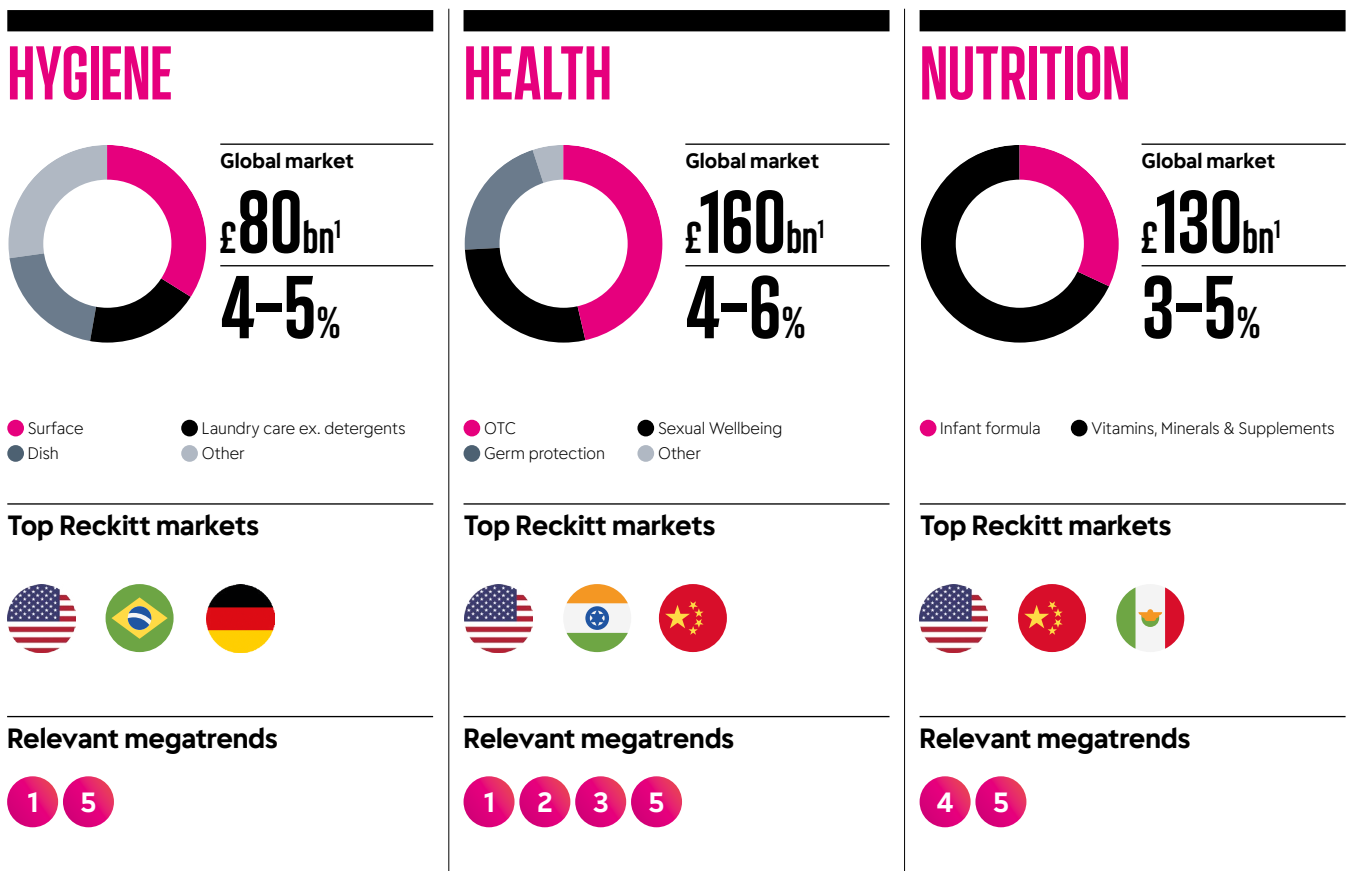


Reckitt operates in attractive, growing market segments, underpinned by clear megatrends:

Urbanisation and global warming, and their impact on the spread of infection, re-enforcing the necessity of improved hygiene; growing demand for self-care, given pressures on governmental spending globally; growing importance of sexual health and wellbeing; a growing and ageing population; and ever-changing technology, which is transforming consumer knowledge and purchasing habits. Most of these trends have been accelerated or accentuated by COVID-19.



1. Source: Euromonitor and company estimates. Nutrition excludes Solid baby food

COVID-19 impact on megatrends

Megatrends

<p>1 Global warming and urbanisation</p> <p>The issue: The transmission of infection is likely to be a growing global issue over the coming decades, as growing populations and movements of people create the conditions necessary for the spread of disease. It is estimated that an additional 2.5bn people will live in cities over the next 30 years¹ – this increase is driven primarily by Africa and Asia, with 10 new 'megacities' expected by 2030². Similarly, climate change is increasingly being linked to growth in infection and disease, with deforestation thought to be the cause of 1/3 of new and emerging outbreaks such as Ebola or Zika³.</p>	<p>+2.5bn people living in urban areas over the next 30 years</p> <hr/> <p>10 new 'megacities' to be formed by 2030</p>	<p>The role we play: with our category-leading disinfection brands, such as Dettol, Lysol, Sagrotan and Napisan, we help break the chain of infection. We work hard to better understand and respond to evolving consumer needs, such as the growing demand for protection against germs outside of the home.</p>	<ul style="list-style-type: none"> Penetration to existing plus new households New market expansion New use occasions
<p>2 The role of self-care</p> <p>The issue: In both developed and emerging markets, ageing populations and stretched public finances are placing ever growing pressures on health systems. This is in turn leading patients to seek – and governments to encourage – self-care. This is made easier by technology which provides increasingly sophisticated personalised recommendations.</p>	<p>48% in UK to consult pharmacists more often, although 31% would not have done so pre-COVID-19⁴</p> <hr/> <p>Half of all UK hospital trusts⁵ are in FINANCIAL DEFICIT</p>	<p>The role we play: with our over-the-counter brands such as Mucinex, Nurofen and Strepsils, we provide people with the products and information they need to treat many everyday symptoms such as cold and flu, themselves, without recourse to a medical professional. By saving a trip to the doctors, we are helping to reduce demand on strained public healthcare.</p>	<ul style="list-style-type: none"> More self-care due to further pressure on health systems Increase in telemedicine One-off decreased cold and flu season
<p>3 Sexual health crisis</p> <p>The issue: Sexual health and wellbeing is a growing societal issue and widely considered an endemic, with 1m infections globally every day. In many areas of the world awareness and understanding of these issues are poor.</p>	<p>1m people infected each day with a sexually transmitted infection⁶</p> <hr/> <p>1.7m newly infected with HIV infections globally according to latest World AIDS day 2020 factsheet⁷</p>	<p>The role we play: as the world's leading producer of condoms and with 90 years of brand heritage, Durex has a crucial role to play in improving education around risks of sexually transmitted infections, and encouraging safe sex. We focus our efforts to shape long-term attitude and behaviours on the point of market entry programs help young people make informed and confident choices, working with partners such as National AIDS Control Organization (India), Solidarite (France), Dance 4Life (Netherlands), UNFPA (Mexico), and the Ministry of Health in Russia.</p>	<ul style="list-style-type: none"> Increased sexual health crises as a result of untreated symptoms Social distancing reducing frequency of condom use
<p>4 Ageing population</p> <p>The issue: With people living longer, there is growing demand for health and wellbeing products that allow people to live their lives to the full – with a healthy body and mind.</p>	<p>£.1bn size of the elderly nutrition market in China, which is growing at c.17% per annum⁸</p> <hr/> <p>2bn people will be aged over 60 by 2050⁹</p>	<p>The role we play: our VMS brands such as Move Free, MegaRed and Neuriva address important needs in nutrition. Leveraging the science capabilities within our Infant Nutrition business, our product innovation naturally addresses the opportunity presented in the adult and senior markets.</p>	<ul style="list-style-type: none"> Continued growth in speciality and immunity Birth-rate challenges in the near-term
<p>5 Technology proliferation</p> <p>The issue: Technology is transforming consumer behaviour and purchasing decisions, affecting what people buy and how they buy it. This has implications for the way we develop and market our products, the value we can offer consumers, as well as how we manage our supply chain.</p>	<p>710m people make up the Chinese e-commerce market, now bigger than the US and Europe combined¹⁰</p> <hr/> <p>+49% growth in US online retail sales in Q4 2020¹¹</p>	<p>The role we play: our investment in eRB means that consumers can discover and purchase our products how and when they want. Our direct to consumer business now allows for speedy delivery of health products such as analgesics and condoms. We are also increasingly able to deliver personalised nutrition.</p>	<ul style="list-style-type: none"> Fundamental change in consumer engagement Step-change in e-commerce transactions Digital, personalised health

1. United Nations
2. United Nations
3. Ecohealth Alliance
4. Ipsos Consumer Healthcare Survey, July 2020

5. The Kings Fund
6. World Health Organisation
7. UNAIDS Factsheet, December 2020
8. Company estimates

9. World Health Organisation
10. www.statista.com
11. Mastercard survey between October – December 2020