

Reckitt Investor Seminar Series: ESG

Friday, 6th May 2022

Introduction

Richard Joyce

Investor Relations Director, Reckitt

Welcome

Good afternoon and good morning to some of you. I want to welcome you all to Reckitt's second Capital Markets Seminar. This is one of a series of investor seminars we are hosting, following our first event in September last year. Today we are focusing on how we at Reckitt see ESG as key to building a sustainable business for the future.

Before we start I want to quickly run through a few housekeeping and administrative points. Firstly, I draw your attention to the usual disclaimer in respect of forward-looking statements and you will hear many of these today. Secondly, this is an ESG event and we are super-excited to do this deep dive with you today. We would be happy to address any non-ESG-related topics separately. Please feel free to get in touch with me directly or via the Investor Relations email address and we will come back to you.

Thirdly, we will be starting with a pre-recorded presentation. Following this we will host a live Q&A session with our panel whom Laxman will introduce in a minute. We will take written questions via the webcast so please feel free to submit your questions via the Question tab near the top of your screen. Miguel and our panel will be delighted to address your questions at the end of the presentation.

We expect this event to last for around 90 minutes in total with 45 minutes devoted to the presentation and around 45 minutes to Q&A. This event is being recorded and will appear on our website, as will a copy of our presentation. Without further ado, I pass over to Laxman Narasimhan our CEO to kick things off. Laxman, over to you.

Our ESG Ambitions

Laxman Narasimhan

Chief Executive Officer, Reckitt

Thank you Richard and hello everybody. Thank you for making the time to join us today. We deeply appreciate it. We are clearly living in uncertain and turbulent times. Our ability to navigate and adapt at pace, as well as respond to the needs of our consumers, our customers, our employees, our investors and other stakeholders is core to our future success. The global pandemic highlighted the need to focus on creating a cleaner, healthier world. That is why I am so excited to be here today to talk to you about how we are embedding ESG into our day-to-day business, both as a way of managing risk but also as a way for us to create opportunities whilst enabling a cleaner and healthier world.

Agenda

The agenda for this event will be as follows. I am going to take you through our strategic focus and a summary of our sustainability ambitions. Jeff Carr will talk to you about how we have established a strong governance framework, before outlining our capital allocation approach to drive a more sustainable earnings model. He will share how we will measure ourselves on this and hold ourselves accountable. Miguel-Veiga Pestana will then provide you

with some more detail around the evolution of our ESG agenda and David Croft will give you an update on our progress to date.

Introduction to the Panel

We have also allowed time for an interactive Q&A with our panel that we have assembled for you today. Our panel consists of key members from both our Sustainability team as well as from our Executive Committee, who I will briefly introduce to you now. Today you will be hearing from Dr Angela Naef, Sami Naffakh, Fabrice Beaulieu, Ranjay Radhakrishnan and David Croft. Miguel-Viega Pestana will help to moderate the panel discussion.

Addressing Four of the World's Largest Problems

Significant unrealised market opportunity associated with addressing these problems

Our portfolio of trusted brands puts us in a privileged position to address four of the world's largest problems, which we discussed at our recent full-year results presentation and at CAGNY. How can hygiene be the foundation for health? How do we enable consumers to self-care at a time when health systems are under massive pressure? How do we support intimate wellness and eradicate the menace of sexually-transmitted diseases? How do we provide enhanced nutrition for infants and for the increasing number of seniors in society? As we address these questions, how will we capitalise on the broad and rising impact of digital and sustainability?

Creating value whilst pursuing a cleaner, healthier world

Our 2030 Sustainability Ambitions are therefore very important and we focus on areas where we as a company with our portfolio of trusted brands can make a real difference to people's lives and to our planet, whilst driving growth and building resilience. That is why we feel confident in our ability to drive sustainable value creation for our shareholders and for other stakeholders in the medium-to-long-term.

As you have heard me say before, our strategic focus is centred around our purpose and on our fight. We protect, heal and nurture in the relentless pursuit of a cleaner, healthier world and we fight to make access to the highest quality hygiene, wellness and nourishment a right, not a privilege. This helps determine the impact we have on the world. We are also guided and governed by our compass to do the right thing always, no matter how difficult.

Our focus is underpinned by our Sustainability Ambitions which we launched in March 2021. These ambitions are now being firmly embedded throughout our business operations and are part of our earnings model. Let me start by giving you a brief overview of our Sustainability Ambitions which are centred around three key pillars.

Trusted, more sustainable brands

Purpose-led brands

The first of these addresses the goal of building trusted, more sustainable brands. Our brands can play an important part in accelerating progress to the UN Sustainable Development Goals, the SDGs. For example, strengthening health through a foundation of hygiene with Dettol and Lysol is in support of SDG goal 3 for good health and wellbeing or SDG goal 6 to promote availability and sustainable management of water and sanitation with Harpic and Finish. As well as extending the life of clothes with Vanish to help deliver SDG

goal 12 on responsible production and consumption. By doing this we believe our brands can authentically make a difference by protecting, healing and nurturing people and the planet.

Not only do we link our brands to SDGs but our ambitions focus on a combination of safer and more sustainable products, built-in better ingredients, science-based platforms and increasing transparency. Plus enabling a circular economy through less plastics, more recyclable materials and better infrastructure and consumer behaviour. You will also hear shortly from Jeff about our unique sustainability calculator which we apply to every single one of our product innovations to ensure that they are more sustainable than their predecessor.

Healthier planet

Our second sustainability pillar is about a healthier planet and how we can minimise our emissions, water use and waste while ensuring we source responsibly and innovate to produce more sustainable products. The first focus area is around combatting climate change through reducing our carbon footprint. This takes many forms ranging from our own operations all the way to engaging consumers on how to use our products in a more climate-friendly way. The second area of focus is about being water positive. It is about using a catchment-based approach in water-stressed areas. It is also about water efficiency throughout our operations and water savings across our entire value chain. Lastly it is about creating a healthier planet through regenerating nature by protecting and regenerating the ecosystems and the communities that we rely on.

Fairer society

Our third pillar is about a fairer society and how we meet our responsibilities to our communities and to our employees. Once again we have three main areas of focus here. The first is around creating what we call the freedom to succeed. We are working hard to create an inclusive culture where everybody is treated fairly and equally. We look to celebrate and promote diversity and are extremely focused on gender equality. This is an area where I know we can do better and where I am pleased with the progress that we are making with around 30,000 Reckitt colleagues now actively engaged in inclusion activities. 75% are also feeling the positive impact of our leadership behaviours that we rolled out through the course of the pandemic.

Our second area of focus is on creating a positive lasting impact. For example, by supporting mothers and infants for the best start in life or by empowering young women to take control of their bodies and their health. This is through our Fight for Access Fund which invests the equivalent of 1% of our operating profit into such causes as sexual health and water sanitation. Since 2020 we have invested over £90 million in this area. Thirdly we focus on fairness across our value chain through ensuring sustainable livelihoods and working conditions and strengthening human rights throughout our value chain.

Social impact

Finally, there is the impact of our social impact programme enabled by our Fight for Access Fund. Our Social Impact Report highlights that we have invested over £90 million over the last two years with £38 million in 2021 across 50 countries. One example of this is our Dettol School Hygiene Education Programme which focuses on teaching children about selfcare and health awareness during their foundation years. This programme has reached over 20 million children across India and has not only reduced cases of diarrhoea by 14.6% but it has also

boosted school attendance by 39%. 2021 saw programmes that complement our core business, child and maternal health, sexual health and wellbeing, as well as water and sanitation. These are hugely impactful for communities all over the world, India, Pakistan, Indonesia, Kenya, the USA and China with programmes from Dettol, Harpic, Lysol and Finish on water and sanitation. In the USA, Mexico, the Philippines and Thailand with Enfa and Nutramigen. In South Africa and Thailand with Durex to address basic hygiene as the foundation for health. We launched the Reckitt Global Hygiene Institute to create insights for everybody on hygiene as the foundation to health. These powerful partnerships with governments, with NGOs and with academia promote our brands and our role in addressing four of the world's biggest problems.

We are making strong progress on ESG

We are a performance-driven company. We embed sustainability into everything that we do. This is also increasingly reflected in our ESG performance in key ratings indices with an AA Rating with MSCI and 1.39 with MSCI's Implied Temperature Rise Methodology. We have a score of 22.9 with Sustainalytics. We are committed to sustaining and improving our scores. We have also been recognised as a sustainability leader and listed in S&P Global's 2022 Sustainability Yearbook, Gold Class Distinction and significant social impact visible around the world through our brands. That is a high-level summary of our Sustainability Ambitions. Miguel and David are going to talk to you about these in more detail shortly but for now it is my pleasure to pass the baton on to Jeff.

Governance and Accountability

Jeff Carr

Chief Financial Officer, Reckitt

Our Governance Structure

Strong board and management oversight

Thank you Laxman. I would also like to extend my welcome to everyone joining our ESG capital markets event today. I want to start by talking about how we as a management team and the board ensure proper oversight and governance around ESG. Approximately five years ago we created our Corporate Responsibility, Sustainability & Ethics Committee. This board subcommittee meets four times per year and is chaired by Dr Pamela Kirby. They hold us and the entire management team to account on the achievement of our Sustainability Ambitions, compliance with laws and regulations and overall corporate responsibility.

As an Executive we ensure day-to-day governance through our Risk, Sustainability & Compliance Committee or RSCC for short. This is chaired by Laxman and oversees each of our global business units as well as our e-commerce business and Greater China. Each GBU has its own review that rolls up to the global RSCC every quarter. We have taken steps to strengthen our corporate governance. We understand and monitor our risks very carefully through board oversight, not just on the compliance agenda but on consumer safety and quality also. We consider the materiality to our business of key ESG-related risks.

Focusing on what matters most

Last year we updated this risk matrix, something we do on a regular basis, and later David will take you through this in more detail. This also connects to our overall risk management

approach. Product quality continues to be hugely important to us and that is why we have been investing in our consumer safety activity and manufacturing quality programmes over the past 3-4 years. However, alongside managing this as a risk we have also invested in science platforms that build stronger product resilience and creates new innovation opportunities. Climate change came up much higher on the global agenda with COP26 and the latest IPCC report demonstrating the link between planetary health and public health. This connects directly to our core business and hence its high profile on our materiality assessment. We are developing products and supply chains to manage this with an eye on the risks with the support of our partners such as the Cambridge Centre for Risk at Cambridge University. However, this goes further than risk. It is about creating opportunities. We are careful and thoughtful in how we invest shareholders' money to build resilience and support the opportunities that Laxman has outlined. Our panel members today lead the functions which are the recipients of this investment and are here to answer any questions you have on the opportunities we are creating.

Investing in resilience & sustainable value creation

I have set out in this slide the core areas of investment which are now embedded into our underlying earnings model for sustainable value creation. There is capital expenditure in our plans for our supply chain to address climate change and areas like energy and water efficiency specifically. For example, becoming more energy efficient and switching from fossil fuels to renewables like solar. This makes us more resilient against emerging carbon taxation and will enable us to use less energy, 25% less, by 2025. We are tracking success through our environmental reporting, leading to carbon emissions reductions. Sami, as our Head of Supply Chain can expand as needed on what we are doing in this area.

We have investment in science platforms to support innovation, new materials and green chemistry like new polymers, better packaging that is readily recyclable. Angela is here as our Head of R&D to talk about this in more detail. There is investment in BEI so that our brands both innovate and connect with consumers on issues that matter to them. Our goal is to engage two billion people to raise awareness of social and environmental issues that connect to our brands and build brand equity and loyalty. I know that Fabrice as our Global Head of Marketing would be more than happy to elaborate further on this.

We also launched our Fight for Access Fund in March 2020 with a commitment to improve access to high quality products and provide education and information to enable people to look after their own health and wellbeing. As our recent Social Impact Report highlights, we are investing more than £38 million across 50 countries in 2021. This has also driven our earnings model. Due to this and other programmes we have invested behind in India. Dettol India has growth by strong double-digit growth over the last two years underpinned by penetration increases and market share gains. Our investments to deliver our Sustainability Ambitions over the next ten years will be in excess of £1 billion. This is built into our plans and underpins how we innovate, how we run our supply chain, and how we connect with our consumers, all building to our ambitious plans of mid-single digit net revenue growth and mid-20% operating margins by the mid-2020s.

Sustainability is embedded end-to-end in our innovation process

Reckitt is a performance-driven company. We are owners of the business and we hold ourselves to account for the delivery of our ambitions and return on our investments. A

unique enabler of this is our sustainability calculator. This evaluates the impact of product change versus existing benchmarks so our R&D and Marketing teams can evaluate critical design decisions taking account of their environmental impact and contribution to our Sustainability Ambitions. This is of course on top of delivering consumer satisfaction and having a strong earnings model. We look at reformulation, packaging, ingredients and consumer use illustrated by this dashboard. There are always benefits and drawbacks to innovations and we weight the impact of our decisions very carefully. We want consumers to trust our brands. We want them to feel confident that our products are safe and cause no harm to the ecosystems or the people that they touch during their life cycle.

Some examples from our calculator

Here are three recent examples of how the calculator is driving improvements. Our brand GAVInatura which uses natural ingredients and recyclable glass packaging, as well as our Airwick Essentials Mist product which uses 26% less plastic in a smaller device.

We will be transparent and accountable for delivery of our targets

I will finish by taking you through how you should measure our progress and hold us accountable for the delivery of our Sustainability Ambitions and how this is integrated into our remuneration. Firstly we have our financial KPIs, as measured through our progress towards our medium-term targets, underpinned by our BEI investment and our innovation metric which we will start reporting later this year. Under which we will report revenue derived from new product innovations launched in the last three years. Secondly, we have our sustainability metrics with KPIs across all three sustainability pillars. These are reported throughout our management systems and independently verified before we report them to you each year.

Finally, from this year onwards we have embedded sustainability metrics in our long-term incentive programme. These are applied across all senior managers in the business who are awarded LTIPs. The two metrics related directly to our most important ambitions, net revenue for more sustainable products and progress on our reduction in greenhouse gas emissions from operations. Whilst these are specific sustainability metrics built into our long-term incentive programme, our other incentives of net revenue growth and return on capital employed, are also underpinned by the work and investments we are making in sustainability across the business. That is a brief overview of our governance, our capital allocation and how we measure and hold ourselves accountable for delivering our Sustainability Ambitions. I will now hand over to Miguel to talk to you in more detail about the evolution of our 2030 Sustainability Ambitions.

Progress Update

Miguel-Veiga Pestana

SVP Corporate Affairs and Chief Sustainability Officer, Reckitt

2021 foundations and progress until 2020

Thanks Jeff, it is a great pleasure to be here. In the next few minutes I will describe our overall approach to embedding ESG and how we see this evolving. I will dive into the detail behind the Sustainability Ambitions. Now, in 2012 we set environmental targets for 2020 and these were mostly focused on the impact of our operations on the environment. Over the

course of eight years we have met and in some cases exceeded a number of these critical targets, such as achieving more than a 53% relative reduction of greenhouse gas emissions. However, we also recognised that society's expectations of business have fundamentally changed over the decade. That is why in 2020 we kicked off a comprehensive strategic review to shape our Sustainability Ambitions.

We looked at the key issues for our business and the world and the role we play in delivering the UN Sustainable Development Goals. We see these as drivers of our business strategy too. We engage both internally and externally with our leadership, our board, our employees, our customers, our investors and other key stakeholders. In setting our ambitions we asked ourselves, what is the point of distinction? What makes us so different to other companies and where does this drive business impact as well as impact for society?

The answer lies in the categories where we play and the fantastic suite of brands we have both across Health, Nutrition and Hygiene. Now, we sell over 20 million products every day and we are in 100s of millions of households. That is a huge privilege and responsibility. Our Ambitions include a goal to reach half of the world with products that have a positive societal impact and this also allows us to grow our market reach into new spaces and places. We also want to engage two billion people to raise awareness of the issues we care about and inspire behavioural change to create a cleaner, healthier world.

Our Sustainability Ambitions

Purpose-led brands

The first pillar of our Sustainability Ambitions is all about how we develop more sustainable products. We want 50% of our annual net revenue to come from more sustainable products by 2030. We measure this using our sustainable innovation calculator and the aim is to ensure that every product is at least 10% better than the predecessor. This helps us to meet growing needs and expectations of our customers and consumers. All the while maintaining and even improving performance and efficacy of course.

Healthier planet

Our second pillar for a healthier planet expands our environmental goals and recognises the impact of climate change on health. Our ambition is to carbon neutral by 2040 across our full value chain and this is complemented by science-based targets for our operations and for our product footprint. Our intent is not just to manage the risks of climate change but also to build opportunities with products that are suited for a low-carbon economy. We have got similar aims on water, a long-term goal to cut water footprints by 50%, water catchment plans to be water-positive in water-stressed areas by 2030 and water efficiency goals for 2025. This is all about long-term resource resilience.

We have been building on our activity on biodiversity, recognising opportunities here as well as the need to actually protect ecosystems. We flagged last year when we launched our Sustainability Ambitions that this was in an area that we needed to build more. Since then we have a new partnership with Oxford University's nature-based insetting team and that is helping us to drive this forward, as you will hear from David.

Fairer society

Our third pillar is about building a fairer society, both within Reckitt as well as across our value chain, with a particular focus on gender. Our goal is gender balance at all levels of management by 2030. Beyond inclusion though there are some core human rights that we are enabling for both a fairer and more resilient supply network. This led to our work on sustainable livelihoods, helping people support their families and their health. By strengthening access to our brands in new places and new spaces we support those communities and drive our growth. Let me bring it to life with an example with our Finish brand.

Finish connecting to consumers and creating impact

The science told us that washing dishes in a dishwasher saves ten times the water than by washing by hand. Think ten litres in a dishwasher versus 100 litres by hand. Our consumer insights also told us that a high percentage of people who use a dishwasher also pre-rinse the dishes which wastes around another 50 litres depending on where you are in the world. We used these insights to craft a purpose for Finish focused on encouraging people to use a dishwasher and skip the rinse. Now, this is only possible because of our superior dishwasher products and this creates a virtuous cycle where we connect more meaningfully with our consumers, help to save water and boost our sales and penetration for Finish. In the UK alone we are targeting water savings of two billion litres and that is the equivalent of 800 Olympic swimming pools.

Joining forces to win bigger*With our consumers*

Now, given the breadth and complexity of the issues we want to tackle we know that we simply cannot do this on our own. That is why we partner with key stakeholders to deliver on our Sustainability Ambitions. With consumers we are connecting them with nature through Airwick and our WWF partnership. With Durex we are working with the Fair Rubber Association to source fairly-traded latex. With Dettol and Lysol we are working to develop compaction solutions that deliver products with a significantly smaller environmental footprint.

With our customers

With our retail customers we partner on things that matter to us both. With Walmart we are giga gurus in their project Gigaton on climate. With Metro we have partnered on water and plastic and joined their initiative with Plastic Bank, which help to recycle 100 tonnes of plastic. With Tesco we have joined their Loop Launch with our Finish products. This alongside improved service provision contributes to a stronger commercial partnership as well.

With our investors

As you have heard, we are strengthening our ESG performance in key ratings indices. We hope the adoption of our new alternatives to animal testing policy and responsible marketing policy will help improve these scores.

With governments

With governments we are building partnerships to help deliver on joint agendas especially around public health, sexual health and wellbeing or climate change and its impact on health.

Our brands are well-placed to help protect and enhance people's lives while our work is helping to combat climate change as well.

With our teams

For our Reckitt colleagues where we are delivering sustainable livelihoods and investing in our inclusion programmes on gender, ethnicity, sexual orientation and disability. These are areas where we continue to strengthen our approach and ambitions accordingly. Our employee surveys tell us that our people are actually being motivated by what they see us do to create a positive societal impact. We believe that this helps us to retain and attract talent and it strengthens our culture.

With suppliers

Finally with suppliers we are developing strategic partnerships for productivity and innovation, leading to more recyclable packaging and more resilient supply chains.

This all builds on the legacy of successful business with positive societal impact that James Reckitt created. It helps bring our purpose to life on some of the world's biggest challenges and the most material issues we face as a business. For more on how we are making progress against our goals, I am going to hand over to David.

Performance Against our Goals

David Croft

Global Sustainability Director, Reckitt

Focusing on what matters

Thank Miguel. Let me dig a little further into our work, performance so far and some ideas for the future. Our 2021 Materiality Study confirmed that our Ambitions are in line with our stakeholders' expectations. It reaffirmed the importance of product quality and consumer safety, something we are acutely aware of and something we continue to invest in. We strengthened the team, reviewed the whole portfolio, ensured product safety reviews for every launch and strengthened product quality systems for more right first time and efficient production.

Climate change has become more important for operations and products. We are investing in energy efficiency and renewable fuels. This makes us more resilient. Our aim is to both address risks and build opportunities. Sustainable packaging has similar themes with reductions in materials, improved recyclability or more recycled content. This addresses risks from emerging regulation while meeting growing customer and consumer expectations for less and better packaging.

Advancing hygiene and health was a third priority. This reflects its profile in our overall business strategy, tackling one of the world's biggest problems and making hygiene a foundation for health. In doing so we are creating impact for people and enabling our growth. Beyond these we see the growing importance of action on biodiversity, not only to protect ecosystems but to strengthen them and develop carbon opportunities.

Purpose-led brands performance

Purpose-led brands

2021 saw 24.9% of our net revenue from more sustainable products. That was down on 2020 because for the first time we included our infant formula business in the totals. On a like-for-like basis we achieved a similar level to 2020 at 29.3%. We expect to see steady improvement over the next 2-3 years with sustainable innovation across both our global brands and within local hero brands.

Sustainable packaging

The progressive improvement in plastics and packaging is part of that. It is also good for our earnings model given packaging costs. We are developing solutions like compaction and refill or reuse, as well as looking at how we can lower plastic footprints by moving from rigid to flexible packaging. We have made progress on recyclability. 70% of packaging is now technically recyclable. We have seen slower than expected increases in PCR in packaging however, with 3.5% in the overall portfolio in 2020. Now, that was low because we had high volumes of disinfectant products in the pandemic which had yet to include PCR in the packaging. At the time the priority for us was maintaining supply to protect people's health. In tonnage however, we actually used 50% more PCR than in the previous year, driven by some products like Durex Lube which already has 100% PCR. However, we know that this is an area what we have to do more across our whole portfolio. We are developing new materials with our science platforms looking at new polymers. We are working with suppliers to bring in new materials like single polymer flexible packs that are readily recyclable and include more recycled content.

Chemical footprint

In our chemical footprint we are making steady progress through our compliance agenda. We will be publishing details of the percentage reduction soon but are already frontrunners in the Chemical Footprint Project scoring more than 80%. Our science platforms are helping to identify new ingredient solutions. For example, developing biobased actives for Dettol. We are also targeting high carbon ingredients to reduce our carbon footprint.

Healthier planet performance

Our climate change activity is anchored on science-based targets for 2030 and our ambition to be net zero for 2040 across the value chain. We have a target to reduce Scope 1 and 2 carbon emissions by 65% by 2030. By the end of 2021 we had achieved 66% absolute carbon reduction. That came from buying 100% renewable electricity for all manufacturing sites, energy efficiency improvements and installing on-site generation like solar in China. We will continue to improve this operational performance. Our Scope 3 target on product carbon footprint is more challenging. Our total footprint increased by 22.6% in 2021 given increased volumes since our baseline of 2015.

Towards net zero

This reinforces our drive to reduce our product footprint through our carbon roadmap. For operational carbon emissions we are aiming for 25% energy efficiency by 2025, prioritising the highest energy processes such as boilers or compressed air. We are looking separately at thermal energy for spray drying, increasing the use of landfill gas, for example. We will continue towards 100% renewable electricity by 2030, including power generated from

combined heat and power units. We are developing renewables with solar at a number of sites and seeing opportunities in ground or air source options for low temperature thermal energy. For higher temperature thermal we are also exploring biomass and biogas options now and thinking about hydrogen for the future.

For products we have prioritised the highest carbon ingredients and with suppliers are looking at reducing their footprint. We may switch where it is viable and where equally effective alternatives are already available. We will progressively look at carbon capture options for ingredients, changes to our packaging, using less material for example, or more recycled content which also lowers our carbon footprint.

Thinking about logistics with BP we have piloted recycled vegetable oil to replace diesel in the UK in vehicles run by our logistics partner Great Bear. It gives a 91% reduction on carbon. We will look at how to scale that up bearing in mind headwinds in fuel costs but using similar pilots in Europe and the US and considering the electric vehicles as an option as the technology on recharging and infrastructure develops.

We know that around 75% of our total footprint is when people use our brands. We are reducing the direct phase of this, the energy to use an Airwick plug-in device, for example. However, we also design products that use less energy in appliances like washing machines and that helps people play a part in combatting climate change and reduces their utility costs while generating brand loyalty.

We have just published our detailed TCFD statement in our Annual Report. We are working to comply with all of the task force recommendations. We are already compliant with many and working on others, like our internal carbon pricing activity to prioritise and plan for the longer term. We consider both transition and physical risks against five scenario pathways. Transition risks stem from emerging policies, changes in consumer preference, technology, market sentiment and liability.

Physical risks consider raw material supply, operational disruption and pressures and things like water stress, higher temperatures and more frequent adverse weather events. Our carbon work on products and operations and our work on water helps to mitigate those risks. That leads to our current evaluation that risks are not material but we will continue to keep this under review. Our priority to 2030 is to abate carbon emissions. We will consider offsetting after that on our road to 2040.

Healthier planet performance

Water

We improved water efficiency by 3% in 2021. We will continue to focus on highest water processes. Overall water use went up with the volumes of Dettol and Lysol that were used in the pandemic, In the case of water-stressed locations we are focused on becoming net positive for water in the catchment area. That means improving efficiencies but also capturing and recycling water and improving water resources locally. Our site in Hosur, India has been independently validated as our first water-positive site. We are taking a similar approach in Pakistan and Mexico this year with more to come in India so that all 19 of our sites in water-stressed areas are neutral or better by 2030.

We know it will be challenging to reduce our product water footprint by 50% by 2040. Our results for 2021 showed 14.6%. We have already started working on this. For example, our new Dettol handwashes use far less water than bar soaps. This also supports our TCFD resilience against physical risks. We evaluate site water security in current or potentially water-stressed countries.

Biodiversity

Now, the last area I am going to highlight is biodiversity. We have been working to prevent deforestation for some time with satellite monitoring and roadmaps with suppliers. We partner with the NGO Earthworm to strengthen farmer livelihoods and prevent deforestation. We are committed to RSPO-certified palm oil for our ingredients by 2023 and for more complex derivatives by 2026. Our Fair Rubber certified latex also helps farmers and creates a more resilient supply chain. Our work with the Nature-Based Insetting Team at the University of Oxford maps and measures biodiversity in priority ecosystems including palm, latex and key fragrances. We are measuring biodiversity, carbon and social impacts in a framework that also measures interventions to strengthen biodiversity in the future. For latex, for example, we can measure the impact of better agronomy as we introduce it. Overall it supports our position for TNFD and science-based targets for nature as they evolve. This includes options for carbon insetting within our value chains. Beyond abatement our preference is to insetting value chains which strengthens those supply networks. We will announce more details of future targets on biodiversity later this year.

Fairer society performance

Inclusion

Lastly I would like to update you on our work to support a fairer society. This stems from activity inside our business, in our value chain and in the communities where we work. We are a team of 120 different nationalities in 60 countries. Inclusion enables our people to participate fully and realise their potential. Reckitt is better when we represent the diversity of the consumers and communities we serve. That is why our approach covers all our business, strengthening policies, building awareness and building diversity within our suppliers. 49% of all management grades are now women and 29% of the senior leadership are women. These are good foundations but we will continue to do more on gender balance and to represent the diverse communities that we serve.

Looking across our value chain human rights impact assessments and labour standard audits help make sure we support salient human rights and tackle the challenges of modern slavery. A dedicated audit team looks at suppliers all over the world and we are carrying out human rights impact assessments in all key markets by 2030. The first one in Thailand led to our Fair Rubber programme. It promotes supply chain resilience and connects consumers with Durex, promoted as a fairly-traded brand.

Sustainable livelihoods

This also supports our work on sustainable livelihoods, recognising that to continue farming while supporting core human rights and protecting ecosystems farmers need a reasonable livelihood. We support the UK living wage but are re-evaluating the livelihoods of third-party contractors in key markets, initially in India and Thailand, confirming that they are typically paid more than the local living wage. We are similarly evaluating other markets to help

support sustainable livelihoods that connect to our productivity, our quality and our safety performance.

Social impact

Thirdly there is the societal impact we create through our Fight for Access Fund and its global programmes. We reached more than 400 million people with health literacy messages. The Reckitt Global Hygiene Institute supports health through the foundation of hygiene with insights open to everybody. Through our brands we create societal impact aligned to our sustainable business strategy and supporting growth. In Thailand that contribution is equivalent to around £130 million per annum by preventing public health issues through our Durex brand. That impact is from health literacy, preventing sexually-transmitted diseases and promoting sexual health and wellbeing.

Before closing I would like to remind you that you can find more detail on all of our targets and our performance in our recently-published 2021 Sustainability Insights, that describe how we are working hard to deliver against all of our ambitions. Thank you. I am sure you will have lots of questions and so back to Miguel to help guide the Q&A.

Q&A

Miguel-Veiga Pestana: Thank you David and welcome to our panel session. I am thrilled to have with me today colleagues from our Executive and our Sustainability team, including Dr Angela Naef, our Chief Research & Development Officer, Fabrice Beaulieu, our Global Head of Marketing, Sami Naffakh, our Chief Supply Officer who joins us remotely from India where he is actually visiting one of our factories so I am hoping the technology will not let us down. Ranjay Radhakrishnan, our Chief HR Officer and David Croft, our Director for Global Sustainability. Now, just a reminder, please do submit questions via the Question tab in the top-right of your screens. We are going to do our best to answer as many questions as we can over the next 45 minutes.

However, before we kick off I would like to start by reiterating that we are a performance-driven company with trusted brands that have a positive societal impact. Now, being a leader in ESG is a constantly-evolving journey to do business in the right way for all stakeholders. We are on that journey, both addressing historic issues whilst making Reckitt strong for the future. We feel good about the progress in keeping what uniquely made Reckitt great while improving product quality and safety, evolving our culture and strengthening our governance. You are going to hear more from our panel about the way we are making progress. To kick off this conversation with a starter for ten, I am going to ask this question. How do you see sustainability driving our future growth ambitions? Maybe to start with you Angela.

Dr Angela Naef (Chief R&D Officer, Reckitt): Terrific, thank you Miguel and really wonderful to have this opportunity with all of you today. I want to start by saying we look at our innovation-driven growth holistically across R&D, marketing, supply chain to really make sure that we are delivering against those critical consumer insights and getting our products into the hands of our consumers where it matters most. We utilise three main drivers in terms of our strategic frame for driving innovation. The first is consumer delight. We want to make sure that we are creating products that are going to live into the promise of enabling better, healthier, cleaner lives. We want to do that with safety and with great efficacy.

The second is around delivering against our earnings model. Critical to this is driving product development to deliver higher profitable and greater revenue growth through each and every one of our opportunities. Working hard to address those big four challenges that we aim to solve. The third one is around delivering against our environmental footprint. We aim to make sure that every aspect of what we do is helping to create better products for everyone around the world.

I will just highlight quickly the sustainable innovation calculator. We live this every day as a critical tool for us in terms of how we actually quantitatively assess the different dimensions that deliver against our ESG targets. There is an example that comes to us out of the US which I think is a great one. The team really challenged itself to think, is there a product, is there an area that we could go after SIC against all five elements in improvement? We did it. It was in our KY franchise and it was great because we were able to look at the ingredient profile and drive more safe and efficacious solutions. Greater packaging, making sure that we were utilising less plastics, it really hit against all five of those critical elements within our calculator.

There is so much more to do. Just looking at the total view from a 2021 perspective we were able to deliver against our additive carbon and water improvements by about 15-20% across both of those, comparing to the previous year. We are on our way. We are on a journey and it is really, really exciting to see the progress that we have so far.

I also want to maybe just highlight, I know Fabrice and I talk about this a lot, the consumer is at the heart of everything we do. We have to make sure that as we run the product development, as we think about all these attributes, things like brand activation and our communication and education programmes ultimately are reaching consumers as well.

Fabrice Beaulieu (Global Head of Marketing, Reckitt): Everything we do starts with what people need, what consumers want and around sustainability they want two distinct things. They want a more sustainable product footprint and increasingly they want a positive active contribution to society from brands. That is an inspiration to our teams, whether it is the R&D team or the Marketing teams. We embrace that shift, that demand from the people we serve and we translate it into our innovation and more and more into our communications. Increasingly our communications become centred around programmes for positive impact. Programmes that drive meaningful behaviour changes. Behaviour changes which are designed to bring growth into our categories. You heard from Miguel some insightful numbers on dishwashing and water saving. When you have a dishwasher and you stop pre-rinsing you will fill up your dishwasher more rapidly. You will use your machine more. You will consume more tablets. This drives growth, volume growth in the category and Miguel said it perfectly. You can only change that behaviour if you use a superior product, a product that commands a premium. Frequency increase, driving volume, premiumisation of the category, these are really core pillars in our growth agenda.

Miguel-Veiga Pestana: Great, thank you. We have a first question and it is asking where we stand as Reckitt on the question of providing a living wage for workers up and down our supply chains. Do we have any specific or concrete plans for that? Perhaps I will ask Ranjay if you could answer that question.

Ranjay Radhakrishnan (Chief HR Officer, Reckitt): Sure, thank you for the question and I completely understand where this comes from. We take our responsibility as an employer extremely seriously. Here in the UK we have been paying living wage for several years to both our colleagues and our contractors and we have been accredited by the Living Wage Foundation as a responsible employer who not only pays minimum wage but goes beyond that and considers cost of living to ensure that we pay a living wage to our colleagues here.

On the back of this we have been looking at developing a Global Sustainable Livelihoods Framework which factors in not just minimum wage but goes beyond that to consider factors like working conditions, income, benefits, social security, the skills development that we provide so that we ensure that our colleagues get long-term financial stability and security to have a decent standard of living and access to economic opportunities.

In fact, even when it comes to small farmers and colleagues in our extended value chain what we are trying to do is work the partnerships. For example, the Sustainable Livelihoods Frameworks we have been piloting in two markets, Thailand and India, before we can see whether and how we can scale it up. In Thailand we have a partnership with the Fair Rubber Association where we ensure that there is a fair trade premium paid to the small farmers who produce latex for our Durex products. This is something which we want to scale up as we go along this journey. I am sure David you will have something more to add.

David Croft: Thanks Ranjay. Yes, we have been developing that Sustainable Livelihoods Framework in terms of how it fits in our value chain and at various points in that value chain. As Ranjay said, we have tested it in India and in Thailand first of all looking at contractors within that value chain and making certain that they were getting a sustainable livelihood relative to local cost of living. I am pleased to say that they are doing. We look at how we will test that in other markets around the world where there is a similar risk, especially for contractors but looking beyond that. Then as Ranjay said, further upstream we are looking at primary producers, the small farmers who maybe only have a handful of hectares but where rubber trees for latex, a critical ingredient for us, comes from. That fair trade premium that comes through the Fair Rubber Association certification of those farms adds to their livelihood and also helps them reinvest. Support their family, reinvest in their farming activity so they have longer-term more sustainable livelihoods from that farm. Good for our supply chain and good for them. I think that is how we are linking this altogether to drive more resilience for the people in our value chain but also for our value chain itself.

Miguel-Veiga Pestana: Great, thank you. We have got another question that actually I am going to invite Sami to answer and I am hoping the technology will work. That question relates to, how are we thinking about balancing our sustainability investments against the current backdrop of sharp inflation and rising costs? Hopefully Sami you can hear us and I would love to hear you answer the question.

Sami Naffakh (Chief Supply Officer, Reckitt): Yes, thank you Miguel and I certainly hope that technology will work. Thank you for the question. I think it is a very relevant question at the time when we see unprecedented relation on a number of commodities. I would say two things. The first one is that sustainability does not always come with cost increase. It often actually comes with productivity. For example, what we are doing on reducing the amount of plastic we are reusing, lightweighting, reducing the amount of packaging that we are using is creating some cost saving. What we are doing on energy reduction is creating

some cost saving, some of which we can reinvest. A very good example of that is actually one that Jeff alluded to which is our Airwick Essential Mist new gadget where we actually reduced by 26% the amount of plastic and some of that saving could be reinvested in making sure that the rest were using recyclable plastic. That is one element of the answer.

The other element of the answer is when we do have a cost impact of growing more sustainable sources and supply, we take a very balanced and pragmatic approach. We try to balance the short-term pressure situation that we have versus long-term value that we can generate through those moves. We phase and pace investment accordingly. A good example of that is the work we are doing which David alluded to on alternative fuels on logistics. We are not taking a blanket approach. We are not moving everywhere at the same pace but we are piloting. We are piloting recycled vegetable oil in the UK which is still a bit more expensive than fuel but we believe this is going to change in the near future. We are piloting electric trucks in our yards in Las Vegas and in St Peter in the US. It is still more expensive but again we believe that with the trend on the market this is going to reverse. At that time we will expand.

Miguel-Veiga Pestana: Great, thank you Sami. Another question that has come in similarly is picking up on this idea of some of the current pressures that we are facing and asking how in the face of these tailwinds can you ensure that you are not affecting either the quality or the safety of your products. Maybe that is a question I am going to ask Angela to answer.

Dr Angela Naef: Sure, thanks Miguel. An absolutely critical question, if I might add, so thank you for that. I want to first highlight the compass. You heard about that just a little bit ago in terms of what sits at the centre of it. It really is around doing the right thing always. In quality and safety there is no compromise. Fully appreciate the question in terms of the fact that the price pressures and the overall commodity headwinds that we have are creating incredible tension in the supply chain. However, it does not create tension in terms of making sure that we are delivering against doing the right thing always.

Maybe I will tell you a little bit about how I know that in terms of our governance approaches and what we put into place over the course of the last couple of years. You heard from Jeff at the outset of his remarks in terms of our overall governance that we take in terms of our overall risks. Referring back to all of the possibilities in terms of safety and quality across our three different GBUs, we have an oversight that then happens at the Group Executive Committee and then ultimately Board oversight that also looks towards our methods, approaches and management systems to ensure that we are delivering against those requirements.

I will also add over the course of the last few years we really have been working on upskilling our leadership and our capabilities. We have added senior level leader roles reporting into the Executive team around consumer safety and product safety and overall product quality. Those are things that, for example, Sami and I spend a lot of time talking about so lots of places for us to intersect of course.

On the processes, capabilities, ensuring that our systems are set up for success. It is not just a team thing or an individual thing. It is the entirety of the organisation. It really is a cultural shift, I would say, as well in terms of the culture of quality, the culture of safety and making sure that it is the job for everybody to do every day. It does not fall in between. I

am quite pleased in some of our recent statistics. Just over the last couple of years we have had a 50% reduction in consumer and trade recalls so we find that to be incredibly good progress. Still a journey to ensure that we are always vigilant and diligent every day in terms of our consumer and overall compliance requirements across the portfolio.

Miguel-Veiga Pestana: Great, thank you Angela. Another question that has come in, how do you ensure that ESG is integrated into the business and is seen actually as an enabler of revenue growth rather than a control function that constrains business performance. That is a question I think I will ask of Fabrice.

Fabrice Beaulieu: Yes, I think it is a fantastic question. We are a performance-driven company. We operate amazing brands and we invest in these brands to build them for the long-term. A lot of our marketing investment goes into innovation, communication or very often the two together. More and more you are going to see our investments, particularly in communication, focusing around programmes of positive impact for society. Programmes that drive meaningful behaviour change, always with the mindset that that behaviour change should bring growth into our categories. Expect to see more from us in that space in OTC around selfcare, for instance. Expect to see more from us around driving better hygiene behaviours on brands like Lysol and Dettol. Expect more scale in our ambition and our programmes.

Dettol on that front is a very good example. The brand team really wants to drive better hygiene behaviours globally around handwashing. In 2020 they were engaging 15 million people globally around that. In 2021 that number moved up to 150 million. What this shows is that driving meaningful behaviour change for a positive societal impact is becoming front and centre in our growth agenda just because it is becoming front and centre in people's aspirations and expectations.

Miguel-Veiga Pestana: Thank you. Now, I'm going to change tack a little bit here. We have got a question that is asking about alignment with pending EU and UK taxonomy rules. As you look at your various business units, how do you see alignment shaping up with the taxonomy proposals and do you have a rough sense of the percentage of alignment if you manage to fulfil the targets as outlined? Perhaps David I am going to invite you to comment on that.

David Croft: Thanks Miguel. I think this is indicative of a raft of new policy expectations and also just growing stakeholder expectations from groups like this audience of the investor community, where transparency about what we are doing, how we are doing it and how we are building it through our business becomes more and more critical. We have been on that journey for the past few years. I hope you have seen improvements in greater transparency through our annual reporting or in the detail of our sustainability insights, for example. We are very alive to the emerging taxonomy from the EU but also in the UK and in China. However, it is not just that taxonomy. It is the emergence of things like TNFD alongside TCFD where our reporting is gearing up to address all of those points. We are not in the immediate initial scope of that EU taxonomy but we expect and will be reporting on it further down the line. Hopefully, you have also seen our detailed TCFD response associated with our annual report that came out a few weeks ago. Again, more and more detail coming through and the roadmap that I outlined in my presentation a few minutes ago giving that detail.

Then last I mentioned TNFD and biodiversity, an emerging issue and something we are very connected to with our work through nature-based insetting at the University of Oxford. Helping to think about how we respond to the TNFD position, how we will report on it but most importantly how we will show impact against the risks that come through from nature-related financial issue and how we then tackle those within the value chains, latex or fragrances that we are working on.

Dr Angela Naef: Could I maybe just add something to that one too David?

David Croft: Absolutely, go for it.

Dr Angela Naef: I think that from a development perspective, from an R&D lens we are also looking at that taxonomy as indications in terms of where the greatest intensity is going to develop as we move over time. It actually gives us great insight into how we think about those future developments that we need to have to make sure that we are ready. It is a journey of course. We do not know everything but it gives us enough insight and so from an intelligence perspective whether it be here or in other places around the world because of course it is not the same everywhere, having that detailed understanding too of which markets are going to be driving which part of that taxonomy in a different way then also allows us to build that into our more global and local plans.

Miguel-Veiga Pestana: I am actually going to stick with you, Angela, because one of the questions that has come in is a follow-up asking about the targets that we have set ourselves to reduce our chemical footprint. They are asking us to just give a little bit more of an insight about the focus areas, the drivers and the timelines. Angela, would you like to carry on?

Dr Angela Naef: That sounds great. Chemistry, that is lots of fun to talk about. Absolutely, our commitment is a 65% reduction by 2030 so it is a meaningful piece of work that is not new to us as well. We have been looking at things like biological alternatives to some of our actives for some time. Really the job to be done here is to again go back and ensure from a product design perspective, what are those chemicals of high concern? Important to the dataset, if you will, in terms of all of our formulations around the world, which I will tell you is many, we must understand all of those formulations in a really great degree of detail. Then the way we assess it is then relative to again the relative sense of concern across them and then we really work to do heat map approach in terms of where we will have the biggest impact and by what time period.

I think the other thing to really note here is there are amazing scientific and technological advancements that are allowing us to do those replacements and to do complete reformulations in a complete free-from, as you would say Fabrice. Free from anything that the consumer might not want to have. We launched the Dettol Tru Clean just last year and it is a 100% plant-based bioactive. Some of our consumers see this as really game-changing because it allows them to bring a product into their home with a chemical footprint that they feel really good about. Definitely a big part of our agenda is making sure that we have got projects in place and that we are partnering across our suppliers and start-ups and academics because we also know that it is going to take an incredible amount of effort to make sure that we can touch all of those specific elements across our formulations.

Miguel-Veiga Pestana: Great, thank you. We have another question. This time I am going back to Sami. I am hoping that this will find its way to you in India, Sami. What feedback

have we had from our supply chains as we work to improve our sustainability footprint? Where do you see some of the bigger supply chain challenges? Where have you seen some easy wins?

Sami Naffakh: Another great question, thank you very much. If I am taking some of the elements that David went through on the video, I am going to start with the energy. The quick wins or the easy wins, not saying that it was easy but it was easier, was the move to renewable energy. This is why we are already close to 100%. We have been investing into solar panels. We have been moving to biomass. We have been using landfill gas. We have been buying certificates. We are connecting with solar plant generation. All of that has been fairly quick. The energy reduction is more difficult and this is what we are focusing on now. Just because we do have a number of processes and equipment which are heavy utilisers of energy and cracking this is quite a journey. Certainly this is something we are looking into.

On water and waste it is something quite similar. Reducing waste as long as you take a very structured approach and very methodological approach, is going fairly quickly, up two points. We now have actually some sites like Bangpakong in Thailand which are zero waste. Reducing water and recycling water is really more difficult. We are using quite a lot of water in our products. We are having quite a number of effluents and as mentioned already a number of times, we are working on having water-positive situation in water-stressed areas and that is a lot of hard work. That is on the operations.

Then if I just want to conclude on the last one, logistics is another situation where reducing the amount of miles travelled is fairly quick. We can work on producing closer to the point of consumption. We can work on optimising the fill rate in containers and in trucks. That is fairly quick. Working on alternative fuels to fossil fuels is much more difficult and much more longer-term. Those are the kind of equations that we are dealing with. Hopefully that answers the question.

Miguel-Veiga Pestana: It does indeed and thank you Sami. The next question is one that I am going to pose to Ranjay and the question is, are you really already seeing any positive impact on your ability to attract and retain talent at Reckitt because of your approach to ESG and sustainability?

Ranjay Radhakrishnan: Most certainly. Most certainly and the reason why I say that is that it is quite fundamental. Great talent today want to work for winning organisations who have a great performance culture and combines that with purpose-led and values-driven leaders. That is what we are in Reckitt. We are seeing this not just in our internal colleagues who strongly have bought into our purpose and our compass but we are also seeing that whether it is our university presence, whether it is our Glass Door scores, whether it is the kind of talent that we attract. My unequivocal answer to this is yes.

Miguel-Veiga Pestana: Thank you. I am now going to try and combine. We have got a few questions that have come in around the topic of palm oil. What I am going to try and do is combine a couple of these questions together and then invite perhaps both David and Sami to answer them. Specifically around the commitment that we have made to our responsible sourcing of palm oil and given the importance of this to our products, we are aiming for 80% of palm oil used in our products to be RSPO-certified by 2023 but given the recent news flow, such as Indonesia's decision to ban palm oil exports, do you see yourselves facing any issues

with sourcing RSPO-certified palm oil? A second question is, do you expect there to be any negative impacts on your ability to reach those targets? Perhaps I will invite David first here and then I will invite Sami to come in afterwards.

David Croft: Thanks Miguel. This reflects the volatile supply networks that we are all seeing across the sector. Our procurement teams and the supply chain teams are working through constantly with suppliers to make certain of firstly that continuity of supply and bills and secondly that we built further resilience in the future. At the moment we are not seeing pressures on that certified supply but we keep working with suppliers across the board, not just thinking about certification but also thinking and building individual supplier roadmaps that strengthen the network of certified suppliers but gives us even more robust foundations from which to work to avoid deforestation but also to go further than that and think about how with those suppliers we do not just protect the ecosystems that they might be joining from but we also think about the communities and the human rights activities within them. Also to think about how we might strengthen some of those ecosystems in the future. Sami, do you want to say a bit more about what you are seeing coming through the supply chain connections?

Sami Naffakh: Yes, thank you very much David and I fully concur with what you have said. I would just add a few things. One, certification is just one element of what we are doing on palm oil. We go much beyond this. We do a lot of work on traceability so we now have a 91% traceability at the mid-level. We have 68% at the farm level. We understand pretty well what is going on at a very granular level. We do use satellite monitoring to understand what is happening and as already said we do a lot of work with the University of Oxford and a number of NGOs on biodiversity.

On the specific question of do we expect to see a material effect of the recent decision from the Indonesian government to put a stop on exports, in the medium-term the answer is no. That is for two reasons. First because we do have a fair amount of inventory in our supply and second because we sourced a significant proportion of palm oil out of Malaysia. However, if that situation was there to stay and much longer than what we currently expect, it could become an issue.

Miguel-Veiga Pestana: Thank you Sami. I am going to again switch gears, a different question and this is really about changing consumer behaviour. How do we see that as being a critical piece of delivering against our various sustainability targets? How do we really look to influence changing consumer behaviour? I know that is going to be particularly relevant with Scope 3 in mind. With that I am going to maybe invite you Fabrice to answer that question.

Fabrice Beaulieu: Yes, I think that is another great question. Like us, people are on a journey. A journey where they start to decide what they want in that space, what matters to them. We talked a lot about more sustainable product and that is one. Then we talked a lot about positive impact and how brands can rise, step-up and contribute to that. That is our laser focus to deliver on both aspects. Always in a way that is genuine, meaningful, which helps around the SDGs like Laxman talked about, but which at the same time drives growth in our category. That playbook works. It works on both levels.

I will give you an example based on Finish in Turkey. Turkey is the first market where we launched the programme three years ago. Last year we talked about skipping the rinse and our superior product Quantum to roughly 67% of the adult population. Within that group those who recalled the message said at 75% that it had influenced their behaviour. We surveyed that group. We actually collect their water bills and we measure the consumption evolution. We found a 20% water reduction. 20%. That is roughly 24 million tonnes of water saved in a year. Interestingly, over the last 12 months the category of dishwashing products in Turkey has been up by 11% in volume. Last and certainly not least, we have reclaimed market share leadership in that country.

It is a journey. We are on that journey with the people we serve and at all times we try to make it a journey of positive impact for society and for our performance-led business.

Miguel-Veiga Pestana: Thank you and it is certainly an area that we are going to have to continue to focus on going forwards because so much of the impact that we have is actually in the use of our products by our consumers. That leads on to another question that has come in which is around this idea of what actually gives us confidence that our medium-to-long term ESG targets are actually ambitious enough. Are we really confident that the changing nature of expectations, potentially regulations, are actually not just going to materially increase in a way that might force us to have to accelerate the pace of change? Perhaps I will start with you David and see if you have anything you would like to add on that?

David Croft: Well, when we started thinking about our Sustainability Ambitions for 2030 the start point was our materiality study and we have just updated that as both Jeff and I were talking about earlier. That helps us to make certain in the moment and the stuff that is in that near-term pipeline is being built in. At the same time, as you heard from Angela, we are looking at that emerging regulatory and policy environment, not just in the next three years or so but in the 5-10-year event horizon. Working with partners, partners in academia at different universities, working with NGOs, listening to what consumers tell us about what they want for their products that also then builds into that longer-term-event horizon and the planning. That keeps us not just agile in terms of what is coming up on the sustainability agenda but also keeps us really focused on what people want out of our brands. When they tell us they want more sustainable products we are able to respond to it and build that through.

I think when you put those things together it supports the fact that our Sustainability Ambitions for 2030 and beyond in some cases support the overall business strategy for sustainable growth. It hooks us into that. Where we need to move faster we will move faster. We have built new activity, the work I was just mentioning a moment ago about nature-based inseting with the University of Oxford and thinking about how we measure the impact on biodiversity. Mostly importantly measure the impact of the interventions we then take with our suppliers, with farmers to make sure that we are tackling the right things and making an impactful change in that ecosystem. That is just one example of how we are looking further into the future knowing that TNFD is approaching, that science-based targets for nature is approaching but setting ourselves up and our supply networks up to respond to it. Angela, do you want to say more about the product side of that conversation?

Dr Angela Naef: Yes, sure. Thanks David. I think you said it well, the fact that it is changing on us. I think from the question around are we ambitious enough it is almost like

there is a bit of a moving target happening. I think we acknowledge that and I think we need to. Is it ambitious enough for what we understand today? I would say that we have got a lot of complexity. We have got a stakeholders that we need to manage so I am looking more to ensure that our delivery against those ambitions is solid. From a pipeline perspective, from a portfolio perspective making sure that all of those critical parameters you just described are actually in projects and actually becoming reality as we think about launches, as we look to this year and next year and the year after that. Having that pipeline view that allows us to look into not just what might be but to plan for what we know today and then ensure that we are ready to adapt and adjust as we continue to move forward. Again, always centred on making sure that we are doing the right thing always.

We talk about metrics and things like that. There are other things that come at what success looks like. Having safe products and making sure that that is core to what we do so we do not get any distractions. We had 100% pass rate last year on our third-party audits looking at our safety and quality programmes. We are increasing our pharmacovigilance programmes to make sure that we have got greater headlights and insights into real world evidence around how our products are being used by consumers. I think in totality, ambitious yes and it is moving. We have to make sure that we are ready to adapt and deal with those changing environmental conditions.

Miguel-Veiga Pestana: Before moving actually I think maybe I will pick up on one point of that and that is related to our people and actually how we reward and incentivise our people because that is going to be one of the drivers of our growth as well. Ranjay, do you want to say a couple of words on that as well?

Ranjay Radhakrishnan: Sure, we are certainly making progress in ensuring that our compensation plans are linked to our strategic direction where sustainability is at the heart of it. Our new Directors Remuneration Policy which is up for a binding word in this Annual General Meeting sets out that we have moved our long-term incentive plans from historically what was a mono measure of EPS to a much broader based measure. This time we have evolved it even further by including two measures on sustainability with equal weighting of 5% each. One is on percentage of net revenue from more sustainable products. Now, this particular measure again helps us move towards our ambition of getting 50% of our net revenue from more sustainable products. This particular measure has been tracked by us since 2012 so it is not new to us. The bedrock of this measure is the sustainable innovation calculator about which Jeff mentioned and, Angela, even you have spoken about.

Our second measure is the percentage of greenhouse gas emissions from operations. This again takes us towards our science-based targets for 2030 and helps us contribute to ensuring that we maintain global warming at less than 1.5 degrees. Now, again jeff has mentioned it but just to reiterate a performance culture is core to who we are and our remuneration package is highly geared towards performance. In that context, our top-200 leaders come under the ambit of this long-term incentive plan where you have two sustainability measures very prominent now. We have got extremely good feedback from our colleagues that this has been introduced and this just shows that at the heart of it we are moving and shifting our culture to what I said some time ago.

Miguel-Veiga Pestana: Fantastic, thank you. I am going to move us on. We have another question and actually this is probably going to be the second-to-last question. Time is

running out. Finish commands a healthy price premium. You say that has been driven by functionality and superior performance. Do you actually think, however, that with household budgets under pressure consumers will be willing to pay that premium for those environmental benefits? Perhaps Fabrice I am going to ask you again that question.

Fabrice Beaulieu: I think it is a fantastic question and it is up there in terms of what we work on every day particularly in the difficult current context. Yes, there is the question of the price point. Price point matters and we always ensure to have multiple price points across our ranges. The way we do that is two-fold. We structure our ranges with tiers so if you go into any store which stocks Finish you will find multiple offerings from that brand, different levels of performance for different price points. The other area is pricing and sizing and of course we combine both levers. That is for price but there is also a second notion for a company with admittedly fairly premium offerings and that is value for money. That is a laser focus for our teams, the marketing teams and definitely the R&D teams because that value relies on the superiority of our solutions and increasingly it relies on its sustainability. Value for money is also a critical area and we try to find a good balance between the two, not just on Finish but across our portfolio and geographies.

Miguel-Veiga Pestana: Thank you. We actually are nearing the end and I have one last question which I am going to try and pose. I am going to invite everyone here to just give a very brief answer to. That is, do you think that a greater focus of investing in ESG is really going to be that impactful? I am going to invite each one of the panel here in the room to give a short answer to that and maybe I will start with you, Angela.

Dr Angela Naef: Thank you so much. Yes. Yes. Maybe that is short enough, right? Lots to be done for sure. It is a big responsibility. It is a big ambition and the work to be done in terms of how we actually bring it all to bear is exciting. I think it is great for our people and it is great for the planet.

Fabrice Beaulieu: I agree. I completely agree. The question is not if, the question is how. This is what our consumers want. Actually, it is what they demand and if we are to connect with them today and tomorrow in the long run we have to meet these expectations. We have to meet them where they are and where they will be. For that we have a clear model, one brand, one SDG. We think sustainability and purpose in conjunction. Importantly we make that tangible for innovation, communication and that comes at the heart of our growth models.

Miguel-Veiga Pestana: Fantastic.

Ranjay Radhakrishnan: I think it is a yes from me, from a different perspective obviously. Let us talk some facts here. The pride in our organisation, the achievement orientation in the organisation and the recommend scores of our organisation are at an all-time high in recent past. I strongly believe that our purpose and sustainability at the heart of it has really, really contributed to it.

Miguel-Veiga Pestana: Thank you. David?

David Croft: It is not going to be a surprise that I am going to say yes as well but for me this is about impact. It is about the impact we create and when we developed the Sustainability Ambitions we thought very carefully about what our key stakeholders needed to see from

Reckitt. You have heard from Fabrice, from Angela, from Ranjay how consumers see our brands, how they engage with them and how those brands bring some of their values to life when they use them at home which helps them play a part in saving water or combatting climate change. It is certainly about the same conversation with our customers, customers who want us to help them deliver on sustainability ambitions, whether it is about packaging or whether it is about water or climate or chemical footprint in the case of Walmart. It is absolutely about governments. We have talked a little bit today about selfcare and the impact that we have in terms of helping people's lives, supporting a cleaner and healthier world and building to tackle those fundamental four problems is critical to us. It is certainly about the investor community as well as the employee community that Ranjay mentioned. I think all about this in terms of impact. Impact for the company and impact through the company that is supported even more as we grow the business.

Miguel-Veiga Pestana: Thank you. We are going to bring the panel session to a close and I would like to thank all of you for your questions. Rest assured that if we have not had time to address them we are going to pick up with you directly on that. Do please reach out to Richard Joyce and our IR team and we will be happy to respond to any additional questions that you may have. As we said, we are a performance-driven company and we do see ESG as key to building a sustainable business for the future. You have just heard from the people who own this agenda about how we are going to make it a reality.

I would like to leave you with three messages. First, we are making good progress but this is a journey of continuous improvement. Secondly, we are investing and embedding ESG across the entirety of our business. Finally, we recognise the need to be both agile and to adapt to fast-changing expectations and the demands of all of our stakeholders. As Laxman said, only by doing this can we manage risk whilst creating opportunities to enable a cleaner and healthier world. On behalf of the entire Reckitt team thank you again for joining us today.

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