			
Reckitt Benckiser BY LLC			Charter Capital
<b>Belgium</b>			
<i>20 Allée de la Recherche, 1070 Anderlecht, Belgium</i>			
RB Hygiene Home Belgium SA			Ordinary
Reckitt Benckiser (Belgium) SA/NV			Ordinary
<b>Bermuda</b>			
<i>Clarendon House, Church Street, Hamilton HM11, Bermuda</i>			
Suffolk Insurance Limited			Common/Equity
<b>Bolivarian Republic of Venezuela</b>			
<i>251 Little Falls Drive, Wilmington DE 19808, United States</i>			
Mead Johnson Nutrition Venezuela SCA	* ♦	-	
<i>Avenida Mara con Calle San José, Centro Comercial Macaracuay Plaza, Nivel C3, Locales 5 y 12. Urb. Colinas de la California., Caracas, Bolivarian Republic of Venezuela</i>			
Reckitt Benckiser Venezuela S.A.			Ordinary
<i>Urb. Las Mercedes, Av. Orinoco cruce con Mucuchies Torre Nordic, Piso 1, Oficina 1 y 2, Municipio Baruta Caracas, Bolivarian Republic of Venezuela</i>			
Mead Johnson Nutrition Venezuela, S.C.A.			Partnership Interest

## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Brazil</b>			
<i>Av Guarapari, S/N, Galpao1 – Modulos 05 Ao 14cond Log Vianaii Bus/Park, Viana, Es, 29.136-344, Brazil</i>			
Reckitt Benckiser (Brasil) Comercial de Produtos de Higiene, Limpeza e Cosméticos Ltda. – Branch Viana	*	-	
<i>Av. Portugal, nº 1.100, Setor Rua 6 Parte A12, Bairro Itaquí, Itapevi, São Paulo, 06696-060, Brazil</i>			
Reckitt Benckiser Health Comercial Ltda.	*	-	
<i>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</i>			
Mead Johnson do Brasil Comércio e Importação de Produtos de Nutrição Ltda.			Ordinary
Reckitt Benckiser (Brasil) Comercial de Produtos de Higiene, Limpeza e Cosméticos Ltda.			Ordinary
Reckitt Benckiser Health Comercial Ltda			Ordinary
<i>Est Dona Maria Jose Ferraz Prado, 1481, Cond Dist. Park Embu, Brazil</i>			
Reckitt Benckiser (Brasil) Comercial de Produtos de Higiene, Limpeza e Cosméticos Ltda. – Branch Embu	*	-	
<i>Estm Maria Margarida Pinto Dona Belinha, 742, GalpaO3, Bloco I/A, Brazil</i>			
Reckitt Benckiser (Brasil) Comercial de Produtos de Higiene, Limpeza e Cosméticos Ltda. – Branch Extrema	*	-	
<i>Rod Dom Gabriel Paulino Bueno Couto, 1606, Brazil</i>			
Reckitt Benckiser (Brasil) Ltda – Branch Itupeva	*	-	
<i>Rod Governador Mario Covas, 7270, KM 264 Parte RB, Serra/ES, Brazil</i>			
Reckitt Benckiser (Brasil) Comercial de Produtos de Higiene, Limpeza e Cosméticos Ltda. – Branch Serra	*	-	
<i>Rua Vereador Germano Luiz Vieira, 500, Armazém 3, Sala 17, Bairro Itaipava, Itajaí, Santa Catarina, 88316-701, Brazil</i>			
Mead Johnson Do Brasil Comércio E Importação De Produtos De Nutrição Ltda.	*	-	
<i>Rodovia Raposo Tavares, 8015 km 18, Jardim Arpoador, Sao Paolo, CEP 05577-900, Brazil</i>			
Fenla Indústria, Comércio e Administração Ltda			Ordinary
Reckitt Benckiser (Brasil) Ltda			Ordinary
<i>Estrada Fukutaro Yida, n. 930, Bairro Cooperativa, Sao Bernardo Do Campo, Sao Paulo, 09852-060, Brazil</i>			
Apenas Boa Nutrição Indústria de Alimentos Ltda.			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Bulgaria</b>			
<i>22 Zlaten rog Street, Floor 3, Office 4, District of Lozenets, City of Sofia, Bulgaria</i>			
Reckitt Benckiser Romania, representative office	*	-	
<b>Canada</b>			
<i>Suite 600, 1741 Lower Water Street, Halifax NS B3J 0J2, Canada</i>			
Mead Johnson Nutrition (Canada) Co.			Common/Equity
<i>Suite 2300, 550 Burard Street, Vancouver BC V6C 2B5, Canada</i>			
RB Health (Canada) Inc.			Common/Equity
<i>1680 Tech Avenue, Unit 2, Mississauga ON L4W 5S9, Canada</i>			
Reckitt Benckiser (Canada) Inc.			Common/Equity
<b>Cayman Islands</b>			
<i>PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands</i>			
Reckitt Benckiser (Cayman Islands) Limited			Ordinary
<b>Chile</b>			
<i>Avenida Presidente Kennedy Lateral 5454, Oficina 1602, Vitacura, Región Metropolitana, Chile</i>			
Reckitt Benckiser Chile S.A.			Ordinary
<b>China</b>			
<i>B01, Suite 401, Unit 2, No. 9 Dongdaqiao Road, Chaoyang District, Beijing, China</i>			
RB (China) Holding Co. Limited			Capital Contribution
<i>Room 101, 102, 103, 2F, 4F and 5F, Building 43, No. 1015, Tianlin Road, Minhang District, Shanghai, China</i>			
RB (Shanghai) Technology Co., Ltd			Ordinary
<i>C6-8 Site 6F, No.333 Futexi Road, Waigaoqiao Free Trade Zone, Shanghai City, China</i>			
Reckitt Benckiser Home Chemical Products Trading (Shanghai) Co. Limited			Ordinary
<i>Ketian Aquatic Science and Technology Industrial Park, No. 3949 Kunlunshan Avenue, Lanzhou New Area, Lanzhou City, Gansu Province, China</i>			
Lanzhou Keshi Xixili Healthcare Technologies Co. Ltd		80	Ordinary
<i>No. 3, Canglian 1 road, ETDZ, Guangzhou, China</i>			
Reckitt & Colman (Guangzhou) Limited			Ordinary



## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<i>No. 34 East Beijing Road, Jingzhou, Hubei, 434001, China</i>			
Reckitt Benckiser Household Products (China) Company Limited			Capital Contribution
<i>No. 99, Changjiang Da Road, Fuqiao Town, Taicang City, China</i>			
RB (Suzhou) Co. Ltd			Capital Contribution
<i>No.1-13 Shangma, Aodong Road, High-tech Industrial Development Zone, Qingdao City, Shandong Province, China</i>			
Qingdao London Durex Co., Limited			Ordinary
Qingdao New Bridge Corporate Management Consulting Company Limited			Ordinary
<i>Room 1605, No.660 Shangcheng Road, Pudong District, Shanghai City, China</i>			
SSL Healthcare (Shanghai) Limited			Ordinary
<i>Room 1701, No. 1033, Zhao Jia Bang Road, Xuhui District, Shanghai, China</i>			
RB & Manon Business Co. Limited		90	Capital Contribution
<i>Room 2109, Floor 2, No.10 Chaoyangmenwai Street, Chaoyang District, Beijing City, China</i>			
Tai He Tai Lai Culture Communication Co Limited			
<i>Maker Space No.13, Building A3, Double Innovation Center, No.2 Shuguang Road, Economic and Technological Development Zone, Jingzhou City, Hubei Province, China</i>			
RB & Manon Business Co., Ltd - Jingzhou Branch	*	-	
<i>Unit 4205-4210, 42F, Gateway Building Hongqiao Road 3#, Xuhui District, Shanghai, China</i>			
RB (China) Holding Co. Ltd Shanghai Branch	*	-	
<b>Colombia</b>			
<i>Calle 76 No 11-17, Edificio Torre, Los Nogales Piso 2, Bogota, CO, Colombia</i>			
Mead Johnson Nutrition Colombia Ltda			Ordinary
RB (Health) Colombia S.A.S.			Ordinary
<i>Carrera 6 #45-105, Cali, Colombia</i>			
Reckitt Benckiser Colombia S.A			Ordinary
<b>Costa Rica</b>			
<i>San Jose-Escazu En Escazu Corporate Center, Setimo Piso, Costado Sur De Multiplaza Escazu, Costa Rica</i>			

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
RBHCR Health Reckitt Costa Rica Sociedad Anónima			Common/Equity
Reckitt Benckiser (Centroamérica) S.A.			Ordinary
<b>Croatia</b>			
<i>Ulica Grada Vukovara 269d, 10 000 Zagreb, Hrvatska, Croatia</i>			
Reckitt Benckiser d.o.o.			Ordinary
<b>Cyprus</b>			
<i>1 Lampousas Street, P.C. 1095, Nicosia, Cyprus</i>			
Gainbridge Investments (Cyprus) Limited			Ordinary
<b>Czech Republic</b>			
<i>Vinohradská 2828/151, 130 00 Praha 3-Žižkov, Czech Republic</i>			
RB (Hygiene Home) Czech Republic, spol. s.r.o.			Ordinary
Reckitt Benckiser (Czech Republic) spol s.r.o.			General Partner/ Partnership Interest
<b>Denmark</b>			
<i>Vandtårnsvej 83 A, 2860, Søborg, Denmark</i>			
RB Health Nordic A/S			Ordinary
RB Hygiene Home Nordic A/S			Ordinary
<b>Dominican Republic</b>			
<i>Av. Winston Churchill No. 1099 Torre Acrópolis, Piso 12, Santo Domingo, República Dominicana</i>			
Mead Johnson Nutrition (Dominicana) S.A.	*	-	
<b>Ecuador</b>			
<i>Av CoruñaN27-88 y Orellana, Edificio Coruña Plaza 7mo Piso, Quito, 170150, Ecuador</i>			
RB Health Ecuador Cía. Ltda			Ordinary
<i>Oficina 4C, Av. 12 de Octubre, #26-48 y Orellana, Edificio Mirage, Piso 4, Quito, 170525, Ecuador</i>			
Reckitt Benckiser Ecuador S.A.			Ordinary

## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Egypt</b>			
<i>Polyom Building, 22 Off Road 90, Fifth District, Fifth Settlement, New Cairo, Cairo, Egypt</i>			
Reckitt Benckiser Egypt Limited			Ordinary
<i>Building A1, Second Floor, Plot #A14b01, Cairo Festival City, First District, Fifth Settlement, New Cairo, Cairo, Egypt</i>			
Reckitt Benckiser Hygiene Home Egypt Limited			Ordinary
<b>Estonia</b>			
<i>Harju maakond, Rae vald, Rae küla, Raeküla tee 5, 75310, Estonia</i>			
Reckitt Benckiser (Latvia) SIA Eesti filiaal	*	-	
<b>Finland</b>			
<i>Itsehallintokuja 6, 02600 Espoo, Finland</i>			
RB Health Nordic A/S sivuliike Suomessa	*	-	
RB Hygiene Home Nordic A/S, sivuliike Suomessa	*	-	
<b>France</b>			
<i>38 rue Victor Basch- 91300 Massy, France</i>			
Airwick Industrie SAS			Ordinary
RB Holding Europe Du Sud SAS			Ordinary
RB Hygiene Home France SAS			Ordinary
Reckitt Benckiser France SAS			Ordinary
Reckitt Benckiser Healthcare France SAS			Ordinary
<i>102 rue de Sours, 28000, Chartres, France</i>			
Reckitt Benckiser Chartres SAS			Ordinary
<b>Germany</b>			
<i>Darwinstrasse 2-4, 69115, Heidelberg, Germany</i>			
RB Hygiene Home Deutschland GmbH			Capital Contribution
Reckitt & Colman Sagrotan Verwaltungsgesellschaft GmbH			Common/Equity
Reckitt Benckiser Detergents GmbH			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Deutschland GmbH			Common/Equity
Reckitt Benckiser Holding GmbH & Co KG			Capital Contribution
<i>Heinestrasse 9, 69469, Weinheim, Germany</i>			
Kukident GmbH			Common/Equity
<i>Robert-Koch-Straße 1, 69115, Heidelberg, Germany</i>			
Propack Produkte für Haushalt und Körperpflege GmbH			Ordinary
Reckitt Benckiser Global R&D GmbH			Common/Equity
<b>Greece</b>			
<i>7 Taki Kavalieratou Street, Kifissia, 145 64, Greece</i>			
Reckitt Benckiser Hellas Healthcare S.A.			Ordinary
Reckitt Benckiser Hellas Hygiene Home S.A.			Ordinary
<b>Guernsey</b>			
<i>1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, GY1 1EW, Guernsey</i>			
Reckitt Benckiser Holdings (Channel Islands) Limited			Bonus, Ordinary
<b>Hong Kong</b>			
<i>Room 2001, 20/F, Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong</i>			
RB & Manon Business Limited		90	Ordinary
RB & Manon Hygiene Home Limited		80	Ordinary
<i>Rooms 2206-11, 22 Floor, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong</i>			
London International Trading (Asia) Limited			Ordinary
Reckitt Benckiser Hong Kong Limited			Ordinary
<b>Hungary</b>			
<i>Bocskai út 134-146, Budapest, H-1113, Hungary</i>			
RB (Hygiene Home) Hungary Kft			Ordinary
Reckitt Benckiser Kereskedelmi Kft			General Partner/ Partnership Interest
Reckitt Benckiser Tatabánya Kft			Ordinary

## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>India</b>			
<i>DLF Cyber Park, 6th &amp; 7th Floor (Tower C), 405 B, Udyog Vihar Phase III, Sector 20, Gurugram, Haryana, 122016, India</i>			
Reckitt Benckiser (India) Private limited			Common/Equity
Reckitt Benckiser Healthcare India Private Limited		99.999934	Ordinary
<i>Unit No. 54, 5th Floor, Kalpataru Square, Andheri-Kurla Road, Andheri (East), Mumbai, Maharashtra, 400059, India</i>			
Mead Johnson Nutrition (India) Private Limited			Ordinary
Reckitt Piramal Private Limited		99.9999	Ordinary
<b>Indonesia</b>			
<i>Jl. Raya Narogong, Chamber A.I, Kel. Pasirangin, Kec Cileungsi, Kab. Bogor. Provinsi. Jawa Barat, 16820, Indonesia</i>			
PT Reckitt Benckiser Trading Indonesia			Ordinary
<i>Treasury Tower 58th Floor, District 8, SCBD, Jalan Jendral Sudirman Kav 52-53, Jakarta, 12190, Indonesia</i>			
PT Mead Johnson Indonesia		90.1	Ordinary
PT Reckitt Benckiser Indonesia			Ordinary
<i>Treasury Tower 59th Floor, District 8, SCBD, Jalan Jendral Sudirman Kav 52-53, Jakarta, 12190, Indonesia</i>			
Pt. Reckitt Benckiser Hygiene Home Indonesia			Ordinary
Pt. Reckitt Benckiser Hygiene Home Trading Indonesia			Ordinary
<b>Islamic Republic of Iran</b>			
<i>1st Floor, unit 11, No.88 Baran Building, Sayed Road, Opposite Mellat Park, Vali-e-Asr Avenue, Tehran, Islamic Republic of Iran</i>			
Reckitt Benckiser Pars PJSC			Ordinary
<b>Ireland</b>			
<i>c/o TMF Group, Ground Floor, Two Dockland Central, Guild Street, North Dock, Dublin, D01 K2C5, Ireland</i>			
Dorincourt Holdings (Ireland) Limited			Ordinary
Reckitt Benckiser Ireland Limited			Ordinary
Reckitt Benckiser Management Services Unlimited Company			Ordinary-A, B, C, D, E, F, G, H, I, J, K

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<i>6th Floor, 2 Grand Canal Square, Dublin 2, Ireland</i>			
RB Ireland Hygiene Home Commercial Limited			Ordinary
<b>Israel</b>			
<i>6A Hangar Street, PO Box 6440, I.Z., Neve Nee'man B, Hod Hasharon, 457703, Israel</i>			
Reckitt Benckiser (Near East) Limited			Ordinary
<b>Italy</b>			
<i>Via Spadolini 7, 20141, Milano, Italy</i>			
Reckitt Benckiser Commercial (Italia) S.r.l.			Quota
Reckitt Benckiser Healthcare (Italia) S.p.A.			Ordinary
Reckitt Benckiser Holdings (Italia) S.r.l.			Quota
Reckitt Benckiser Italia SpA			Ordinary
<b>Japan</b>			
<i>3-20-14 Higashi-Gotanda, Shinagawa-ku, Tokyo, 141-0022, Japan</i>			
Reckitt Benckiser Asia Pacific Limited	*	-	
<i>Sumitomo Fudosan Takanawa Park Tower 14F, 3-20-14 Higashi-Gotanda, Shinagawa-ku, Tokyo, 141-0022, Japan</i>			
Reckitt Benckiser Japan Ltd			Ordinary
<b>Jersey</b>			
<i>44 Esplanade, St Helier, JE4 9WG, Jersey</i>			
SSL Capital Limited			Ordinary
<i>IFC 5, St. Helier, JE1 1ST, Jersey</i>			
Reckitt & Colman (Jersey) Limited			Ordinary
Reckitt & Colman Capital Finance Limited			Ordinary-A, Ordinary-B
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

## Subsidiary Undertakings continued

**Key:** In liquidation

Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Kazakhstan</b>			
<i>Bld. 15/A, Koktem-1, Almaty, 050040, Kazakhstan</i>			
Reckitt Benckiser Health Kazakhstan LLP			Charter Capital
<i>Office 302, Building 15a, Koktem-1, Micro District, Almaty City, Kazakhstan</i>			
Reckitt Benckiser Kazakhstan LLP			Ordinary
<b>Kenya</b>			
<i>Plot 209/2462, Likoni Road, Nairobi, Kenya</i>			
Reckitt Benckiser East Africa Limited		99.98990909	Ordinary
<i>14 Riverside Drive, Arlington Building, 3rd Floor, Nairobi, 209/19, Kenya</i>			
Reckitt Benckiser Health Kenya Limited			Ordinary
<i>LR.NO.1870/1/569, 2nd Floor, Apollo Centre, Ring Road Westlands, Kenya</i>			
Reckitt Benckiser Services (Kenya) Limited			Ordinary
<b>Latvia</b>			
<i>Strēlnieku iela 1A - 2, Riga, LV-1010, Latvia</i>			
Reckitt Benckiser (Latvia) SIA			Ordinary
<b>Lithuania</b>			
<i>Vilniaus m. sav. Vilniaus m. Olimpiečių g. 1A, Lithuania</i>			
Reckitt Benckiser (Latvia) SIA LT filialas	* ♦	-	
<b>Luxembourg</b>			
<i>1 Rue de la Poudrerie, Leudelange, L-3364, Luxembourg</i>			
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

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
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	*	-	
<b>Malaysia</b>			
<i>Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara Damansara Heights 50490, Kuala Lumpur, W.P., Malaysia</i>			
Mead Johnson Nutrition (Malaysia) Sdn Bhd			Ordinary
RB (Health) Malaysia Sdn Bhd			Ordinary
Reckitt Benckiser (Malaysia) Sdn Bhd			Ordinary
<b>Mexico</b>			
<i>Av de las Granjas 972, Col. Santa Barbara, Azcapotzalco, CDMX, 02230, Mexico</i>			
Manufactura MJN, S. de R.L. de C.V.			Ordinary
<i>Av. Ejército Nacional No.769, Corporativo Miyana Torre B, Piso 6, Alcaldía Miguel Hidalgo, Colonia Granada, CP 11520, Mexico</i>			
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 - Fixed/Variable
Servicios Nutricionales Mead Johnson S.de R.L. de C.V.			Ordinary
<i>Calzada de Tlalpan No. 2996, Col. Ex Hacienda Coapa, Del. Coyoacán, Cd. de México, C.P. 04980, Mexico</i>			
RB Salute Mexico S.A. de C.V.			Ordinary
<i>Circuito Dr Gustavo Baz, 7, No. 7, Fracc Industrial El Pedregal, Atizapan de Zaragoza, Edomex, Mexico</i>			
Reckitt Benckiser Services S.A. de C.V.			Ordinary
<b>Morocco</b>			
<i>59 Boulevard Zerktouni, Residence Les Fleurs 6eme étage, Casablanca, Morocco</i>			
Reckitt Benckiser Morocco SARL/AU			Ordinary

## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Netherlands</b>			
<i>225 North Canal Street, Floor 25, Chicago IL 60606, United States</i>			
Mead Johnson One C.V.	♦		Membership Interest
Mead Johnson Two C.V.	♦		Membership Interest
<i>Siriusdreef 14, 2132 WT, Hoofddorp, The Netherlands</i>			
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 LATAM Holding B.V.			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 Hygiene Home Brands 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

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Oven Cleaners BV			Ordinary
Reckitt Benckiser Power Cleaners B.V.			Ordinary
Reckitt Benckiser Tiret B.V.			Ordinary
Reckitt Benckiser Vanish B.V.			Ordinary
<i>Schiphol Boulevard 267, 1118, BH Schiphol, Netherlands</i>			
Reckitt Benckiser (ENA) B.V.			Ordinary
Reckitt Benckiser Treasury Services (Nederland) B.V.			Ordinary
<b>New Zealand</b>			
<i>2 Fred Thomas Drive, Takapuna, Auckland, 0622, New Zealand</i>			
RB (Hygiene Home) New Zealand Limited			Ordinary
Reckitt Benckiser (New Zealand) Limited			Ordinary
SSL New Zealand Limited			Capital Contribution
<b>Nigeria</b>			
<i>12, 11th Floor Heritage Place, 21 Lugard Avenue Ikoyi, Lagos State, Nigeria</i>			
Reckitt Benckiser Nigeria Limited			Ordinary
<b>Norway</b>			
<i>Henrik Ibsens gate 60A, 0255 Oslo, Norway</i>			
RB Health Nordic, NUF	*	-	
RB Hygiene Home Nordic NUF	*	-	
<b>Pakistan</b>			
<i>Tenancy 04 &amp; 05, 3rd Floor, Corporate Office Block, Dolmen City, HC, Block 4, Scheme 5, Clifton, Karachi, 75600, Pakistan</i>			
Reckitt Benckiser Pakistan Limited		98.68464476	Ordinary
<b>Panama</b>			
<i>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</i>			
Mead Johnson Nutrition (Panama), S.de R.L.			Ordinary



## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Peru</b>			
<i>Av. Republica de Panama # 2577, Urb. Santa Catalina, La Victoria, Lima, Peru</i>			
Reckitt Benckiser Peru S.A.			Ordinary
<i>Calle Dean Valdivia No. 148, Torre 1, Ofic. 501, Urb. Jardín, San Isidro, Lima, Peru</i>			
RB Health Peru S.R.L			Ordinary
<b>Philippines</b>			
<i>2309 Don Chino Roces Avenue Extension, Makati City, PH 1321, Philippines</i>			
2309 Realty Corporation		61.996	Ordinary-A, Ordinary-B
Mead Johnson Nutrition (Philippines), Inc.		99.99964222	Ordinary
Sphinx Holdings Company, Inc.		32.8125	Common, Preference
<i>3rd Floor Mead Johnson Nutrition Philippines Inc., 2309 Don Chino Roces Extension, Makati City, 1231, Philippines</i>			
Reckitt Benckiser Healthcare (Philippines), Inc.		99.99783148	Common, Preference
<b>Poland</b>			
<i>Nowy Dwór Mazowiecki, Ul. Okunin 1, 05-100, Poland</i>			
RB (Hygiene Home) Poland Sp. z.o.o.			Ordinary
<i>Ul. Okunin 1, 05-100 Nowy Dwor Mazowiecki, Poland</i>			
Reckitt Benckiser (Poland) S.A.			Ordinary
Reckitt Benckiser Production (Poland) Sp z.o.o.			Ordinary
<i>Ul. Wołoska 22, 02-675, Warsaw, Poland</i>			
Mead Johnson Nutrition Trading Poland S.p z.o.o.			Membership Interest
Reckitt Business Services sp. z o.o.			General Partner/ Partnership Interest
<b>Portugal</b>			
<i>Estrada Malhada dos Carrascos, 12, Porto Alto, 2135-061, Samora Correia, Portugal</i>			
Reckitt Benckiser Porto Alto Lda			Quota
<i>Rua D. Cristóvão da Gama, n.º 1, 1º, C/D, 1400-116, Lisboa, Portugal</i>			

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser (Portugal), S.A.			Ordinary
Reckitt Benckiser Healthcare, Lda			Quota
<b>Republic of Korea</b>			
<i>24th Floor, Two IFC, 10 Gukjegeumyung-ro, Youngdeungpo-gu, Seoul, 07326, Republic of Korea</i>			
Oxy Reckitt Benckiser LLC			Capital Contribution
<b>Puerto Rico</b>			
<i>Los Frailes Industrial Park, Ave. Esmeralda, Calle C # 475, Guaynabo, 00969, Puerto Rico</i>			
Mead Johnson Nutrition (Puerto Rico) Inc.	*	-	
<b>Romania</b>			
<i>Iancu de Hunedoara Boulevard, Nr. 48, 11th Floor, Crystal Tower Building, 1st District, Bucharest, 011745, Romania</i>			
Reckitt Benckiser (Romania) S.R.L			General Partner/ Partnership Interest
<i>Str. Grigore Alexandrescu 89-97, Aripa Vest, Et. 5, Finish room, Sect. 1, Bucuresti, 010624, Romania</i>			
RB (Hygiene Home) Romania S.R.L			Ordinary
<b>Russian Federation</b>			
<i>3rd Floor, 4 Shluzovaya emb., Zamoskvorechye Municipal district, Moscow, 115114, Russia</i>			
Reckitt Benckiser Healthcare LLC			Charter Capital
Reckitt Benckiser IP LLC			Charter Capital
<i>4 Shluzovaya emb., Zamoskvorechye Municipal district, Moscow, Russia</i>			
Reckitt Benckiser LLC			Ordinary
<i>Klin City, Tereshkovoy Street, 1, 14160052/1, Moscow Region, Russian Federation</i>			
Branch of Reckitt Benckiser LLC in city Klin, Moscow region, Russia	*	-	
<b>Saudi Arabia</b>			
<i>Office number 51, Fifth floor, Mukmal Plaza Center, Al Hamra District Palestine Street, Jeddah City, Saudi Arabia</i>			
Reckitt Sanabil for Trading Co LLC		51.00000036	Ordinary

## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Singapore</b>			
<i>12 Marina Boulevard, #19-01 Marina Bay Financial Centre, 018982, Singapore</i>			
Mead Johnson Nutrition (Asia Pacific) Pte. Ltd.			Ordinary
Mead Johnson Nutrition (Singapore) Pte. Ltd.			Ordinary
Mead Johnson Nutrition Holdings (Singapore) Pte. Ltd.			Ordinary
Reckitt Benckiser (Singapore) Pte. Limited			Ordinary
<i>138 Cecil Street, #13-02 Cecil Court, 069538, Singapore</i>			
RB & Manon Business Limited Singapore Branch	*	-	
<b>Slovakia</b>			
<i>Drieňová 3, 821 08 Bratislava, Slovakia</i>			
RB (Hygiene Home) Slovakia spol. s.r.o			Ordinary
Reckitt Benckiser (Slovak Republic), spol s.r.o.			General Partner/ Partnership Interest
<b>South Africa</b>			
<i>Ground Floor, North Wing, Allandale Building, 39 Magwa Crescent, Waterfall City, Midrand, Gauteng, 2090, South Africa</i>			
Reckitt Benckiser Pharmaceuticals (Proprietary) Limited			Ordinary
Reckitt Benckiser South Africa Health Holdings (Pty) Limited			Ordinary
Reckitt Benckiser South Africa Proprietary Limited			Ordinary
<b>Spain</b>			
<i>Carrer de Mataró, 28, 08403, Granollers, Barcelona, Spain</i>			
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) S.L.U.			Ordinary
Reckitt Benckiser Healthcare S.A.U.			Ordinary-A, Ordinary-B

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<i>Fray Carbo, 24, 08400, Granollers, Spain</i>			
Relcamp Aie	+		Ordinary
<i>No. 151, Avda. Can Fatjó, Rubí, Barcelona, Spain</i>			
SSL Healthcare Manufacturing S.A.U.			Ordinary
<b>Sri Lanka</b>			
<i>No.25, Shrubbery Garden, COLOMBO-04, Sri Lanka</i>			
Reckitt Benckiser (Lanka) Limited		99.99905658	Ordinary
<b>Sweden</b>			
<i>Box 190, 101 23 Stockholm, Sweden</i>			
SSL Healthcare Sverige AB			Ordinary
<i>c/o Reckitt Benckiser Nordic A/S, Danmark Filial, Regeringsgatan 29, 111 53, Stockholm, Sweden</i>			
RB Health Nordic A/S, filial	*	-	
<i>Vretenvägen 2, 4th Floor, 171 54 SOLNA, Sweden</i>			
RB Hygiene Home Nordic A/S, filial	*	-	
<b>Switzerland</b>			
<i>Richtistrasse 5, 8304 Wallisellen, Switzerland</i>			
RB Hygiene Home Switzerland AG			Ordinary
Reckitt Benckiser (Switzerland) AG			Ordinary
Reckitt Benckiser AG			Ordinary
<b>Taiwan</b>			
<i>6F, No. 136, Sec. 3, Ren-Ai Rd., Da-An Dist., Taipei City 10, 10657, Taiwan</i>			
Reckitt Benckiser Hong Kong Limited Taiwan branch	*	-	
<i>8 of 6F, No. 205, Section 1, Dunhua South Road, Da'an District, Taipei, Taiwan (Province of China)</i>			
RB & Manon Business Limited Taiwan Branch	*	-	
<b>Thailand</b>			
<i>100 Moo 5, Bangsamak Sub-District, Bangpakong District, Chachoengsao Province 24180, Thailand</i>			
SSL Manufacturing (Thailand) Limited		99.99	Ordinary-A, Ordinary-B

## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ◇ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<i>65 Moo 12 Lardkrabang-Bangplee Road, Bangplee Yai District, Bangplee, Samutprakarn, 10540, Thailand</i>			
Reckitt Benckiser Healthcare Manufacturing (Thailand) Limited		99.99	Ordinary
<i>No. 388 Exchange Tower, 14th Floor, Sukhumvit Road, Klongtoey, Bangkok, TH 10110, Thailand</i>			
Mead Johnson Nutrition (Thailand) Ltd		100	Common/Equity
RB Hygiene Home (Thailand) Limited		99.99	Common/Equity
Reckitt Benckiser (Thailand) Limited		99.99	Ordinary
Reckitt Benckiser Holding (Thailand) Limited		45	Common/Equity, Preference
<i>Suite 402, 4th Floor, No. 235 Dong Khoi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam</i>			
The Representative Office of Reckitt Benckiser (Thailand) Ltd in Ho Chi Minh City	* ◇	-	
<b>Turkey</b>			
<i>Esentepe Mah., Büyükdere Cad., Tekfen Blok No:209/2, Şişli, İstanbul, Turkey</i>			
Reckitt Benckiser Ev ve Hijyen Ürünleri Levent Şubesi	*	-	
<i>Esentepe Mahallesi Büyükdere Caddesi Tekfen, Tower No: 209 A Blok D:2 34394 4., Levent, Şişli, İstanbul, Turkey</i>			
Reckitt Benckiser Temizlik Malzemesi Sanayive Ticaret A.S.			Capital Contribution
<i>Orta Mahallesi Demokrasi, Caddesi Benckiser Sitesi No.92, Tuzla, İstanbul, Turkey</i>			
Reckitt Benckiser Ev ve Hijyen Ürünleri A.Ş.			Capital Contribution
<b>Ukraine</b>			
<i>28A Stepana Bandery, Bld.G, Office 80, Kiev, 04073, Ukraine</i>			
Reckitt Benckiser Household and Health Care Ukraine LLC			Charter Capital
Reckitt Benckiser Hygiene Home Ukraine LLC			Charter Capital
<i>40-Richchia Zhovtnia avenue, 120, 1 Block, Kyiv, 03127, Ukraine</i>			
Medcom Marketing and Prodazha Ukraine LLC			Charter Capital

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>United Arab Emirates</b>			
<i>309, Floor 3, Dubai Science Park Laboratory Complex, Dubai, United Arab Emirates</i>			
Reckitt Benckiser Arabia	*	-	
<i>Al Seer Corporate Office, Behind Al Tayer Motors, Sheikh Zayed Road, Al Quoz Industrial Area 3, Dubai, 31587, United Arab Emirates</i>			
Reckitt Benckiser Arabia Trading LLC		48.6897	Ordinary
<i>Level 27, Tower B, JAFZA One, Jebel Ali Free Zone, Dubai, PO Box 461344, United Arab Emirates</i>			
RB Hygiene Home Arabia FZE			Ordinary
Reckitt Benckiser Arabia FZE			Ordinary
<i>Office 1801, 1803, 1804, Emaar Real Estate Burj Khalifa, Dubai, United Arab Emirates</i>			
Reckitt Benckiser (RUMEA) Limited – Dubai Branch	*	-	
<i>Unit 05, Level 3, Gate Village Building 04, Dubai Investment Financial Centre, PO BOX 677, United Arab Emirates</i>			
RB Investment Company Limited		0.5	Ordinary-A, Ordinary-B
<b>United Kingdom</b>			
<i>103-105 Bath Road, Slough, Berkshire, SL1 3UH, United Kingdom</i>			
103-105 Bath Road Limited			Ordinary
Access VC Limited			Ordinary
Crookes Healthcare Limited			Ordinary, Bonus
Cupal, Limited			Ordinary, Bonus
Dakin Brothers Limited			Ordinary, Bonus
Durex Limited			Ordinary
eRB Trading Limited			Ordinary
Glasgow Square Limited			Ordinary, Bonus
Green, Young & Company Limited			Ordinary, Bonus
Hamol Limited			Ordinary, Bonus
Helpcentral Limited	+		Ordinary, Bonus
Howard Lloyd & Company,Limited			Ordinary
LI Pensions Trust Limited			Ordinary
Linden Germany A Limited			Ordinary
Linden Germany B Limited			Ordinary

## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Lloyds Pharmaceuticals			Ordinary, Bonus
London International Group Limited			Ordinary B
LRC Products Limited			Ordinary
LRC Secretarial Services Limited			Ordinary
MJ UK Holdings Limited			Ordinary
MJN International Holdings (UK), Ltd.			Ordinary
Nurofen Limited			Ordinary
Optrex Limited			Ordinary
Pharmalab Limited			Ordinary, Bonus
R&C Nominees Limited			Ordinary
R&C Nominees One Limited			Ordinary
R&C Nominees Two Limited			Ordinary
RB (China Trading) Limited		80	Ordinary, Ordinary-A
RB Asia Holding Limited			Ordinary
RB Holdings (Nottingham) Limited			Ordinary, Bonus
RB Luxembourg (2016) Limited			Ordinary
RB Luxembourg Holdings (TFFC) Limited			Ordinary
RB Mexico Investments Limited			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			Ordinary
Reckitt & Colman (UK) Limited			Ordinary, Irredeemable Cumulative Preference
Reckitt & Colman Holdings Limited			Ordinary, Bonus
Reckitt & Colman Pension Trustee Limited			Ordinary
Reckitt & Sons Limited			Ordinary
Reckitt Benckiser (Brands) Limited			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser (Grosvenor) Holdings Limited			Ordinary, 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
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			Ordinary, Bonus
Reckitt Benckiser Finance Company Limited			Ordinary
Reckitt UK Holdings Limited			Ordinary-A, Preference
Reckitt Benckiser Health Limited			Ordinary
Reckitt Benckiser Healthcare (Central & Eastern Europe) Limited			Ordinary
Reckitt Benckiser Healthcare (CIS) Limited			Ordinary
Reckitt Benckiser Healthcare (MEMA) Limited	+		Ordinary, 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, Bonus
Reckitt Benckiser Holdings (Overseas) Limited			Ordinary
Reckitt Benckiser Holdings (TFFC) Limited			Bonus
Reckitt Benckiser Holdings (USA) Limited			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			Ordinary
Reckitt Benckiser Luxembourg (No. 1) Limited	+		Ordinary
Reckitt Benckiser Luxembourg (No.2) Limited			Ordinary

## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Luxembourg (No.3) Limited			Ordinary, Bonus
Reckitt Benckiser Luxembourg (No.4) Limited			Ordinary, Bonus
Reckitt Benckiser Service Bureau Limited			Ordinary
Reckitt Benckiser Treasury (2007) Limited			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			Ordinary
Reckitt Benckiser USA Finance (No.2) Limited			Ordinary
Reckitt Benckiser USA Finance (No.3) Limited			Ordinary
Reckitt Colman Chiswick (OTC) Limited			Ordinary, Bonus
Reckitt Seton Limited			Ordinary, Convertible, Cumulative Preference
Reckitt Sonet (UK) Limited			Ordinary
Scholl Consumer Products Limited			Ordinary
Sonet Dormant Company No.1 Limited			Ordinary, Deferred
Sonet Investments Limited			Ordinary, Bonus
Sonet Overseas Investments Limited			Ordinary, Bonus
Sonet Prebbles Limited			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			Bonus
Tubifoam Limited			Ordinary, Bonus
W.Woodward, Limited			Ordinary
<i>7 Castle Street, Edinburgh, EH2 3AH</i>			
Benckiser	+		Ordinary, Bonus
<i>Founders Factory (Level 7), Arundel Street Building, 180 Strand, 2 Arundel Street, London, WC2R 3DA, United Kingdom</i>			
FF Homecare & Hygiene Limited		75	Ordinary, Preference

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>United States</b>			
<i>2400 W. Lloyd Expressway, Evansville IN 47721, United States</i>			
Mead Johnson & Company, LLC			Ordinary
Mead Johnson Nutrition Company			Ordinary
<i>399 Interpace Parkway, Parsippany NJ 07054, United States</i>			
Biofreeze IP Holdings, LLC			Membership Interest
Blisa, L.L.C.			Ordinary
Exponential Health LLC			Ordinary
Lanai Holdings 1.5, Inc.			Common/Equity
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
<i>Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County DE 19808, United States</i>			
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
Reckitt US Holdings LLC			Ordinary



## Subsidiary Undertakings continued

**Key:** In liquidation + Registered address country different to country of registration ♦ Branch \*

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<b>Vietnam</b>			
<i>Unit 401, 4th Floor, Metropolitan Building, No. 235 Dong Khoi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam</i>			
Mead Johnson Nutrition (Vietnam) Company Limited			Capital Contribution

### Subsidiary audit exemptions

The following subsidiary undertakings 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.

Company	Company Number
103-105 Bath Road Limited	7415344
Access VC Limited	12057280
Howard Lloyd & Company,Limited	124747
London International Group Limited	488344
MJ UK Holdings Limited	10698251
MJN International Holdings (UK), Ltd.	10773207
Optrex Limited	301618
R&C Nominees Limited	3646801
RB Holdings (Nottingham) Limited	4367123
RB Luxembourg Holdings (TFFC) Limited	8963782
RB Mexico Investments Limited	10141275
RB Reigate (2019) Ltd.	10952298
RB USA (2019) Ltd.	10996097
Reckitt & Colman (Overseas) Limited	593047
Reckitt & Colman (UK) Limited	341605
Reckitt & Sons Limited	561576
Reckitt Benckiser (Grosvenor) Holdings Limited	5698731
Reckitt Benckiser (RUMEA) Limited	8496512

Company	Company Number
Reckitt Benckiser Finance Company Limited	4749202
Reckitt Benckiser Healthcare (Central & Eastern Europe) Limited	3368448
Reckitt Benckiser Healthcare (CIS) Limited	3376759
Reckitt Benckiser Holdings (Overseas) Limited	4617051
Reckitt Benckiser Holdings (USA) Limited	4906543
Reckitt Benckiser Luxembourg (2010) Limited	7323959
Reckitt Benckiser Service Bureau Limited	3605068
Reckitt Benckiser Treasury (2007) Limited	6365837
Reckitt Benckiser USA Finance (No.1) Limited	4902703
Reckitt Benckiser USA Finance (No.2) Limited	4902747
Reckitt Benckiser USA Finance (No.3) Limited	4902776
Reckitt Colman Chiswick (OTC) Limited	593046
Reckitt Seton Limited	1914860
Reckitt Sonet (UK) Limited	2285039
Sonet Dormant Company No.1 Limited	220272
Sonet Overseas Investments Limited	3671350
SSL Products Limited	1026788

## Climate-Related Financial Disclosures

### 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 Taskforce on Climate-related Financial Disclosures (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'.

In addition to these Climate-related Financial Disclosures, we provide information on our environmental performance and Greenhouse Gas emissions on page 46. We consider the potential financial impacts of climate change in the scenario modelling within our Viability Statement on page 57 and impairment/intangibles note on page 171. Detail on our scenario modelling can be found in our Basis of Reporting Criteria at [www.reckitt.com/reporting-hub](http://www.reckitt.com/reporting-hub).

### Governance

#### (a) Board oversight


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

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

discussed climate change at every meeting.

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

The Audit Committee also has a monitoring function in respect of risk management and internal control systems, which includes the assurance framework established by management to identify and monitor risks identified.

 See pages 69-73 and 103-104 for more detail on our governance framework and mechanisms, remuneration policy and Board activities during the year

#### (b) Management's role

The CEO is accountable for sustainability performance at executive level, including climate-related matters and agreeing new sustainability and climate-related targets. The CEO chairs the Group Executive Committee (GEC) which is responsible for overseeing and delivering Reckitt's strategic and operational management and ensuring collaboration between functions and in-market operations. It recommends and implements the strategy and related budget as approved by the Board. The GEC drives business and cultural transformation, reviews business performance and approves business development plans and major investments. It oversees the integration of sustainability within business operations.

With the business reorganisation in 2025, these risk reviews will form part of routine GEC meetings rather than as a separate meeting. This risk review will continue on a quarterly basis.

Our Sustainability Ambitions are delivered through the GEC and management team who are responsible for ensuring adequate action plans and investment are in place. Sustainability forms part of the Supply function but leads sustainability-related strategy development and compliance across the organisation, with strategic direction and activity agreed at the

GEC. Programmes to meet our operational, product and value chain targets are implemented by our Brands, Supply Chain, R&D, Safety, Quality and Regulatory and Compliance teams.

We conduct monthly environmental reporting at site and regional level. Progress against our targets is reviewed monthly at supply chain leadership forums and quarterly through function and global business risk reviews, enabling us to manage activity and deal with emerging issues on an ongoing basis.

Executive ownership of 'ESG transition risk' as a principal risk resides directly with the CEO and the Chief Supply Officer.

Supporting these formal management structures are cross-functional steering committees who provide governance and oversight across key transition risks and sustainable product activities.

In 2024, the GEC continued to review Reckitt's carbon footprint and carbon reduction strategies in support of Reckitt's Sustainability Ambitions, specifically our Scope 3 emissions reduction targets. The GEC also reviewed ongoing development of IT and Data solutions to enable performance management of carbon and plastics, while enabling future disclosure requirements under emerging legislation, particularly within the European Union.


### Risk management

#### (a) Processes for identifying and assessing climate-related risks

Reckitt operates an integrated company-wide risk management process for financial and non-financial risks which includes the identification and monitoring of potential impacts, mapping current controls and developing action plans.

The Group risk assessment identifies the principal and emerging risks with the greatest potential to have a substantive financial or strategic impact on the Group. The assessment is completed annually in advance of the business 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 2023-24 double materiality assessment, we reassessed climate-related impacts, risks and opportunities across our value chain. Operational risks are assessed across sites through annual global asset and environmental risk reviews. Within specific climate-related financial risks we undertake a range of analysis, evaluation and mitigation activities which are summarised below.

'ESG transition risk', including the risk of climate-related impacts, is identified as a principal risk, reflecting both its importance and its central role in Reckitt's growth strategy. We manage the risk by embedding our sustainability strategy and targets within R&D and our supply chain, through customer-facing programmes and partnership, product innovation, and our ongoing work on decarbonisation, packaging, ingredient management, and sustainable sourcing programmes.

 See page 52 for more detail on the Group's risk management approach and updates during the year

Our approach to understanding climate-related risks and opportunities is underpinned by scenario analysis (see below). Climate and enterprise analytics technology (developed by the Cambridge-based consultancy Resilience and built on research and frameworks pioneered by Cambridge Centre for Risk Studies) provides quantitative analytics that inform risk management and decision-making across the Group. This has helped extend existing corporate risk management activity in relation to business continuity, which might be created in terms of extreme weather events and other climate-related risks.

## Climate-Related Financial Disclosures continued

Monitoring emerging policy and regulatory frameworks, together with financial tracking of fiscal policy requirements on taxation, informs our planning activity and response to address climate-related policy risks. We continue to track litigation, functionally and, within our business units and markets, we monitor emerging regulations on climate-related reporting and disclosure requirements.

During the year, we reviewed the risks from climate change to identify any new or emerging risks, and to reassess the impact of existing risks. We performed targeted updates to our climate-risk modelling and analysis. Specifically, we reviewed three risks where the climate models have changed since our prior analysis. These included Consumer market risk, Facility disruption and Raw material supply risk. Overall, our exposure has decreased based on projections for the household products sector more broadly combined with our ongoing efforts to decarbonise our operations and value chain. We continued to embed the management of climate-related risks and opportunities within our enterprise risk management processes.

### Strategy

We remain committed to delivering our science-based targets and working towards net zero by 2040. In line with the routine 5-yearly review cycle, we will be reviewing our science-based targets during 2025. Our Sustainability Ambitions are embedded into our business strategy for growth, and support both resilience and opportunities for our operations and brands.

#### (a) Climate-related risks and opportunities over the short, medium and long term

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 brand intangible assets and through our work with Resilience.

#### Short to medium term

From our analysis over the past three years, transition-related risks consistently emerge as having the greatest potential impact in the short to medium term. Specifically, changing consumer preference in favour of low impact products and policy-driven carbon price increases risk, most significantly in a 1.5°C scenario. Policy risks identified include energy and commodity cost rises across our operations, upstream and downstream with our 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. While we are seeing an increase in the frequency and severity of extreme weather events, physical risk represents a 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.

#### Climate scenario analysis

Since 2018, we have conducted climate-risk modelling and scenario analysis to consider the longer-term impacts of climate change and to identify emerging climate-related risks and opportunities.

In partnership with Resilience, we have developed a digital twin model of our business. The Climate Resilience™ platform captures Reckitt's commercial and physical footprint, including financial, operational, emissions and raw materials data. It enables

us to assess the impact of multiple climate scenarios.


The analysis provides quantitative earnings value at risk estimations over a five- and 10-year timeframe and a long-term qualitative risk outlook up to 20 years.

#### i. Scenarios used

Our modelling considers five climate scenarios. These scenarios are a combination of the SSP-RCP pathways from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report for both physical and transition risks (SSP1–SSP 8.5).

We focus on two scenarios which are considered to represent a best and worst case scenario for physical and transition risks, and which highlight the variation in risks and opportunities in meeting our science-based targets by 2030 and net zero ambition by 2040:

- SSP1-1.9 (1.5°C pathway aligned to the Paris Ambition) 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 aligned to Current Policy) is defined by the climate-related policies in place today i.e. if no further policy action is taken

 See our Basis of Reporting Criteria for detail on the modelled pathways used at [reckitt.com/reporting-hub](https://reckitt.com/reporting-hub)

#### ii. Risk types considered

We modelled the potential impact of 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 modelled the potential financial impacts of climate change by region, product, facility and hazard (i.e. drought, flooding,

heatwaves). 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.

#### iii. Climate-related risks and potential financial impacts

The table below summarises 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). Our potential earnings value at risk estimations represent gross risk for the Group as a whole. Materiality is assessed using the same thresholds as our financial statements.

We have modelled the impacts of the following risks:

- Market risk: Consumer preference change – the impact of changing consumer preferences and sustainable purchasing trends including 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.
- Market risk: Investor sentiment – the risks and effects stemming from changes to the discount rate, relative to the economic sector, transition pathway, debt and equity structure
- Policy risk: Carbon price legislation – an increase in future carbon pricing where policies (either emissions trading systems or carbon taxes) are implemented variably in all jurisdictions

## Climate-Related Financial Disclosures continued

- Technology risk: Low carbon transition – the risk of asset impairment under different climate-related economic transitions
- Liability risk: Climate-related litigation – the potential for litigation or civil/criminal penalties for a company's climate-related activities, including greenwashing and pollution
- Reputation risk: Climate activism – the potential uptake rates of sector activism and company-specific activism, including the risk of consumer boycotts
- Facility disruption risk – the risk of physical damage to assets from extreme weather events (heatwaves, droughts, freezing, flooding and windstorms), financial losses from stock, contents and buildings damage, and operational disruption due to the disruption 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
- Market disruption – the disruption to sales due to customer demand fluctuations induced by regional-scale climate threats including heatwaves, droughts and freezes

Individually, the modelled impacts of these risks are not material to our business under the five scenarios assessed. The aggregate potential impact of these risks manifesting under a Current Policy (3°C) and Paris Ambition (1.5°C) pathway is outlined below.

The risk values presented represent gross risk to the Group and assume none of the mitigating actions outlined below are in place.

Pathway	Unmitigated potential annual impact over 5 years	5–10-year modelled scenario impacts and assumptions (to 2030)	10–20-year modelled scenario impacts and assumptions (to 2040–2050)
3°C Current Policy	Not material	<b>Consumer preference change</b> <ul style="list-style-type: none"> <li>Conventional shopping preferences continue, with existing levels of uptake for sustainable options continuing, resulting in only minimal decline in demand for conventional products</li> </ul>	
3°C Current Policy	Not material	<b>Other modelled physical and transition risks</b> <ul style="list-style-type: none"> <li>Carbon prices remain between \$5–8 (\$/tCO<sub>2</sub>e) up to 2050 with inconsistent global implementation. Sectors covered by policies today remain static and are not expanded</li> <li>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</li> <li>Exposure to climate-related litigation varies depending on historical emissions responsibility and the extent of current commitment and action on addressing future emissions</li> <li>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</li> <li>Increase in the severity of climate hazards and extreme weather events including heatwaves, freezes, droughts, flooding and windstorms</li> <li>Raw materials production fluctuates as a result of climate variability and long-term climate change</li> </ul>	
1.5°C Paris Ambition	£0–£130m	<b>Consumer preference change</b> <ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Market demand for sustainable products and services becomes mainstream. Consumer habits have to shift more dramatically to meet global emissions reduction targets</li> </ul>
1.5°C Paris Ambition	£0–£130m	<b>Other modelled physical and transition risks</b> <ul style="list-style-type: none"> <li>Carbon prices increase to \$83 (\$/tCO<sub>2</sub>e) over the next five years, radical action by governments to reduce emissions, driven by carbon price mechanisms</li> <li>Assets intrinsically linked to the use of fossil fuels become impaired in direct proportion to the rate at which fossil fuels are phased out</li> <li>Public sentiment towards climate change remains strong and persistent and decarbonisation pathways are met or exceeded without major disruption to economic activity</li> <li>The 'consumer staples' sector experiences relatively low exposure to capital flight during economic transition</li> <li>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</li> <li>Raw materials production fluctuates as a result of climate variability</li> </ul>	<ul style="list-style-type: none"> <li>Radical action by governments to reduce emissions, driven by carbon price mechanisms. Carbon prices increase significantly, with rapid adoption across developed economies</li> </ul>



## Climate-Related Financial Disclosures continued

### (b) Impact on business, strategy and financial planning

Our climate scenario analysis 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.

We assume that all aspects of our value chain will be susceptible to climate-related transition and physical risks to varying degrees.

The rate of global decarbonisation and the implementation of associated policy frameworks are critical determinants of the magnitude of climate-related impacts on Reckitt. 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 the product (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 from more sustainable products by 2030. This programme also supports activity to reduce product carbon footprints, and is linked to management reward incentives.

We are actively working to reduce our GHG emissions in line with our 2030 reduction targets for Scopes 1, 2 and 3, and our commitment to achieving net zero by 2040. Our Climate Transition Plan identifies where we are targeting decarbonisation opportunities in our operations, products and value chain. The complexity of our global value chain requires multiple interventions with our suppliers and customers.

During 2024 we increased the breadth and depth of data-driven analysis across our supply chain to better identify and mitigate emissions-intensive activities. Specifically, we are focusing on several initiatives to reduce CO<sub>2</sub>e in materials by:

- targeting suppliers to use renewable energy in their operations;
- using less of certain ingredients while maintaining the efficacy of products;
- using alternative ingredients with a lower CO<sub>2</sub>e 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<sub>2</sub>e 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 mitigation activities and the opportunities we have identified encompass:

#### 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 have made 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. 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 46-48.

#### 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**

We use a range of tools to assess climate-related factors across the product lifecycle, from material sourcing to consumer use, as part of our innovation process. Our Sustainable

Innovation Calculator informs new and existing product development which helps us design for lower carbon and water footprints in use, mitigates physical risks in the marketplace and helps us to meet emerging consumer preferences. The calculator considers the product carbon and water footprint, plastics and packaging, and ingredients metrics. 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. We are also working directly with key suppliers and third-party manufacturers 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.

Our Scope 3 emissions have reduced year-on-year. Our principle remains to abate first and offset last, and we prioritise reducing our direct footprint. 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. We also address deforestation risks within our wider supply chain, working with suppliers of materials such as palm oil. This is routinely in collaboration with peers within the Consumer Goods Forum, with joint activity to prevent deforestation. Our renewed partnership with WWF will also support action on this from 2025 onwards.



## Climate-Related Financial Disclosures continued

### (c) 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 future opportunities. Our 2030 targets for 50% of net revenue from more sustainable products, 50% reduction in Scope 3 emissions and 65% reduction in operational carbon emissions, 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 increasing 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 and hygiene brands 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 34.9% 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

Reckitt has established sustainability metrics and targets to drive performance on climate change and related environmental matters in areas both directly controlled and across our value chain (see dashboard page 38). 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

Our ambition is to achieve net zero across our value chain (excluding indirect consumer use emissions) by 2040. We have set near-term GHG reduction targets which cover emissions from our operations as well as our value chain:


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

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

We have already surpassed this target for GHG emissions reduction and will review the target within our 2025 SBTi review.

##### 2. Our value chain (Scope 3)

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

 See pages 46-48 for more information on our net zero, water, waste and packaging targets and 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 considering an internal carbon pricing approach, which will allow us to strengthen the assessment of climate impact in future investment decisions.

#### Remuneration

Our Long-Term Incentive Plan (LTIP) includes net revenue from more sustainable products (which includes our product carbon footprint) and reduction in GHG emissions from our operations. 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. For more information on remuneration measures see page 103.

#### Other metrics

- We track stakeholder sentiment through routine dialogue and engagement with key stakeholders including investors, customers and NGOs. See more on pages 74-77. In addition, we strive to maintain and improve our performance in external benchmarks and ratings, including MSCI, Sustainalytics and CDP
- 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

We are using the Transition Plan Taskforce framework, Science Based Targets initiative (SBTi) and Forest, Land and Agriculture (FLAG) guidance to guide our actions.

## 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
- **Recycled 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. Disposals include low margin manufacturing revenues which are agreed at the time of sale of a brand or business. Completed disposals are excluded from LFL revenue growth for the entirety of the current and prior years. Acquisitions 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)
- **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 period 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 CMUs that are the most strategically important (top CMUs). The list of CMUs is kept under continual review and will change over time based on strategic decisions. Currently, CMUs cover c.67% of Group net revenue and between c.63% to c.81% of each Global Business Unit's (GBU) net revenue. As a measure of competitiveness, management tracks the percentage of CMUs holding or gaining market share, weighted by net revenue
- 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 like-for-like net revenue excluding seasonal OTC brands:** LFL is shown excluding net revenue from seasonal OTC products that are affected by the Cold and Flu season. As this season can vary both in intensity and timing in the year, presenting net revenue growth excluding this can provide a view of growth excluding this factor.

### Reconciliation of IFRS to like-for-like net revenue (by GBU)

Net revenue	For the year ended 31 December			
	Hygiene £m	Health £m	Nutrition £m	Group £m
2023 IFRS	6,135	6,062	2,410	14,607
M&A	–	(61)	(25)	(86)
Exchange and hyperinflation	(26)	(7)	–	(33)
<b>2023 Like-for-like</b>	<b>6,109</b>	<b>5,994</b>	<b>2,385</b>	<b>14,488</b>
2024 IFRS	6,140	5,882	2,147	14,169
M&A	–	(21)	(16)	(37)
Exchange and hyperinflation	223	256	80	559
<b>2024 Like-for-like</b>	<b>6,363</b>	<b>6,117</b>	<b>2,211</b>	<b>14,691</b>
<b>Like-for-like growth</b>	<b>4.2%</b>	<b>2.1%</b>	<b>(7.3%)</b>	<b>1.4%</b>

### Reconciliation of IFRS like-for-like net revenue excluding seasonal OTC brands

Net revenue	For the year ended 31 December		
	Health £m	Health & Hygiene £m	Group £m
<b>2023 Like-for-like</b>	<b>5,994</b>	<b>12,103</b>	<b>14,488</b>
2023 seasonal OTC	1,480	1,480	1,480
2023 LFL excluding seasonal OTC	4,514	10,623	13,008
<b>2024 Like-for-like</b>	<b>6,117</b>	<b>12,480</b>	<b>14,691</b>
2024 seasonal OTC	1,365	1,365	1,365
2024 LFL excluding seasonal OTC	4,752	11,115	13,326
<b>2024 Like-for-like growth</b>	<b>2.1%</b>	<b>3.1%</b>	<b>1.4%</b>
2024 LFL growth excluding seasonal OTC	5.3%	4.6%	2.4%

## Alternative Performance Measures continued

### Reconciliation of Operating Cash Flow to Free Cash Flow

	31 Dec 2024 £m	31 Dec 2023 £m
Cash generated from continuing operations	3,675	3,829
Less: net interest paid	(292)	(263)
Less: tax paid	(700)	(922)
Less: purchase of property, plant & equipment	(370)	(348)
Less: purchase of intangible assets	(95)	(101)
Plus: proceeds from the sale of property, plant & equipment	14	63
<b>Free cash flow</b>	<b>2,232</b>	<b>2,258</b>
<b>Free cash flow conversion</b>	<b>91%</b>	<b>97%</b>

### 12 months Adjusted EBITDA to Net Debt

	31 Dec 2024 £m	31 Dec 2023 £m
<b>Adjusted EBITDA</b>		
Operating profit	2,425	2,531
Excluding: adjusting items	1,050	842
<b>Adjusted operating profit</b>	<b>3,475</b>	<b>3,373</b>
Excluding: adjusted depreciation and amortisation	436	444
<b>Adjusted EBITDA</b>	<b>3,911</b>	<b>3,817</b>
<b>Net debt</b>		
Cash and cash equivalents (inc. overdrafts)	879	1,380
Financing liabilities	(8,793)	(8,670)
<b>Net debt</b>	<b>(7,914)</b>	<b>(7,290)</b>
<b>Net debt/Adjusted EBITDA (times)</b>	<b>2.0</b>	<b>1.9</b>

### Dividend Cover

	31 Dec 2024 £m	31 Dec 2023 £m
Interim dividend paid in year	561	549
Final dividend proposed	830	828
<b>Total dividends</b>	<b>1,391</b>	<b>1,377</b>
Adjusted net income	2,449	2,323
<b>Dividend cover (times)</b>	<b>1.8</b>	<b>1.7</b>

### Net Working Capital

	31 Dec 2024 £m	31 Dec 2023 £m
Inventories	1,517	1,637
Trade and other receivables	2,091	2,062
Trade and other payables	(5,291)	(5,506)
Less: Forward purchase liability	133	158
Less: Interest accrued on tax balances	101	122
Less: Indemnity provisions for disposed businesses	47	48
<b>Net working capital</b>	<b>(1,402)</b>	<b>(1,479)</b>
<b>Net working capital as percentage of 12-month net revenue</b>	<b>(10%)</b>	<b>(10%)</b>

### ROCE Calculation

	31 Dec 2024 £m	31 Dec 2023 £m
Adjusted operating profit	3,475	3,373
Less: taxation on adjusted operating profit	(771)	(850)
<b>Adjusted net operating profit after tax</b>	<b>2,704</b>	<b>2,523</b>
IFRS total assets	25,298	27,136
IFRS total current liabilities	(7,943)	(8,338)
IFRS total assets less current liabilities	17,355	18,798
Excluding IFRS items not included in capital employed:		
Short-term borrowings	1,423	1,679
Current tax liabilities	602	620
Legal provisions	30	30
Interest accrued on tax balances	101	122
Share repurchase liability	477	296
Cash and cash equivalents	(880)	(1,387)
Current tax recoverable	(45)	(80)
Retirement benefit surplus	(269)	(270)
IFRS balances included in capital employed	18,794	19,808
Add back: impact of unrealised impairments	4,921	4,078
Less: goodwill due to deferred tax on intangibles	(4,303)	(4,265)
Impact of average in year vs closing balance	687	531
<b>Average capital employed</b>	<b>20,099</b>	<b>20,152</b>
<b>Return on capital employed</b>	<b>13.5%</b>	<b>12.5%</b>

## Alternative Performance Measures continued

The table below reconciles the Group's IFRS measures to its adjusted measures for the year ended 31 December 2024.

	Adjusting items					Adjusted £m
	IFRS £m	Impact of business combinations £m	Net gain on disposal of brands £m	Finance expense reclass £m	Other individually material items of income and expense £m	
Net revenue	14,169	–	–	–	–	14,169
Cost of sales	(5,574)	–	–	–	–	(5,574)
<b>Gross profit</b>	<b>8,595</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,595</b>
Net operating expenses	(6,170)	40	(9)	–	1,019	(5,120)
<b>Operating profit</b>	<b>2,425</b>	<b>40</b>	<b>(9)</b>	<b>–</b>	<b>1,019</b>	<b>3,475</b>
Net finance expense	(321)	17	–	(15)	(4)	(323)
<b>Profit before income tax</b>	<b>2,104</b>	<b>57</b>	<b>(9)</b>	<b>(15)</b>	<b>1,015</b>	<b>3,152</b>
Income tax charge	(672)	(6)	–	15	(38)	(701)
<b>Net income from continuing operations</b>	<b>1,432</b>	<b>51</b>	<b>(9)</b>	<b>–</b>	<b>977</b>	<b>2,451</b>
Less: Attributable to non-controlling interests	(2)	–	–	–	–	(2)
<b>Net income from continuing operations attributable to owners of the Parent Company</b>	<b>1,430</b>	<b>51</b>	<b>(9)</b>	<b>–</b>	<b>977</b>	<b>2,449</b>
<b>Net loss from discontinued operations</b>	<b>(4)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4</b>	<b>–</b>
<b>Total net income attributable to owners of the Parent Company</b>	<b>1,426</b>	<b>51</b>	<b>(9)</b>	<b>–</b>	<b>981</b>	<b>2,449</b>
<b>Earnings per share (EPS)</b>						
<b>Continuing operations<sup>1</sup></b>						
Basic	204.2	7.3	(1.3)	–	139.5	349.7
Diluted	203.8	7.3	(1.3)	–	139.2	349.0
<b>Discontinued operations<sup>1</sup></b>						
Basic	(0.6)	–	–	–	0.6	–
Diluted	(0.6)	–	–	–	0.6	–
<b>Total operations<sup>1</sup></b>						
Basic	203.6	7.3	(1.3)	–	140.1	349.7
Diluted	203.2	7.3	(1.3)	–	139.8	349.0

<sup>1</sup> EPS is calculated using 700.4 million shares (basic) and 701.7 million shares (diluted)

### Impact of business combinations comprised:

- £25 million of amortisation of certain intangible assets recognised as a result of historical business combinations and a related £6 million tax credit
- £15 million related transitional service charge associated with the acquisition of the minority interest
- £17 million relating to remeasurement of payments as part of an agreement to acquire remaining interests from minority shareholders

**Net gain on disposal of brands** comprises £9 million profit on sale of certain small developing market brands completed in 2024.

**Reclassification of finance expense** of £15 million relates to the reclassification of interest expense on income tax balances from net finance expense to income tax.

### Other individually material items of income and expense comprise:

- Restructuring and other project costs of £167 million linked to the group strategic announcements in 2024. This principally includes professional advisor fees and severance costs relating to business transformation and portfolio changes;
- £13 million expense relating to costs incurred in relation to the Korean Humidifier Sanitiser issue;
- £838 million expense relating to the impairment of IFCN and Biofreeze intangible assets (note 9);
- £38 million tax credit on the intangible asset impairment, restructuring and other project costs; and
- £4 million from discontinued operations relating to interest accruing on an uncertain tax position relating to the former RB Pharmaceuticals business (now Indivior plc).



## 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						Adjusted £m
	IFRS £m	Impact of business combinations £m	Net 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	
Net revenue	14,607	–	–	–	–	–	14,607
Cost of sales	(5,847)	–	–	–	–	–	(5,847)
<b>Gross profit</b>	<b>8,760</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,760</b>
Net operating expenses	(6,229)	28	1	–	–	813	(5,387)
<b>Operating profit</b>	<b>2,531</b>	<b>28</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>813</b>	<b>3,373</b>
Net finance expense	(130)	(9)	–	(130)	22	–	(247)
<b>Profit before income tax</b>	<b>2,401</b>	<b>19</b>	<b>1</b>	<b>(130)</b>	<b>22</b>	<b>813</b>	<b>3,126</b>
Income tax charge	(753)	(4)	(9)	–	(22)	(1)	(789)
<b>Net income from continuing operations</b>	<b>1,648</b>	<b>15</b>	<b>(8)</b>	<b>(130)</b>	<b>–</b>	<b>812</b>	<b>2,337</b>
Less: Attributable to non-controlling interests	(14)	–	–	–	–	–	(14)
<b>Net income from continuing operations attributable to owners of the Parent Company</b>	<b>1,634</b>	<b>15</b>	<b>(8)</b>	<b>(130)</b>	<b>–</b>	<b>812</b>	<b>2,323</b>
<b>Net profit from discontinued operations</b>	<b>9</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(9)</b>	<b>–</b>
<b>Total net income attributable to owners of the Parent Company</b>	<b>1,643</b>	<b>15</b>	<b>(8)</b>	<b>(130)</b>	<b>–</b>	<b>803</b>	<b>2,323</b>
<b>Earnings per share (EPS)</b>							
<b>Continuing operations<sup>1</sup></b>							
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
<b>Discontinued operations<sup>1</sup></b>							
Basic	1.3	–	–	–	–	(1.3)	–
Diluted	1.3	–	–	–	–	(1.3)	–
<b>Total operations<sup>1</sup></b>							
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

<sup>1</sup> 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, 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, 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 Humidifier Sanitiser issue; and
- £9 million income from discontinued operations which relates to the DoJ settlement in 2019.

# Shareholder Information

## Annual General Meeting

Our Annual General Meeting (AGM) will be held on 8 May 2025 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](http://www.reckitt.com/investors/annual-general-meetings).

## 2025 financial calendar and key dates

Record date for 2024 final dividend	11 April 2025
Announcement of Quarter 1 trading statement	23 April 2025
Annual General Meeting	8 May 2025
Payment of 2024 final ordinary dividend	29 May 2025
Announcement of 2025 interim results	24 July 2025
Record date for 2025 interim dividend	8 August 2025
Payment of 2025 interim ordinary dividend	18 September 2025
Announcement of Quarter 3 trading statement	22 October 2025

## Dividend

The Directors recommend a final dividend of 121.7 pence per share for the year ended 31 December 2024. Subject to shareholder approval at the 2025 AGM, payment of the final dividend will be made on 29 May 2025 to all shareholders on the register as at 11 April 2025. The latest date for receipt of new applications to participate in the Dividend Reinvestment Plan (DRIP) in respect of the 2024 final dividend is 7 May 2025. 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](http://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](http://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](http://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](http://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](http://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](http://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
- Support Reckitt's corporate responsibility profile

Shareholders can register for electronic communications by registering at [www.investorcentre.co.uk](http://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 Companies Act 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 2024 Annual Report and Notice of the 2025 AGM are available to view at [www.reckitt.com](http://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
- Share capital information

### Analysis of shareholders as at 31 December 2024

Distribution of shares by type of shareholder	No. of holdings	Shares
Nominees and institutional investors	2,561	723,138,516
Individuals	9,482	13,396,663
<b>Total</b>	<b>12,043</b>	<b>736,535,179</b>

Size of shareholding	No. of holdings	Shares
1–500	6,955	1,312,126
501–1,000	1,868	1,350,527
1,001–5,000	1,855	3,856,419
5,001–10,000	267	1,925,879
10,001–50,000	491	12,208,357
50,001–100,000	176	12,382,570
100,001–1,000,000	328	113,429,676
1,000,001 and above	103	590,069,625
<b>Total</b>	<b>12,043</b>	<b>736,535,179</b>

### 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](http://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](http://www.computershare.com/uk)

### Share buyback programme

On 24 July 2024, the Company announced the continuation of the share buyback programme and the intention to buy back £1 billion worth of shares by 30 June 2025.

### 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](http://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](http://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 <https://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](http://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](http://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 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 tariffs and 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 2024 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



Reckitt Benckiser Group plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Inaset Offset and Edixion Offset, an FSC® certified material. This document was printed by Park Communications using its environmental print technology, which minimises the impact of printing on the environment. Vegetable-based inks have been used and 99% of dry waste is diverted from landfill. The printer is a CarbonNeutral® company. Both the printer and the paper mill are registered to ISO 14001.

Produced by  
**designportfolio**

**Reckitt Benckiser Group plc**

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