





Welcome
to the

ANNUAL REPORT & FINANCIAL STATEMENTS 2023



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This Chapter Includes

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- History of Reckitt Benckiser (Bangladesh) PLC
- Our Governance Structure
- Organizational Chart
- Awards and Accolades

COMPANY OVERVIEW

2023 AT A GLANCE

Tk **528.16 Cr.**

Revenue

22.16%

Operating Profit Margin

49.42%

Gross Profit Ratio

Tk **173.65**

Earnings Per Share

Tk **55.00**

Dividend Per Share

27.42x

P/E Ratio

Tk **252.69**

Net Asset Value Per Share

Tk **247.41**

Net Operating Cash Flow Per Share

32%

Dividend Payout Ratio

Tk **162 Cr.**

Contribution to National Exchequer

Tk **5.50 Cr.**

Contribution to WPPF

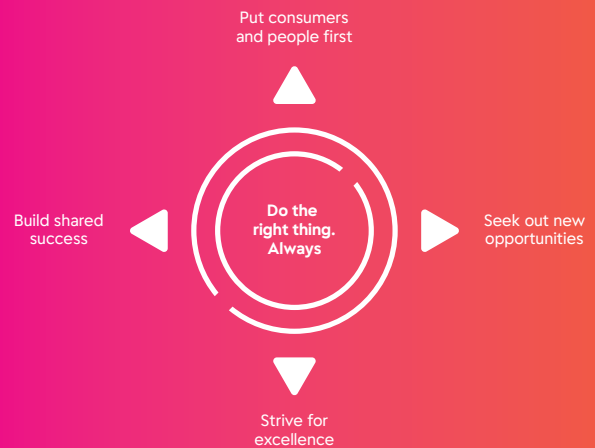
0.83x

Return to Capital Employed

VISION AND MISSION

OUR VISION

Our compass sets out the new values and behaviors for our business. At its heart is the goal of always doing the right thing with clear principles around putting consumers and people first, seeking out new opportunities, striving for excellence, and building a culture of shared success. Our compass will guide us to sustainable growth in the future.



OUR MISSION

In order to deliver on our ambitions around Purpose and our business strategy, our culture enables our people to have the Freedom to Succeed and operate at their best. Our culture is embedded in our Leadership Behaviors. These behaviors set out our expectations for how every one of us at Reckitt behaves. They are deeply embedded inside our company and are the basis for how we evaluate our leaders going forward in line with our desired culture. Reckitt leaders Own, Create, Deliver and Care.

OWN

- Live our purpose, fight and compass
- Know our business cold
- Make decisions

CARE

- Actively listen, learn and include
- Speak direct with respect
- Act to unleash potential

CREATE

- Spot opportunities
- Innovate, iterate and scale
- Relentlessly build better

DELIVER

- Focus on what matters
- Move boldly and at pace
- Join forces to win bigger

OUR KEY RESOURCES

Our People and Culture

We employ outstanding people who work in a unique culture that harnesses their passion and allows them to make a real difference.

Our Knowledge and Skills

We have deep consumer understanding, quality and innovation capabilities and an agile organization, which gets products to market fast.

Our Infrastructure

Our business is underpinned by strong manufacturing sites, centers of excellence and logistics centers.

Our Key Brands

We have a portfolio of leading brands that offer faster growth and higher margins.

Our Stakeholders

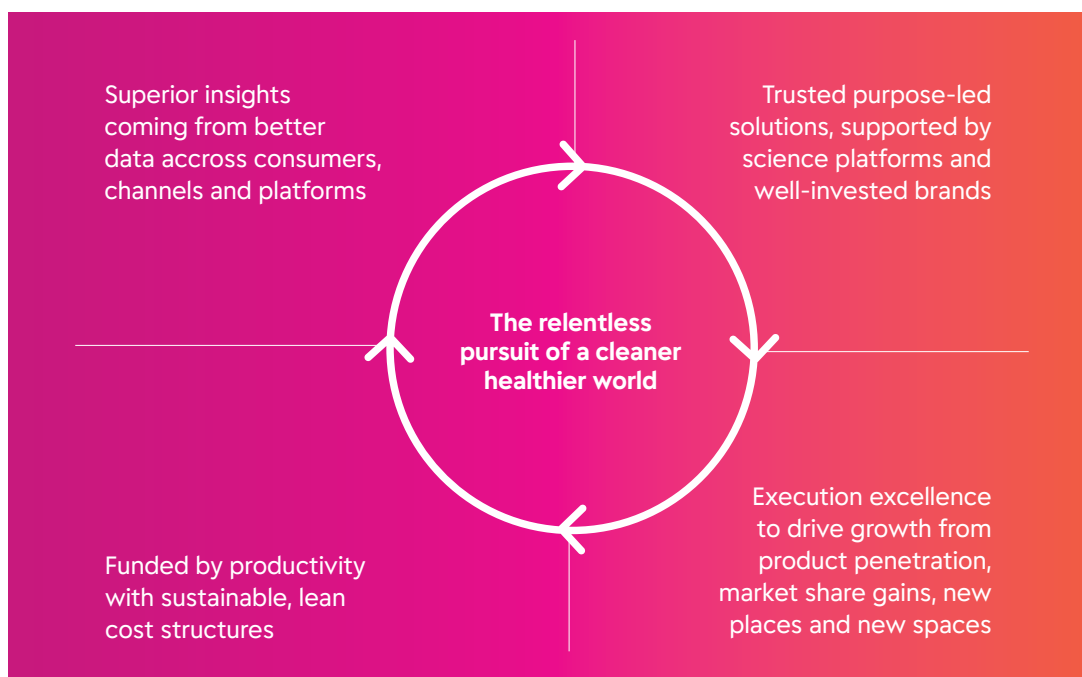
We develop strong, trusted relationships with our customers, consumers, suppliers and communities. We access and develop networks and partnerships that extend our impact.

Our Financial Strength

Shareholder's equity, debt, and retained profit give us the financial resources to implement our strategies.

A VIRTUOUS CIRCLE OF GROWTH

Overarching our core business model, we seek to deliver continuous productivity improvements, allowing for further investment in the business - to our brands, capabilities and growth opportunities. In doing so, Reckitt creates a virtual circle of growth.



RECKITT'S OVER ALL STRATEGIC OBJECTIVES

- Rejuvenate Reckitt to deliver shareholder value.
- Restore organic top line growth.
- Achieve sustainable increased medium-term earnings growth.
- Maintain disciplined capital allocation.

STRATEGIC IMPERATIVES

- GROW BRANDS & INNOVATE
- DRIVE SUPERIOR EXECUTION
- INVEST IN CAPABILITIES
- INCREASE PRODUCTIVITY
- EMBED SUSTAINABILITY
- ACTIVELY MANAGE THE PORTFOLIO

Grow Brands & Innovate

Investing firmly behind our brands to drive equity and improve the product offering for consumers. We continue to invest strongly in demand generation – through Brand Equity Investments (BEI). We are developing a credible purpose for all our major brands which is in turn informing each brand's personality values, its behavior and its sustainability strategy.

Drive Superior Execution

Investing in capability centers for commercial excellence – sales outperformance and marketing excellence.

Invest in Capabilities

Investments in centralized areas such as supply chain, innovation, and digitalization to strengthen the core of our business.

Increase Productivity

Embedding programs to enhance effectiveness and efficiency in the company and to fund investment. Our productivity capabilities are now firmly embedded within the business, and our teams are increasingly approaching productivity as a business-as-usual activity. Productivity increasingly goes hand in hand with our efforts in sustainability.

Embed Sustainability

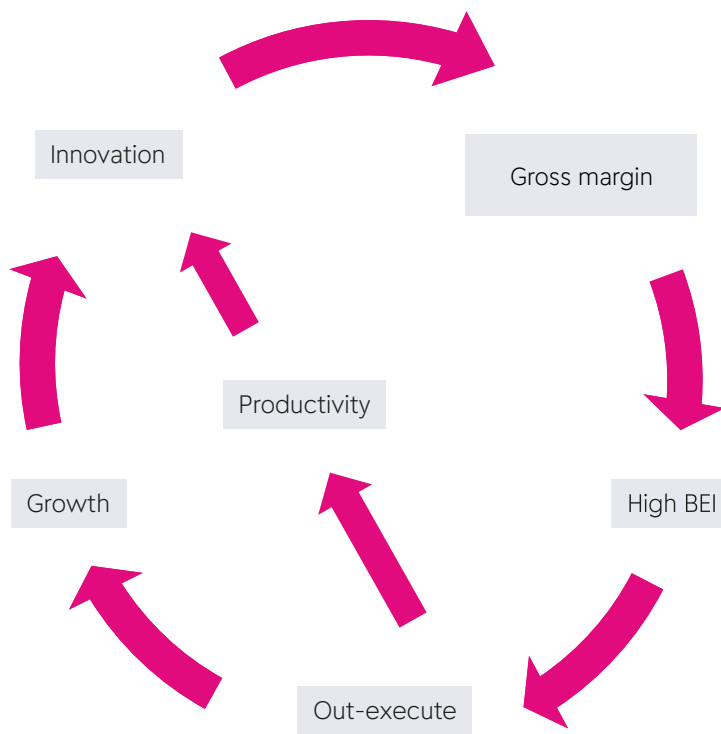
Incorporating sustainability throughout our value chain and across our business.

Actively Manage the Portfolio

Moving the company to higher growth and addressing structural challenges.

PROFILE OF THE COMPANY

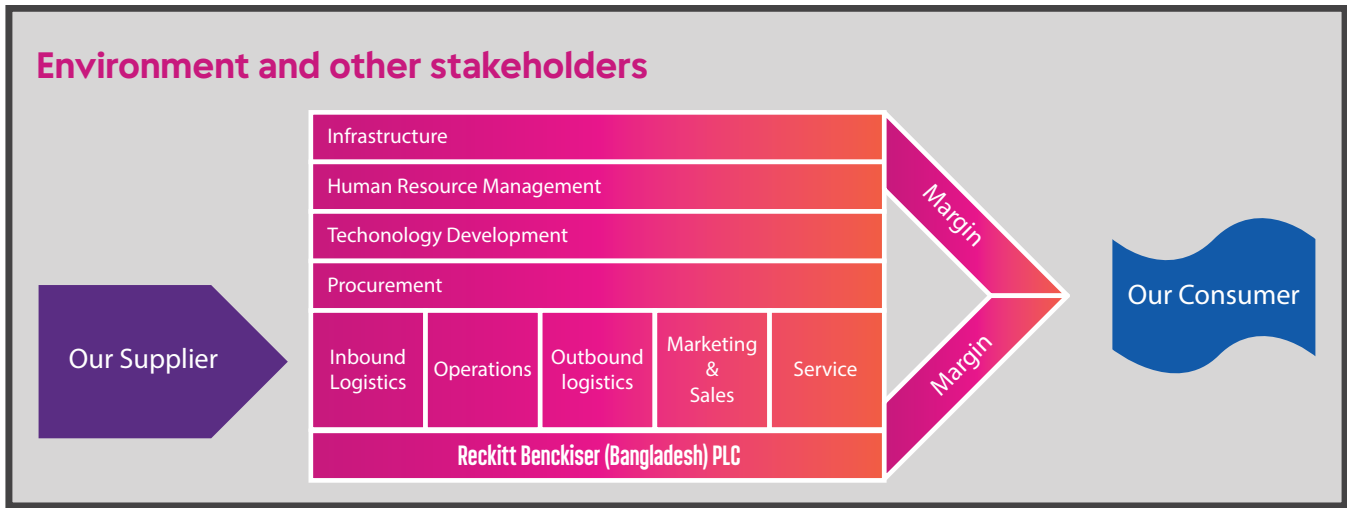
Our Earnings Model



BEI = Brand Equity Investment

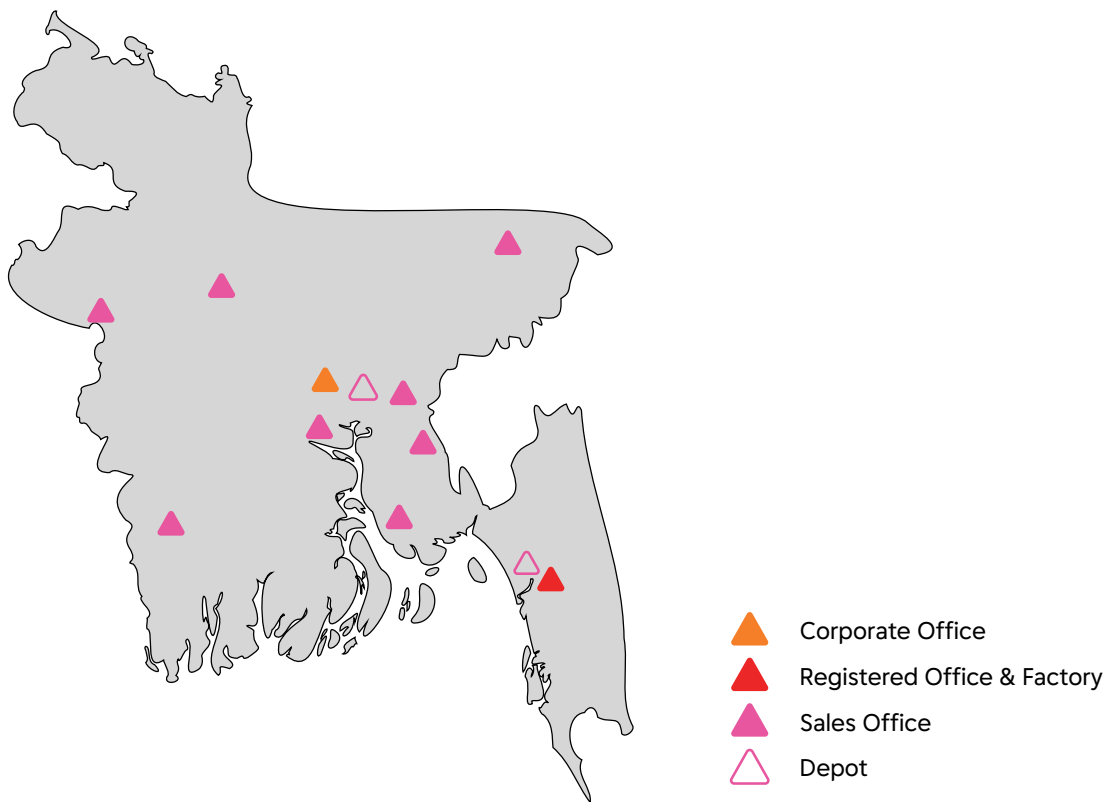
Our Value Chain Model

We maximize our impact through our purpose-led brands, the way we do business across our value chain, and the partnerships and social investments. Through our value chain we are taking quality input from our environment and providing superior solutions by efficient and high value management of the value chain.



Our Operational Environment in Bangladesh

Reckitt Benckiser (Bangladesh) PLC operates in Bangladesh with registered office and factory in Chittagong and two (2) depots, located at Chittagong and Dhaka, corporate office in Dhaka and eight (8) sales office all over the country.



CULTURAL VALUES

Our culture and values define the way that Reckitt does business. Our Code of Conduct reinforces our principles of business conduct and is communicated to all employees each year with mandatory training. Our values underpin our Code of Conduct and were further enhanced in early 2020 with our renewed purpose, fight and compass. Our Code of Conduct sets out the level of conduct expected from all Reckitt employees, contractors, outsourced personnel and joint ventures and the Board of Directors, as accountable, ethical and compliant owners of our business unit. Below is described our top policies on Code of Conduct.

OUR POLICIES

Anti-bribery and Corruption

Our policy is that all Reckitt companies, employees and contractors must comply with the anti-bribery, anti-corruption and competition laws of all countries in which they operate. Directors and managers must ensure that the employees and contractors they supervise are aware of and comply with this policy. All employees and contractors must certify annually that they have complied with our Code of Conduct and the Audit Committee reviews internal audit findings in relation to this.

Employee Policies

Reckitt's Code of Conduct governs standards of conduct in relation to our employees, as well as our stakeholders. 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, enabling us to investigate any incidents and take any necessary action. We have a Speak Up policy and process, allowing any employee or third party to confidentially report a violation of the Code of Conduct, local law or regulation, or unethical behavior.

Human Rights

Our Human Rights and Responsible Business Policy is based on the International Bill of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. We also follow the UN Guiding Principles on Business and Human Rights and Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and local law.

Product Safety Policy

The purpose of this policy is to assure our stakeholders of the safety of our products by describing our approach to Safety Assurance for products of Reckitt. We have a responsibility to develop products that are as safe and nourishing as they can be to monitor their in-use safety and listen to feedback from users, and if things change, to react quickly and effectively to mitigate harm.

Responsible Sourcing Policy

This commits us to ensuring that natural raw materials in our products are produced in a manner that meets or goes beyond applicable laws and regulations, respects human rights, safeguards health and safety, protects the environment and generally supports sustainable development.

Environmental Policy

This sets out our objectives for reducing our environmental impacts. It requires us to comply with relevant legislation, consider environmental issues in key decisions, and engage with multiple stakeholders for better environmental performance.

CORPORATE PROFILE

BOARD OF DIRECTORS

Asha Gopalakrishnan	Chairperson
Vishal Gupta	Managing Director
Nazimuddin Chowdhury	Independent Director
Istiaque Ahmad	Independent Director
Pradeep Krishnamurthi	
Aritra Banerjee	
Sourav Mitra	
Rajesh Kumar Jha	
Sheikh Faezul Amin	

CHIEF FINANCIAL OFFICER

Aritra Banerjee

COMPANY SECRETARY

Mohammad Nazmul Arefin

AUDIT COMMITTEE

Nazimuddin Chowdhury	Chairperson (Independent Director)
Istiaque Ahmad	Member (Independent Director)
Asha Gopalakrishnan	Member
Sourav Mitra	Member
Pradeep Krishnamurthi	Member
Rajesh Kumar Jha	Member
Mohammad Nazmul Arefin	Secretary

NRC COMMITTEE

Nazimuddin Chowdhury	Chairperson (Independent Director)
Vishal Gupta	Member
Aritra Banerjee	Member
Sourav Mitra	Member
Rajesh Kumar Jha	Member
Mohammad Nazmul Arefin	Secretary

HEAD OF INTERNAL AUDIT & COMPLIANCE

Mrityunjay Bose

SHARE COMMITTEE

Vishal Gupta	Chairperson
Aritra Banerjee	Member
Mohammad Nazmul Arefin	Secretary

AUDITORS

A. Qasem & Co.
(Chartered Accountants)

BANKERS

Standard Chartered Bank
The Hongkong & Shanghai Banking Corporation Ltd.
Citibank N.A

CHAIRMAN'S STATEMENT



“

Our performance during 2023 gives grounds for confidence about our future performance.

”

Dear Shareholders

It gives me immense pleasure to welcome you all to the 63rd Annual General Meeting of your Company. I am proud of the progress we made during the year despite a challenging operating environment. The year witnessed an escalation in global geo-political challenges while the situation domestically remained fluid amidst various socio-political challenges. This created multiple headwinds for your Company in the form of higher inflation, Taka depreciation against US Dollar, scarcity of foreign exchange amongst others. Your Company's resilience and flexibility helped navigate such a challenging business environment and yet deliver strong results despite adversities. Your company is not only moving forward as a resilient and purposeful company but also continuing to lay foundations for sustainable growth and future outperformance.

BUSINESS PERFORMANCE

Our revenue for the year 2023 was Tk. 528 crore which has increased by 6.28% in comparison to last year. Our brands have continued to find acceptance amongst consumers and all reportable segments witnessed growth during the year.

Our profit after tax (PAT) for the year 2023 stood at 15.54% of our revenue, which is 24.48% higher than the previous year. Downtrend in the global commodity prices together with our world class productivity program contributed to the increase in gross profit and hence, profit after tax as well.

I am proud of how the Company is reacting proactively to the change in the business landscape while maintaining sustainable performance with the help of all the stakeholders, i.e., our employees, our leadership team, our suppliers, our customers, etc.

DIVIDEND

The directors have proposed a dividend of Tk. 55 per share. This is a lower payout ratio, and the aim is to strengthen the company's financial resilience and preserve agility in navigating potential business challenges ahead. The company's dedication to balance risk and long-term sustainability is demonstrated by this proactive strategy, which aims to preserve shareholder value even in adverse market condition.

TALENT AND CULTURE

For Reckitt, Environment, Health and Safety (EHS) is one of our key priorities. In our factory and depots our EHS team closely monitors safety of our workforce. Our workforce has shown itself to be adaptable and highly effective in very testing conditions. Our Purpose – to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world – is warmly endorsed by the workforce. Their resilience, commitment and remarkable flexibility has been one of the key enablers in our results delivery. Your Company on its part has offered a range of support for employees, conscious that their wellbeing is paramount. We continued partnering with a mental well-being stakeholder to improve mental health and raise awareness of its importance among our employees.

Governance and risk management have also been important areas of focus for the Board over the last few years. We have continued to broaden and deepen our approach to managing safety and compliance risk.

SUSTAINABILITY GOALS AND RECKITT

Ensuring sustainability goes beyond mere regulatory compliance; it forms the foundation of all our endeavors. To achieve corporate success, we make sustainability a top priority in both boardroom discussions and day-to-day operations. Reducing carbon emissions, conserving resources and promoting social equality are our top concerns. We are building a better, more sustainable future for our business, our stakeholders, and the globe via innovative and purposeful leadership. Our innovative product formulae and ethical supply chain practices help us lessen our impact on the environment and make a positive difference in communities all around the globe. By fostering a culture of constant improvement and teamwork, we lead the way in our sector and encourage others to do the same for a sustainable future.



Asha Gopalakrishnan
Chairperson

ACCOLADES FOR RECKITT BENCKISER

We always strive to be compliant with the code of Corporate Governance and the transparency and accountability requirements as per international and national accounting norms. Along with this, your company has allocated resources towards various social benefit initiatives. Recognising the stellar role played by your Company in advancing Corporate Governance and disseminating knowledge amongst the general public about building robust health and hygiene practices amongst other initiatives, your company was awarded several awards at national level in reporting and compliance, brand, and other social categories during the year 2023. This value is imprinted in our mission statement and we will continue to conserve it.

FUTURE OUTLOOK

Looking ahead, we remain committed to our strategic priorities. We are sharpening our portfolio and strengthening the organization to be able to compete and innovate more effectively. Ultimately, we aim to deliver consistently strong returns for shareholders by meeting stakeholder priorities and we are well placed to achieve that ambition.

THANKS

Finally, I would like to take this opportunity to thank all our honorable shareholders and all our business partners and other stakeholders for their continued support and all our employees for their hard work and commitment. I would also like to record my appreciation for my colleagues on the Board for their advice and guidance and the various regulatory bodies of Bangladesh Government for the co-operation extended to us.

MANAGING DIRECTOR'S STATEMENT



“

In 2023, we actively pursued fresh opportunities, driven by our core values of Purpose, Culture, and Leadership Behaviors. Building on our previous foundation, we sustained robust growth in our revenue, demonstrating our commitment to ambitious targets.

”

Dear Shareholders,

2023 had been a year of progress for your company. The company was able to successfully grow the Revenue by 6.28% and deliver Operating Profit expansion. This was achieved despite global geo-political challenges and macro economic pressures closer home. ADB forecasts the pace of GDP expansion for Bangladesh to have decelerated during the year while the inflation rate remained high. I find the results particularly satisfying, considering the operating environment in which it was delivered.

Our Product Portfolio

Your company is a proud presenter of health and hygiene products to the consumers of this country and is committed to providing high quality products to our loyal consumers. In addition to your dependable product brands, we have introduced 13 new products to the market, providing vaster solutions to our consumers.

Highest Quality Hygiene

We have adapted and evolved our management and ways of working to align with our purpose. We have continued to ensure that positive and high energy is maintained to deliver planned

safety and quality products. Our vision is to “fight to make access to the highest quality hygiene, wellness and nourishment a right and not a privilege”.

Our People

Our People are one of our key resources to achieve our goals. Your company took steps to establish work-place safety protocols regarding individual health. Health insurance cover was progressively expanded to includes all indirect employees. Mental health well-being also came into consideration, and we affiliated with our mental well-being partner to facilitate our employees to self-care and create awareness on the topic.

The culture of Reckitt is built on our best qualities. We’ve always been known for our dynamic culture, united by a shared sense of ownership and focused on action and achievement. Our workplace has long been recognized as a place where people take responsibility for making things happen. That drive for delivery and innovation is now even more strongly combined with a sense of purpose. We are responsible for our impact in the world, and we want to make a real, positive difference. There is an upsurge of support for our Purpose, Fight and Compass. We take care of each other and recognize we all have a part to play

in making access to the highest-quality hygiene, wellness, and nutrition a right, not a privilege.

Contribution to National Exchequer

As a public listed company, Reckitt faced 20.0% corporate income tax. For the year 2023 our income tax expense on profit before tax is taka 28.04 crore. This year our total contribution to Govt. revenue fund stood at Tk. 162 crore compared to Tk 126 crore of the previous year. Among this contribution, 12% came from corporate tax, 26% from VAT and 53% from duty. During 2023 Reckitt had submitted Tk. 42.1 crore of VAT to the exchequer.

Sustainable Development Goals

We support the United Nation's (UN) Sustainable Development Goals. A project of Tk. 15.89 crore is underway for Effluent Treatment Plant (ETP) to undergo the upgrade of wastewater treatment at Reckitt Factory located at 58/59, Nasirabad Industrial Area, Chattogram 4209 to enforce environmental compliance.

Through our corporate social responsibilities (CSR), environmental initiatives as well as our principal activities we aim for sustainability on this planet earth. Our Dettol-Harpic Porichonno Bangladesh initiative touched lives for six (6) years now, when our goal is good health and well-being. Dettol-Harpic was also the hygiene partner at "Amar Ekushey Book Fair" for which Bangla Academy recognized Reckitt with "Hygiene Partner Award". We have also received recognition from Bangladesh Scouts as Best Impact Partner for the last four years, as we have been teaming with Bangladesh Scouts as hygiene partners.

External Recognition for Reckitt

During 2023, your company was recognized for multiple achievements. Institute of Chartered Accountants of Bangladesh (ICAB) awarded Reckitt with a Certificate of Merit Award, Institute of Cost and Management Accountants of Bangladesh (ICMAB) awarded Reckitt Silver Award for Best Corporate Award 2022, Bangladesh Brand Forum recognized Reckitt with Second Most Loved Brand in Soap and Handwash Category while your company was also bestowed with Silver Award for best use of Branded Content in an award initiated by the flagship program of Bangladesh Brand Forum, known as COMMWARD.

These awards are a testimony to the high standards of financial reporting and corporate governance procedures practiced by your company and the trust and confidence of millions of satisfied consumers who use our products on a daily basis. These practices and procedures are embedded on our values and conduct, and we will continue to safeguard it.

Reporting 2023

Consistent with the expectations we have been setting out for the last few years, we presented our Annual Report 2023 with integrated approach which incorporates sustainability reporting, risk management reporting and additional disclosures for corporate governance to ensure that we can engage with our stakeholders to a greater extent. Sustainability reporting includes our environmental initiative for the year 2023 and integrated reporting. We compared the integrated reporting (IR) framework

with our own business model and reported on the six main capitals of the IR as part of our detailed value creation process. Annual Report along with our audited financial statements for the year 2023 is available in our website at <https://www.reckitt.com/about-us/rb-bangladesh/>.

Looking forward

ADB forecasts 2024 to remain challenging for Bangladesh and while GDP growth is projected to improve marginally to 6.1%, inflationary pressures are expected to persist. In this situation we aim to be flexible, and our innovation, growth and productivity shall continue to make us resilient in the face of these challenges. All our values are embedded with sustainability goals, which is the target to achieve a cleaner and healthier planet.

Appreciation

I would like to sincerely thank our shareholders for trusting us and having confidence in our work. I appreciate my fellow Board members during a very demanding year for their diligence and support and focus on our work throughout the year. I also thank the Reckitt management team for the timeliness, quality, and rigor of their reporting. Finally, we are very thankful to our loyal consumers who have indebted us with their trust, and in response we strive to provide trustworthy purpose-led products.



Vishal Gupta
Managing Director



Our Purpose: we exist to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world.

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

Reckitt Benckiser (Bangladesh) PLC

Corporate Office: The Glass House, 9th & 10th Floors, Plot-2, Block- SE (B), 38 Gulshan Avenue, Dhaka-1212

Registered Office: 58/59, Nasirabad I/A, Chittagong-4209

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **63rd Annual General Meeting** of Reckitt Benckiser (Bangladesh) PLC will be held using **Digital Platform** (in pursuance with BSEC Order BSEC/ICAD/SRIC/2024/318/87 dated March 27, 2024) on Tuesday, 28th May, 2024 at 11.00 A.M. to transact the following business:

AGENDA

1. To receive and adopt the Audited Financial Statements as on and for the year ended 31 December 2023 together with the Auditors' and Directors' Report thereon.
2. To approve Dividend as recommended by the Board.
3. To elect Directors.
4. To appoint Auditors for the year 2024 and to fix their remuneration.
5. To appoint Compliance Auditor for the year 2024 and to fix their remuneration.

By order of the Board

Mohammad Nazmul Arefin
Company Secretary

Dhaka, Dated: 13th May 2024

Notes:

1. 25th April 2024 was the RECORD DATE. Shareholders whose name appeared in the Shares Register of the Company or in the Depository Register on that date will be eligible to join the AGM and receive dividend.
2. The necessary Digital Link for Joining in the audio visual meeting to be published in due course. The entire log in process along with link will be also available in Company's website <https://www.reckitt.com/about-us/reckitt-bangladesh/> on due time. The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM, members can start log into the specific link from 11.00 a.m. on 27th May 2024.
3. Pursuant to BSEC Order no. SEC/SRMIC/94-231/25, and SEC/SRMIC/94-231/91 dated 08 July 2020 and 31 March 2021 respectively, soft copy of the annual report 2023 will be sent to members through email addresses as available with the Company.

For any further clarification members may write to the following email addresses:
nazmul.arefin@reckitt.com; anisur.rahman2@reckitt.com

62nd ANNUAL GENERAL MEETING



Agenda-01

To confirm the minutes of the 61st Annual General Meeting held on 27th April 2022

PROPOSED RESOLUTION TO BE ADOPTED

“RESOLVED THAT the Minutes of the 61st Annual General Meeting (AGM) of the Company held on 27th April 2022 be and is hereby confirmed and passed.”

Vote for Agenda-01

Agreed / Yes	Disagreed / No
29 Voter 40,51,172 votes (100.000%)	0 Voter 0 votes (0.000%)



HISTORY OF RECKITT BENCKISER (BANGLADESH) PLC

2000

THE COMPANY NAME
CHANGED TO RECKITT
BENCKISER (BANGLADESH)
LIMITED.

2021

THE COMPANY NAME
CHANGED TO RECKITT
BENCKISER (BANGLADESH)
PLC.

1997

THE COMPANY GOT LISTED
IN CHITTAGONG STOCK
EXCHANGE LTD.

1986

THE COMPANY NAME
CHANGED TO "RECKITT &
COLMAN BANGLADESH
LIMITED".

1987

THE COMPANY WAS
CONVERTED INTO A
PUBLIC LIMITED COMPANY
AND BECAME LISTED WITH
DHAKA STOCK EXCHANGE.

1978

THE COMPANY LAUNCHED
FMCG PRODUCTS AND
CHANGED THE NAME TO
"ROBINSONS
(BANGLADESH) LIMITED.

1972

THE COMPANY NAME
CHANGED TO "ROBINSON'S
FOOD (BANGLADESH)
LIMITED.

1961

THE COMPANY GOT
ESTABLISHED IN
CHITTAGONG IN THE NAME
OF "ROBINSON'S FOOD
(PAKISTAN) LIMITED".

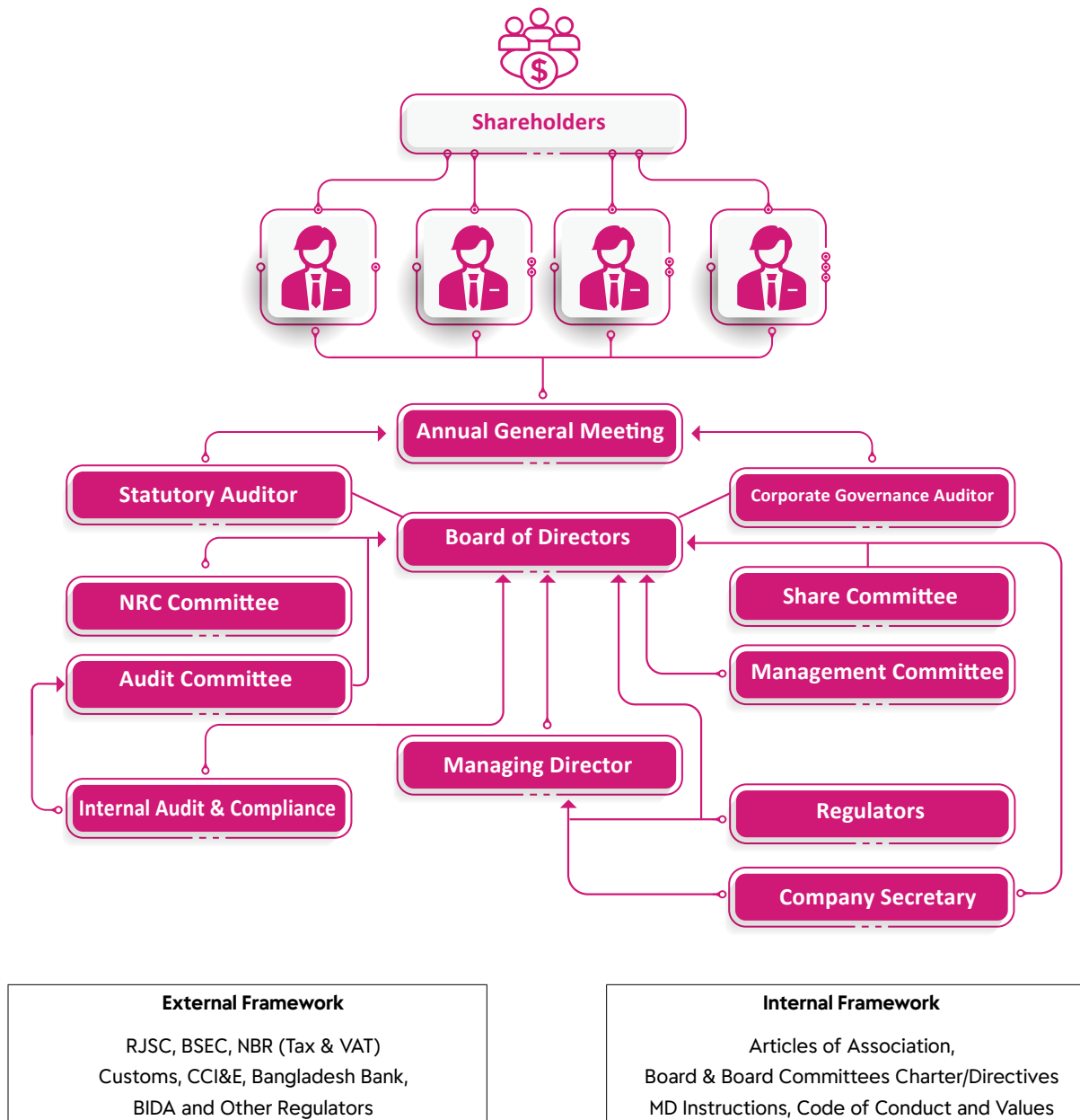
1962

STARTED COMMERCIAL
PRODUCTION OF THE
COMPANY BY SETTING UP
THE FACTORY IN
CHITTAGONG.

OUR GOVERNANCE STRUCTURE

Corporate governance defines an organization's power structure, accountability structure, and decision-making process. The term corporate governance refers to how companies are run and for what purpose. It is essentially a set of tools that enables management and the board to run an organization more efficiently and effectively. Environmental awareness, ethical behavior, corporate strategy, compensation, and risk management are all aspects of corporate governance. The purpose of good governance is to ensure that businesses have the appropriate decision-making processes and controls to ensure that all stakeholders' interests (shareholders, employees, suppliers, customers, and the community) are balanced.

Additionally, our corporate governance offers the structure needed to achieve the goals of the organization. For the purpose of measuring performance and ensuring the smooth operation of corporate disclosure, it includes practical action plans, risk assessment, monitoring, and internal control and compliance.



Brief Description of Corporate Governance Functions

- **Shareholders**

At the Annual General Meeting (AGM) or Extraordinary General Meeting (EGM), which are also known as documented ordinary or special resolutions, shareholders finally approve topics stipulated by regulations.

- **The Board of Directors**

Crucial to the company's functioning as a whole is the Board of Directors. Goals and objectives are planned and strategized, and systems are set up to track the progress. It is their duty to safeguard the shareholders' interests.

- **Statutory Auditor**

Independently evaluating the company's financial statements in accordance with relevant accounting and auditing standards and a certificate confirming conformity with the Corporate Governance Code, Statutory Auditors carry out their auditing duties.

- **Audit Committee**

Audit Committee is a sub-committee of the Board of Directors that supports the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good control monitoring system within the business.

- **Nomination and Remuneration Committee (NRC)**

NRC is a sub-committee of the Board; It identifies qualified directors, recommends appointments and removals, and evaluates director performance. Its role ensures effective leadership and governance within an organization.

- **Share Committee**

Adhering to regulatory and governance rules, the share committee oversees activities such as defining dividend policies, administering buyback programs, and overseeing the issuing of shares. Emphasizing openness and fairness in all share-related dealings, they also help in communicating with shareholders, assessing risks, and protecting shareholder rights.

- **Managing Director**

The Managing Director is the highest-ranking executive in an organization. Their role includes advising the board of directors, setting goals and strategies, and overseeing employee recruitment and leadership..

- **Management Committee**

A management committee oversees an organization's functioning, prioritizes tasks, and upholds its mission and values. Their collective efforts contribute to the organization's success and impact.

- **Internal Audit and Compliance**

Internal audit focuses on reviewing company practices, evaluating risk management procedures, implementing controls to prevent fraud, and ensuring compliance with laws. Meanwhile, compliance develops and implements legal compliance programs, monitors adherence to internal controls, drafts company policies, and proactively assesses compliance risks. Both functions play critical roles in maintaining organizational integrity and effectiveness

- **Regulators**

Various regulatory bodies are directly involved with our day-to-day operation having direct interest. They impose sort of rules & regulations on our business operations and business strategies. Reckitt is committed to be fully compliant of the applicable rules & regulations.

- **Company Secretary**

The Company Secretary is responsible for supporting the board and the governance process, providing advice and guidance to the board on company law and the appropriate regulations, its own policies and best practice in corporate governance.

Other Committees and Activities for Good Governance

Apart from the said committees, top officials and other committees or departmental positions form various committees for day-to-day operation and other operational issues as and when required. Major features of such committees are like:

- The committee is formed for a specific purpose and after fulfilling the respective purpose, its validity will be lost automatically;
- The committee is formed by high official and sometimes by the Board;

- Usually, the committee is formed to pursue a specific job or investigation activity; and
- The committee will not do anything contrary to the company's policy, norms, culture and values. Findings of the committee will assist the officials or the management in decision making process.

External Framework of Our Corporate Governance

Reckitt Benckiser (Bangladesh) PLC. has adopted all applicable laws, policies, rules and regulations in our Corporate Governance System and maintains a zero-tolerance policy in compliance. A list of such external regulations/policies are outlined below:

- Notification on Corporate Governance Code, Issued by Bangladesh Securities and Exchange Commission;
- The Companies Act, 1994 (amendment in 2020);
- Bangladesh Labour Act, 2006 (amendment in 2018);
- Listing regulations of Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.;
- Other related laws & regulations of the country;
- The Memorandum and Articles of Association of the Company;
- Our code of conducts, business ethics, values and culture;
- Internal policies and procedures;
- Delegation of authority of the company and official notice or management decision as time-to-time taken; and
- Local & global best practices

Additionally, we have engaged experienced professionals in positions of Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance who play vital roles in our Corporate Governance System.

Internal Policies and Implications

We have various Board prescribed policies & procedures in practice for internal control and good corporate governance across. Illustration of some of our policies as approved by the Board are namely:

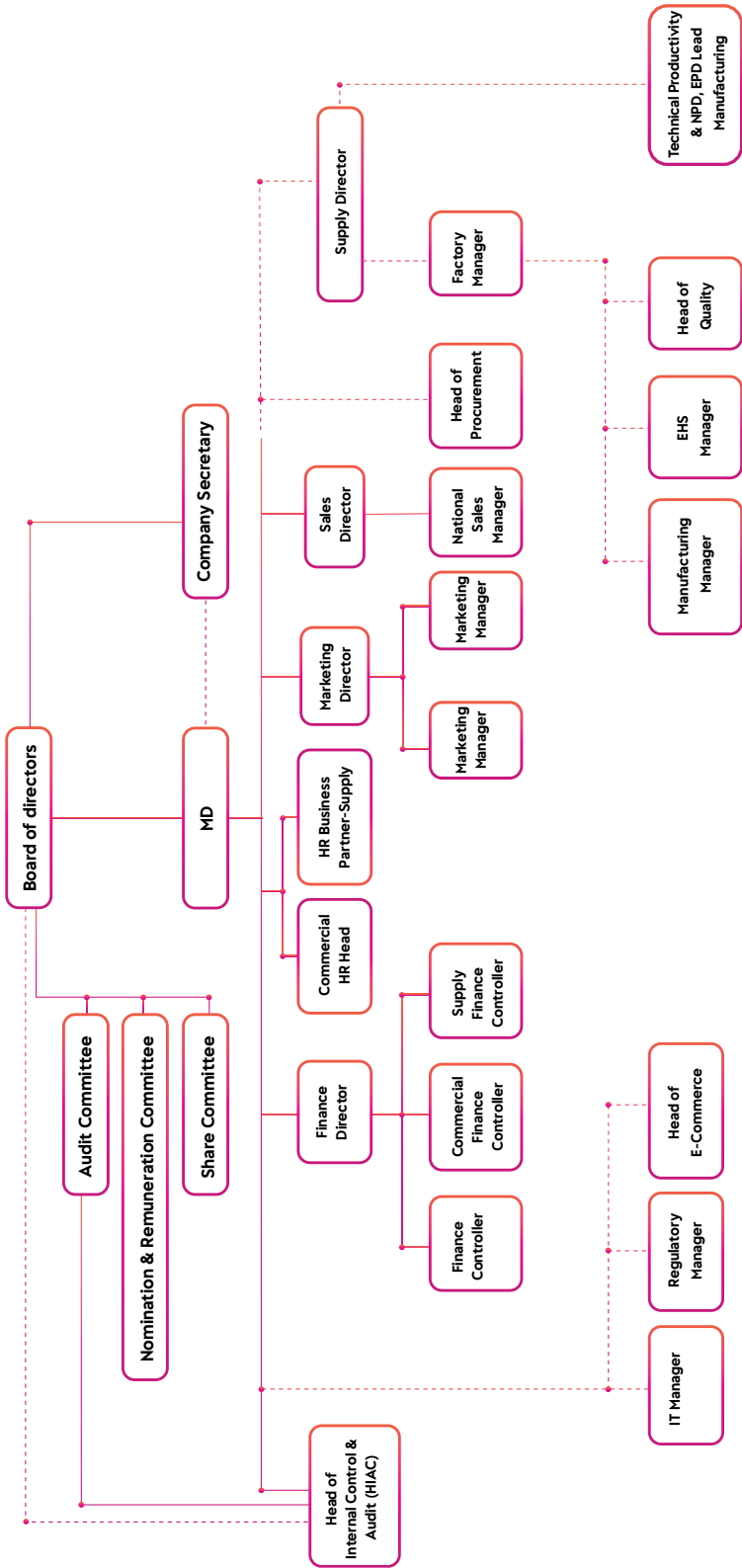
- PSI/ MI Policy;
- Board's Performance Evaluation Policy;
- Dividend Distribution Policy;
- Human Resources Policy.

Parameters of Board's Performance Evaluation

Internal Control & Risk Management	Governance
Financial and other Control	Direction: Business Strategy Governance
Risk Management & Internal Control	Monitoring: Policies, Systems and Strategy
Whistle Blower Approach	Implementation
Related Party Transactions	Supporting and Advisory Role
Dynamic & Process	Board Composition & Structure
Committed and Engaged	Board and Committee Composition
Information availability	Diversity In term of gender, expertise, skills,
Interactions & Communication with CBO and Senior Executives	knowledge and independent implementation
Board Agenda	Board Process and Meeting
Chairperson's Role	

RECKITT BENCKISER (BANGLADESH) PLC

ORGANIZATIONAL CHART



AWARDS AND ACCOLADES





CODE OF CONDUCT

This Chapter Includes

- Do The Right Thing. Always
- Put Consumers And People First
- Seek Out New Opportunities
- Strive For Excellence
- Build Shared Success

CORE VALUES & CODE OF CONDUCT

DO THE RIGHT THING. ALWAYS

At Reckitt, we're united by a single, shared purpose: to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world. With such a profoundly important Purpose, the world has high expectations of our company.

It's only through an unwavering commitment to Do the Right Thing, Always that we can maintain trust with society.

WHO IS OUR CODE OF CONDUCT FOR?

- **Employee**
- **Contractor (including agents, consultants, outsourced personnel and other representatives)**
- **Joint venture we participate in**
- **Board of Directors member**
- **Third party**



Since our Code is a guide to putting our values into action every day, it's something you should refer to time and time again.

WHAT YOU'RE RESPONSIBLE FOR

No matter what job you do and where you do it, you are Reckitt. Make sure your actions always reflect our values.

1 GET TO KNOW OUR CODE

Familiarise yourself with the Code, our policies and with the laws applicable to you.

Take our mandatory Code of Conduct training.



2 FOLLOW THE CODE, OUR COMPASS AND LEADERSHIP BEHAVIOURS

Think before you act: follow our Compass, embody our Leadership Behaviours and always behave ethically.

Raise any concerns about violations of this Code, the law or our policies.



3 IF YOU'RE A PEOPLE MANAGER, LEAD AND SUPPORT YOUR TEAM

Lead by example, including by creating an environment where people feel comfortable raising their concerns for the greater good of Reckitt.

Assess compliance with the Code as part of your team's appraisal process.



HOW TO MAKE GOOD DECISIONS

Our code encompasses the guidance to help you make the right decisions. However, there might be situations where it'll be important for you to exercise good judgement and be guided by our Compass and Purpose. Our actions should also be consistent with our Leadership Behaviours. When you're faced with a complex situation, follow our three-step check:



YOUR DUTY TO RAISE CONCERNS AND HOW TO DO SO

At the centre of our Compass is our commitment to Do The Right Thing, Always. You have a duty to speak up as soon as you observe, or suspect misconduct: the quicker you raise your concerns, the quicker we can take corrective action.

Raise a concern in a way that works for you.

1 YOUR LINE MANAGER

Generally, the first person you should approach when raising a concern is your Line Manager, who may be able to address it or engage those who can.

2 A TRUSTED LEADER, HUMAN RESOURCES BUSINESS PARTNER, OR MEMBER OF THE LEGAL OR ETHICS & COMPLIANCE FUNCTION

If approaching your Line Manager is inappropriate, for whatever reason, then you should raise your concern with a trusted leader, your Human Resources Business Partner or a member of the Legal or Ethics & Compliance Team. They may be able to address your concern, help mediate on your behalf or point you towards our grievance procedures.

3 THE SPEAK UP! SERVICE

If you genuinely believe your concern cannot be dealt with through the channels mentioned here, for whatever reason, please raise a confidential report through the Speak Up! Service. You can report your concern anonymously, where permitted by law, although we encourage you to speak up in confidence. You can trust that all reported concerns are taken seriously and assessed by select members of our Ethics & Compliance Team who will determine next steps.

NO TOLERANCE FOR RETALIATION

We value the help of those who report concerns in good faith. Retaliation against those using the Speak Up! Service in good faith or assisting the investigation of a Speak Up! report will not be tolerated.

PUT CONSUMERS AND PEOPLE FIRST

DELIVER SAFE, REGULATORY COMPLIANT & HIGH-QUALITY PRODUCTS

At Reckitt, our goal is to ensure the safe and proper use of our products improving the lives of the people we serve, the communities in which we operate and the environment.

Our reputation is reflected in every product we sell: that's why our products must always meet quality and safety standards and the relevant regulatory requirements.

1. Ensure that our products meet our quality standards and are safe to use.
2. Incorporate safety-by-design principles at every stage of our products' lifecycle and ensure compliance with all relevant regulatory requirements.
3. Report any negative feedback and adverse events related to our products' safety, quality or performance to your local Drug Safety Officer within 24 hours.

COMMUNICATE RESPONSIBLY WITH OUR CONSUMERS

We put people's lives and needs at the heart of our business: that's why we communicate our products' quality, efficacy, safety and value for money to our consumers.

VALUE UNIQUENESS & CONSCIOUSLY INCLUDE

Diversity within our workforce enables us to better understand, represent and serve the communities we work in.

We're committed to providing an environment where all our people feel able to participate fully, be themselves and realise their potential.

1. Treat everyone with dignity and respect.
2. Promote equal opportunities, fair and inclusive treatment for everyone we work with and make reasonable accommodations based on dimensions of diversity.
3. Report bullying, discrimination, hostile conduct or harassment

PROVIDE SAFE & HEALTHY WORKING CONDITIONS

Providing a safe and healthy workplace is essential for us to thrive. That's why we must comply with all applicable health, safety and environmental laws as well as with our own environmental Health & Safety requirements.

1. Follow all Health & Safety rules and workplace guidance.
2. Take necessary precautions to protect yourself, your co-workers and visitors.
3. Do not engage in any threats, acts of violence or physical intimidation and keep our workplace weapons-free.
4. Immediately report accidents, injuries and unsafe practices or conditions.

SEEK OUT NEW OPPORTUNITIES

SAFEGUARD OUR CONFIDENTIAL INFORMATION

Our confidential or proprietary information is a tremendously valuable asset, which sets us apart from our competitors. Protecting it is paramount for our success.

1. Safeguard any information that demands stricter levels of protection.
2. Before disclosing any confidential information, ensure this is on a strict 'need to know' basis and restrict the onward use and distribution of this information.
3. Do not share our confidential or proprietary information with competitors.
4. Do not misuse or disclose any confidential or proprietary information or trade secrets, during or after your employment.

PROTECT PERSONAL INFORMATION

We respect the privacy of our consumers, co-workers and others we do business with and we are committed to handling their personal information (any information relating to an identified or identifiable individual) with care.

When things go wrong, we investigate them and remediate them in a timely fashion.

1. Follow our Data Privacy Governance Policy and the laws of the country you work in.
2. Ensure consumers' personal information is handled in accordance with the ethical values set out in our Responsible Consumer Data Principles.
3. Only collect, use and process personal information for legitimate purposes.
4. Securely store personal information and dispose of it once no longer needed.
5. Report any actual or suspected data breaches via Assist.

COMMUNICATE RESPONSIBLY

Our success depends on our stakeholders' trust that we provide clear, accurate, complete and consistent information. Always communicate responsibly, taking care that your words don't have unintended consequences.

If you're using social media, use them wisely:

- a. Never disclose confidential information,
- b. Be respectful in your interactions, and
- c. Use caution around topics which may be considered inflammatory.

1. Ensure your communications are ethical and responsible: consider their content carefully and be mindful that your words could be taken out of context.
2. Don't agree to interviews or speaking engagements regarding our company without the approval of the External Affairs Team.
3. Forward any request to discuss our company's business with members of the press, investors or market analysts to the External Affairs Team.
4. When using social media, think before you post: be careful and be respectful.

STRIVE FOR EXCELLENCE

ACTING WITH INTEGRITY

We win business based on the quality of our products and services, not by unethical or unlawful means. We have zero tolerance for bribery and corruption. We don't offer or accept improper payments and we do not tolerate improper payments by third parties working on our behalf.

ALWAYS:

Think about the intent of your actions, and how others might perceive them.

Exercise caution when dealing with people in a position of power, like Government Officials, and ensure your dealings are legitimate and ethical.

Be complete and accurate when recording payments and expenses; monitor the work third parties do for us.



NEVER:

Improperly offer, give, promise, request or accept anything of value to gain, retain or reward business directly or via third parties.

Accept or request improper payments. An improper payment is the exchange of something of value to influence a transaction (e.g. bribes, gifts, donations, etc.). You should assume that giving a benefit to a Government Official is improper unless explicitly permitted by Law or by our Policies.

Use Reckitt's money for political donations.

DISCLOSE CONFLICTS OF INTEREST

We are expected to act in our company's best interests, which means we must never allow our personal interests to influence the actions we take on Reckitt's behalf.

1. Identify conflicts of interests by asking yourself:

- Am I using a company resource for a personal benefit?
- Do I have a relationship that may impact the decisions I make for Reckitt?
- Would someone question my judgement, based on my activities outside work or my personal relationships?

2. If the answer to any of these questions is 'Yes', you must disclose your situation in the Conflicts of Interest Register.

PRACTICE FAIR COMPETITION

A free and competitive market serves us and our customers best. To compete fairly, we do not share nonpublic information regarding pricing, costs or other sensitive matters with competitors, nor do we use our market position to illegally get a competitive advantage or block a competitor's market access.

1. Be cautious when interacting with competitors: do not discuss matters such as prices, terms of sale, market shares, etc., and disengage if the discussion goes in this direction.
2. Never enter into any agreement to:
 - Illegally fix or control prices
 - Offer anti-competitive rebates, or other illegal incentives
 - Not compete for certain business or bids
 - Boycott specific suppliers or customers
 - Divide or allocate markets or customers
 - Do anything else that could limit competition

COMPLY WITH TRADE SANCTIONS

Sanctions are restrictions that apply to dealings with certain countries/territories, governments, groups, entities and individuals. We comply with all applicable sanctions worldwide, including those regarding the import/ export of our products.

1. Perform due diligence on third parties to ensure they are not sanctioned.
2. Immediately contact Legal if you suspect a third party may be sanctioned.

ACT RESPONSIBLY TOWARDS OUR SHAREHOLDERS AND THE PUBLIC

We must not illegally profit from information which we hold through our roles at Reckitt. Trading or encouraging others to trade on inside information or providing it to unauthorized persons is a criminal offence in many countries.

1. Never buy or sell shares in Reckitt, any listed Reckitt subsidiary, or any other publicly traded company securities when in possession of inside information.
2. Never encourage anyone to buy or sell securities of any listed company when you or they have inside information related to those securities.
3. Never spread false information or engage in other activities to manipulate the price of publicly listed securities.
4. Manage communications with investor and the media carefully, as set out here

MAINTAINING ACCURATE RECORDS

Our success depends on how well we manage our business. Our records provide a picture of our business's health, so we all have a responsibility to ensure their accuracy and the legitimacy of our transactions.

ALWAYS:

1

ACT AS AN ACCOUNTABLE OWNER:

- Accurately record and maintain our company books and records.
- If your job requires you to disclose information to the authorities, ensure what you provide is complete, accurate, timely and understandable.
- Cooperate with auditors and Regulators on any review of our books and records.

SCRUTINISE OTHERS' ACTIONS:

2

- Be alert to comments like: "Make the numbers work", "Hold that sale until next month so we can meet next quarter's target", etc., as these may indicate potentially illicit practices. Report these comments to the Internal Controls Team.
- Know our business partners and their role, in an effort to prevent illegal activities.
- Be alert to unusual patterns in our business partners' activities: red flags such as attempts to avoid record-keeping requirements should be reported to the Internal Controls Team and Legal Team for review.

NEVER:

3

- Falsify, misreport or mischaracterize information that relates to our business.
- Mislead any shareholders, auditors, regulators or any other governing body.
- Accelerate or defer costs in violation of accounting principles.
- Manipulate or destroy information that may be needed for an investigation, an audit or a legal proceeding.

BUILD SHARED SUCCESS

COMPLY WITH TRADE SANCTIONS

Respecting human rights is an absolute and universal requirement.

We are committed to respecting the fundamental human rights defined in the UN Universal Declaration of Human Rights and to uphold the principles of non-discrimination, elimination of child and forced labour, rights to collective bargaining and freedom of association laid down in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

1. Uphold human rights and strive to make a positive impact through our activities.
2. Be alert to and seek to identify human rights risks and adverse impacts that may arise through our activities.
3. Report any incidents to the Sustainability Team

CARE FOR OUR PLANET

We conduct business in an environmentally responsible way.

We comply with the applicable environmental laws to minimise our environmental impact, address sustainability challenges and nurture the communities we operate in.



This Chapter Includes

- Industry Analysis
- Management's Discussion & Analysis
- KPIs & Financial Performance
- Ratios and Analysis
- Horizontal & Vertical Analysis of Statement of Financial position and Statement of Profit and Loss Account
- Value Added Statement
- Contribution to National Exchequer
- Future Outlook

MANAGEMENT'S DISCUSSION & ANALYSIS

INDUSTRY ANALYSIS

(First Part)

PESTEL

Factors	Current Scenario	Our Role
1. Political Political factor refers to a stable environment in the economy. This stability encourages growth. Moreover, the FMCG industry is strictly regulated by the government authorities.	2023 saw a different political dynamic in Bangladesh due to the election which created a huge impact on the economy. The central bank's policy to keep the value of the country's currency artificially inflated also exacerbated inflation as well as decreased the foreign currency reserve.	We continued to deliver our health and hygiene products to our customers by relying on the strengthened relationship with our suppliers.
2. Economic Economic factors have direct or indirect impact on a company. These factors include economic growth, exchange rates, inflation rates, interest rates, disposable income of consumers and unemployment rates.	Compared to the GDP of the previous year, it is projected to decelerate & increase by 6% (Source: ADB). Country's inflation had been 9.48% (Source: Bangladesh Bank) whereas taka value depreciated against dollar value, resulting in an inflation on import.	We worked closely with our suppliers and bankers to ensure continuity of supply and forex availability. Through close co-ordination and business continuity planning we managed to mitigate the risks.
3. Social Social factors include demographic characteristics, norms, and values of the people in the economy.	The peak demand for Health products as witnessed during the height of the pandemic has moderated with the progress in vaccination and reduced severity of the new variants. The pandemic time learnings about personal health and well being will go a long way in preparing us for any future health emergencies.	We continued to offer differentiated products to meet the Health and Hygiene needs of our discerning consumers. We also continued to raise public awareness about Health and Hygiene best practices through our various awareness programs.
4. Technological Technological factors refer to externally generated changes in technologies and processes which are used by the company.	Government of Bangladesh is planning to take advantage of digitization; Government had been introducing new systems with digital solutions for areas in VAT, custom and payment to national exchequer. Also, the consumers are eager to purchase goods on e-commerce platform. The advent of artificial intelligence (AI) in the form of Generative AI (Gen AI) poses new opportunities as well as challenges for businesses. Guidelines around the development of Gen AI will ensure its powers is harnessed for the good of the public at large.	We continue to leverage technology for ease of doing business. We have been at the forefront of leveraging the power of e-commerce to provide access to our high-quality Health and Hygiene products to our consumers. We are in the early stages of understanding how AI can help us in simplifying our operations.
5. Environmental These factors represent ecological or environmental changes that affects the industry.	Climate change Is an alarming factor for Bangladesh as the country is sub-tropical with a monsoon climate. Deforestation and urbanization have led to this issue. If not taken the right steps forward, Bangladesh may lose land for its habitants due to global warming.	Our purpose relentlessly pursues a cleaner, healthier world. The purpose extends far beyond personal hygiene and health - we need urgent action to build a cleaner, healthier planet. We are ambitious for carbon neutrality and striving to reach to our goal to be energy efficient.
6. Legal Legal factors include specific regulations, laws and order that affect the specific industry.	Over the years the Government has strengthened enforcement of direct/ indirect-tax compliance including initiation of penal actions to discourage tax evasion. Our industry for health and hygiene products are heavily regulated.	At Reckitt we have an unwavering commitment to Do the Right Thing, Always. This encompasses our approach to all tax and legal matters.

INDUSTRY ANALYSIS

(Second Part)

Porter's Five Forces Model

Forces	Industry Overview	For Reckitt
Competitive Rivalry	Demand for health products has dropped in the post pandemic era and various new players who entered the industry at the peak of the demand cycle have now exited the category as demand has normalized.	We have recalibrated our product portfolio to make it compatible with the current market situation.
Bargaining Power of Suppliers	The Russia-Ukraine war coupled with the situation in the Middle-East has led to widespread disruption in the supply chain. This has resulted in high bargaining power of suppliers.	During the supply disruption period, Reckitt reacted flexibly to the needs of the company and followed its contingency plans in order to smoothly run the business and provide the goods to the customers.
Threat of New Entrants	Demand for health products somewhat subsided as COVID crisis had lessened. The threat of new entrants in the industry with complicated structure of manufacturing is relatively low. However, if the market is in demand, the industry will see new entrants.	Reckitt is a globally established multinational corporation that provides premium quality products to its brand loyal customers.
Bargaining Power of Customers	Given the inflationary environment, consumers have become value seekers and are looking for quality products at a value. With new players entering the category on a regular basis, customers have an option to push newer players offering higher margins. As a result, the bargaining power of the consumer and customers is high.	Reckitt believes in innovating and providing variety of products to its customers.
Threat of Substitutes	The shift in the human nature regarding health and hygiene has increased the consumption of health and hygiene in products. The chances for Health & Hygiene products to become obsolete and replaced by any kind of substitute is very low.	Many of the Health & Hygiene products are the core needs of our day to day lives.

MANAGEMENT'S DISCUSSION AND ANALYSIS

According to the clause no. 5 (XXV) of notification no. BSEC/CMRRCD/2006 158/207/Admin/80 dated June 3, 2018, detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements are as follows:

Accounting policies and estimation:

We followed International Financial Reporting Standards (IFRSs) and the Companies Act, 1994 in preparation of financial statements. These financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, the Company also complied with the requirements of following laws and regulations from various Government bodies:

- Bangladesh Securities and Exchange Rules 1987.
- The Income Tax Act, 2023.
- The Value Added Tax and Supplementary Duty Act, 2012.

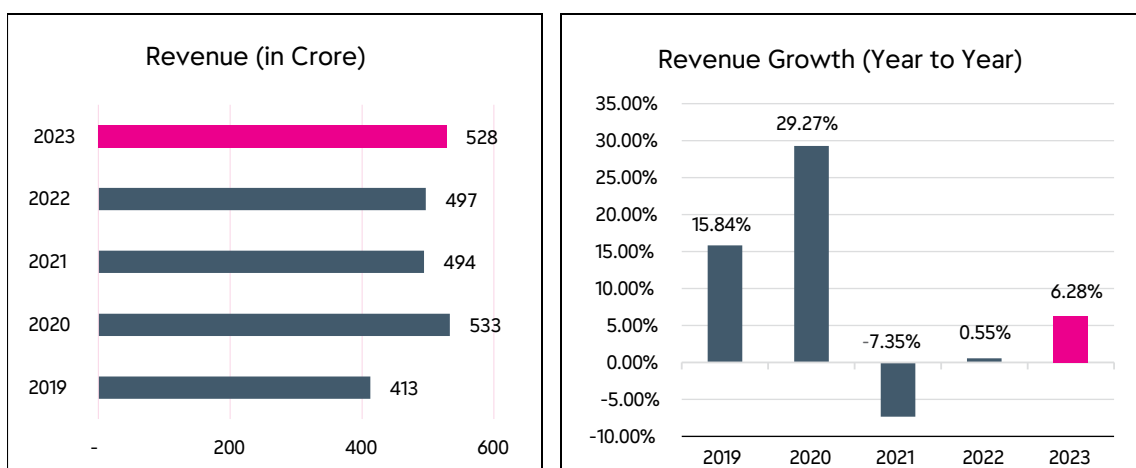
In preparing financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in note 2.5.

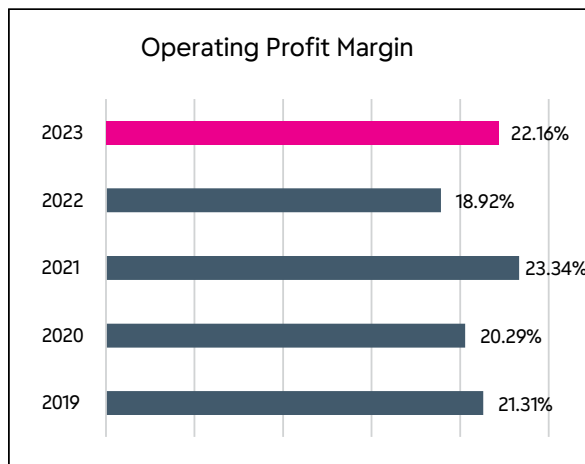
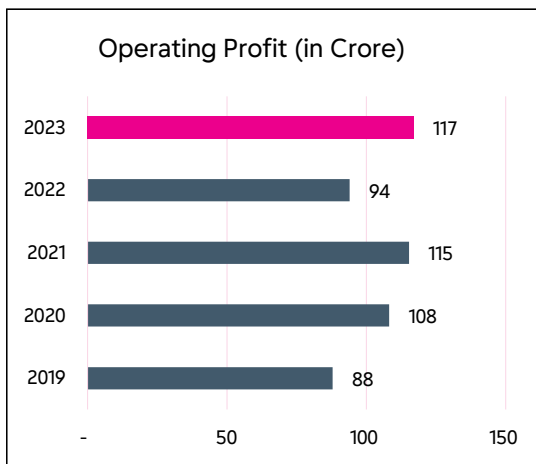
Changes in accounting policies and estimation and its effect:

For the year 2023, there were no major changes in the accounting policies.

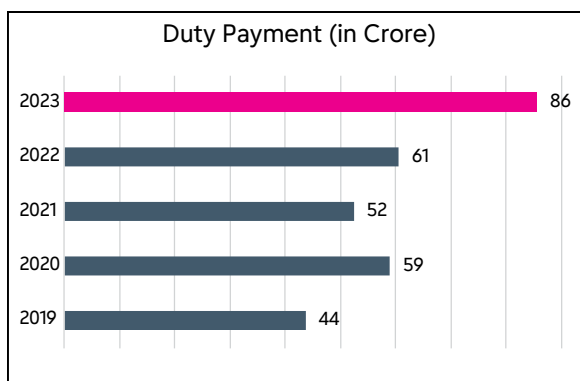
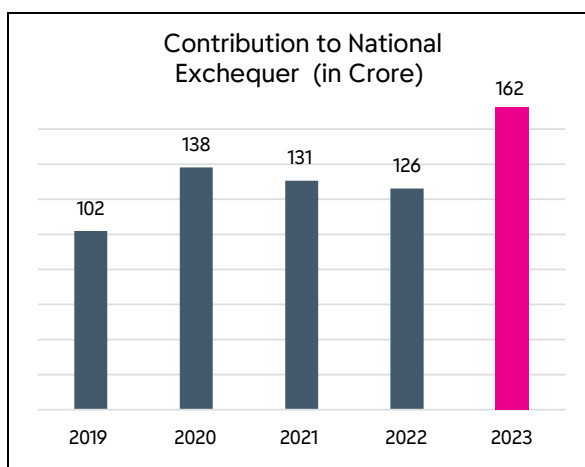
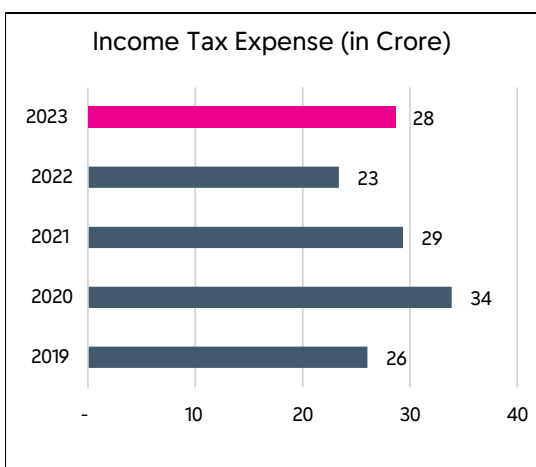
Comparative analysis of financial performance:

During the year 2023, your Company reached a turnover of Tk. 528 Crore, which has increased as that of the previous year (6.28% revenue growth). The reason can be the impact of reduction in raw material prices.

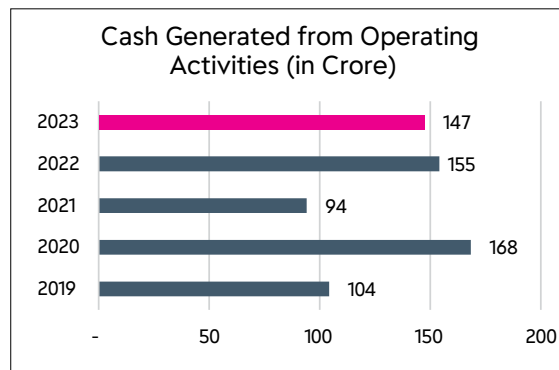
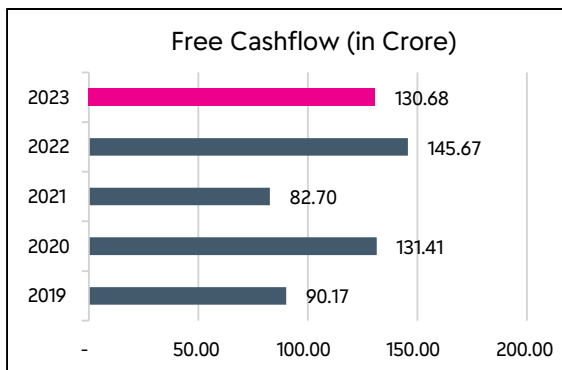




Operating profit margin for the year is 22.16%. Income tax for the year is Tk. 28 crore and contribution to national exchequer by you company during 2023 is Tk. crore. Among this duty payment made by the company is Tk. 86 crore.



Your Company has a consistent free cash flow, that is the cash available for the company to repay creditors and pay out dividends to investors. For the year 2023 company had free cashflow of Tk. 130.68 crore to use in its operational activities. For the year 2023 cash generated from operating activities stood at tk. 147 crore from Tk. 155 crore of the previous year. This consistency can be accounted to company's priority at maintaining efficient working capital.



Materiality Assessment

Materiality is one of the prime indicators of risk. Process of materiality evaluation is driven by a combination of the purpose of the transaction or account itself and the nature or balance of the transaction or account. It is a key element in deciding the risk category that should be applied to an individual transaction or account. Reckitt assesses materiality drivers and percentages annually. Through this materiality assessment we come up with risk level categories, such as, high risk, medium risk and low risk for the individual account. The risk classification is based on materiality, judgement, and risk of error.

Economic scenario of the globe

The global economy continues to recover slowly from the blows of the pandemic, Russia-Ukraine situation, and the cost-of-living crisis with the recent crisis in the Middle East expected to put further downside pressure. The baseline forecast is for global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 well below the historical (2000-19) average of 3.8 percent. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in 2023. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 due to tighter monetary policy aided by lower international commodity prices. (Source: IMF)

Economic scenario of the country

As per ADB, GDP growth is estimated at 6.0% in FY2023 (7.1% in FY22), This was in the face of the sharp decline in growth in major advanced countries that provide the external demand propelling the country's export-oriented economy. Inflation intensified on high commodity prices and shortfalls in meeting fuel and energy demands. Exports continued to grow, and a marked fall in imports sharply reduced the current account deficit.

Inflation surged to an average of 9.0% in FY2023 from 6.2% in FY2022. Food inflation increased to 8.7% in FY2023 from 6.1% in FY2022 and nonfood inflation to 9.4% from 6.3%. Weaker agricultural production, some upward adjustments in administered domestic fuel and energy prices and the marked depreciation of the taka against the US dollar were the main causes of the sharp updraft in inflation and its stickiness.

Economy and Reckitt

Being an import-based manufacturing entity, your Company faced obstacles from the spillover of the challenges facing the global economy. However, through meticulous planning and superior execution your company was able to smoothen the supply chain crisis on the input area. Your Company had planned ahead and executed supply of product in the market and will continue to do so in a sustainable manner.

Risks and concerns

While the pandemic induced disruptions are behind us, geo-political challenges posed by the Russia-Ukraine situation and the recent conflagrations in the Middle East together with the uneven demand recovery in key export markets created near term headwinds.

Your company has faced challenges such as supply chain disruption, price increase in key imported raw materials, waning demand for health products post pandemic. Your company will continue to navigate all these challenges and relentlessly pursue a cleaner and healthier world by providing innovative solutions. At Reckitt we believe Hygiene is the foundation of health. Across the globe, people trust our innovative, market-leading products to tackle germs, pests, dirt and odours, and to keep their loved ones healthy. We will fight to make access to highest quality hygiene, wellness, and nourishment a right and not a privilege.

Industry Outlook

Sustained demand generation will be a key challenge for the industry given the impact of inflation on consumer buying habits. With inflation peaking, future growth will be more volume led than price led and accordingly players who are able to grow their volumes consistently will find more consumer acceptance.

The industry will continue to innovate and introduce products meant to address the Health and Hygiene needs of our discerning consumers. Thus, this industry will continue to be as competitive and as consumer friendly as ever.

Future Outlook

Real GDP growth for Bangladesh is projected to remain at 6% in FY24 on the back of relatively resilient exports, despite subdued private demand. Helped by continued monetary policy tightening and neutral fiscal stance, inflation is projected to moderate by end-FY24. FX reserves are expected to increase gradually in the near term and are projected to reach about four months of prospective imports in the medium term. (Source: IMF)

This indicates challenges around persistent inflation, weak consumer demand and forex availability will linger for a while. Your Company has a robust risk management process and aspires for progressive results through right planning and superior execution and maintaining highest quality products for our consumers and stakeholders. We will continue to maintain our relationships with our trusted third parties to contribute through our social initiatives. We take our environmental impact at our heart and through our environmental initiatives we will continue to strive for a better healthier planet.

For Reckitt Benckiser (Bangladesh) PLC



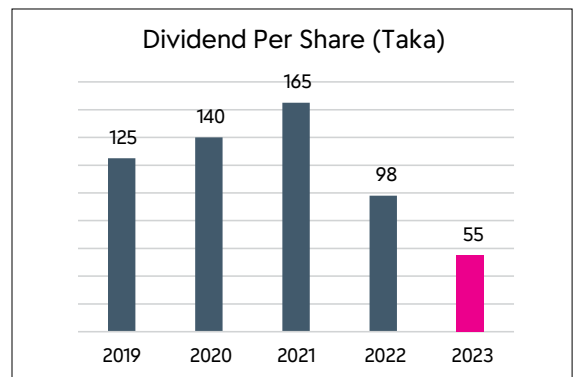
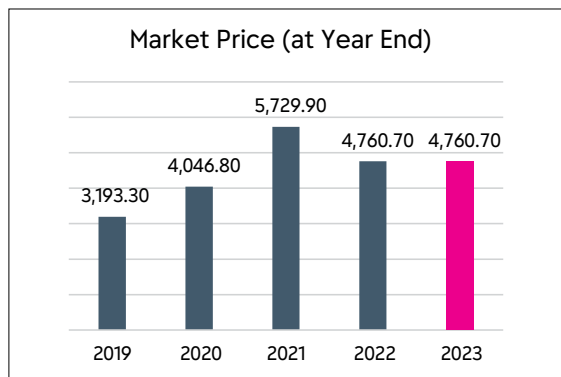
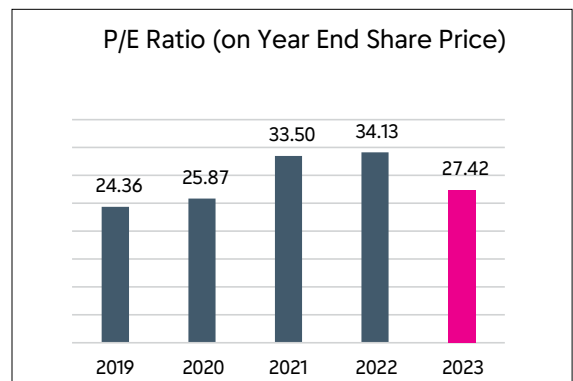
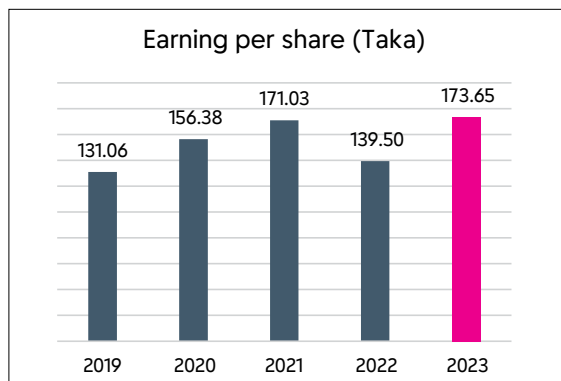
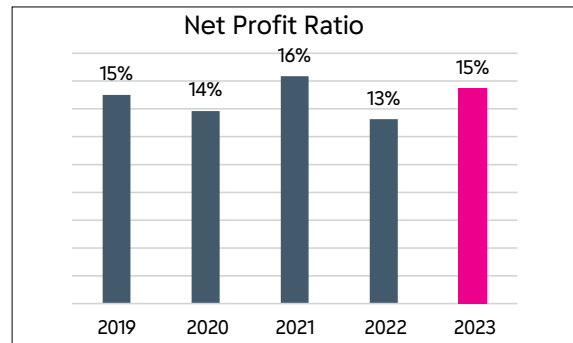
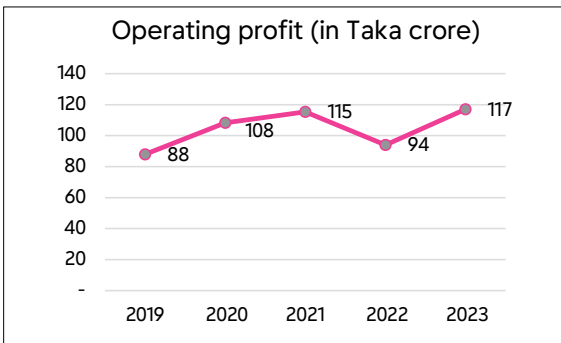
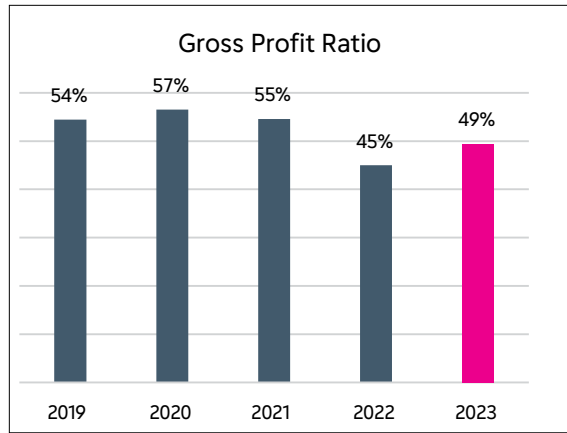
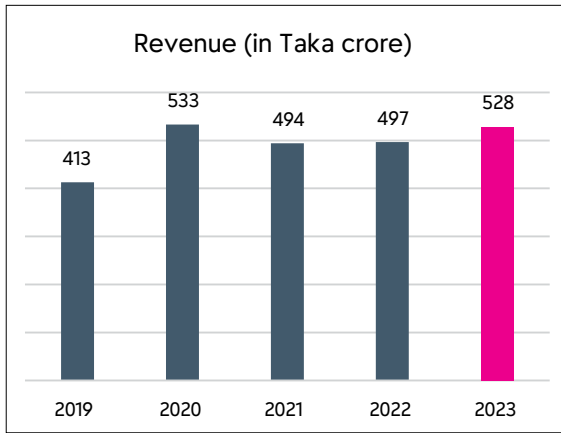
Vishal Gupta

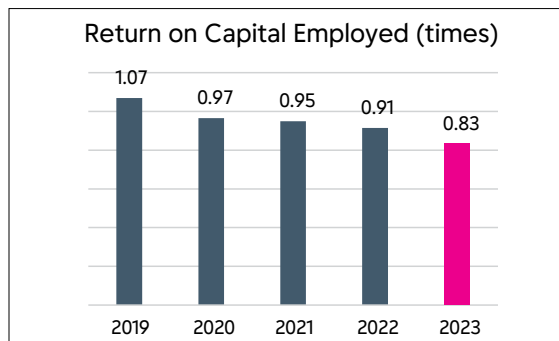
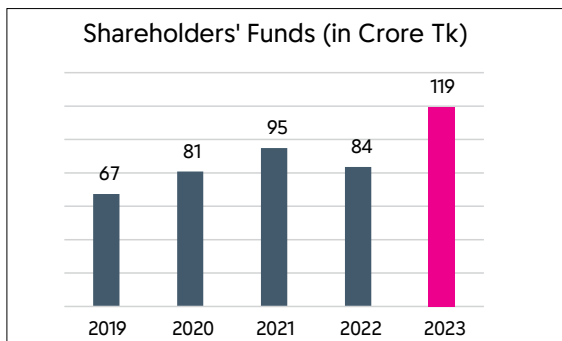
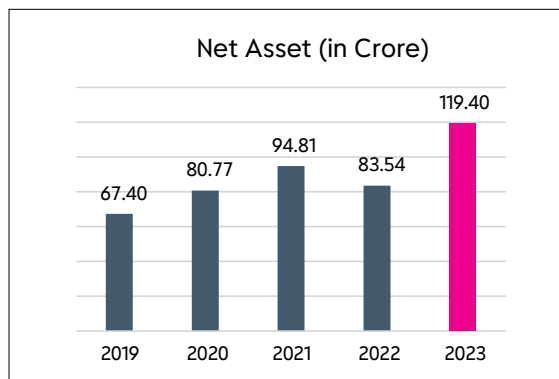
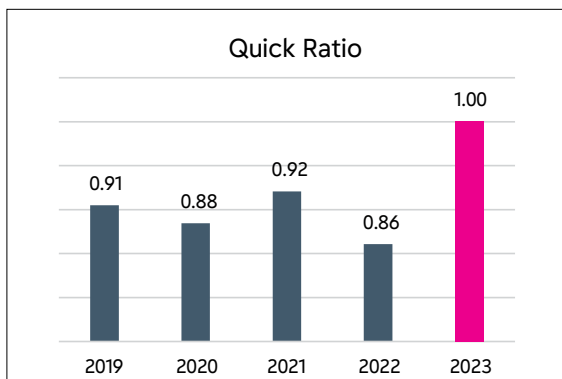
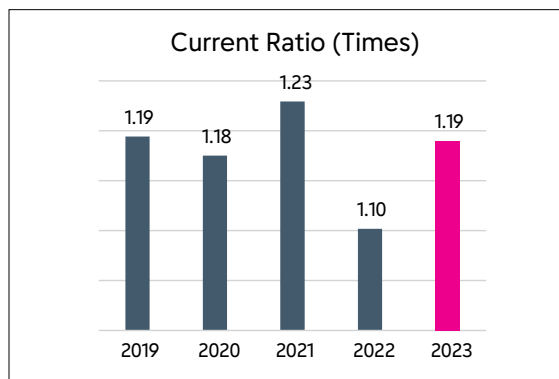
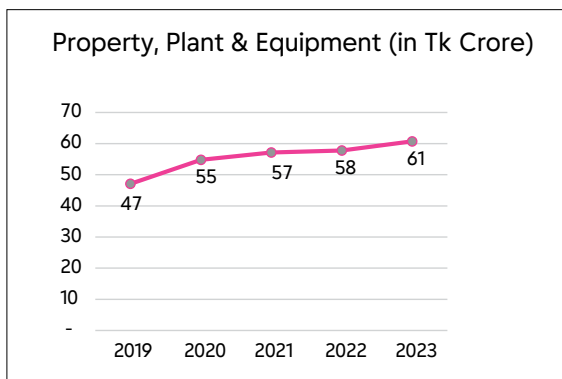
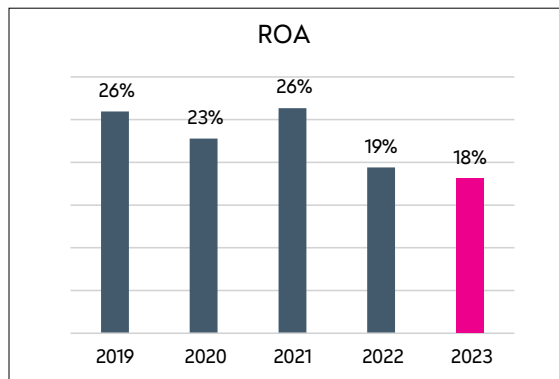
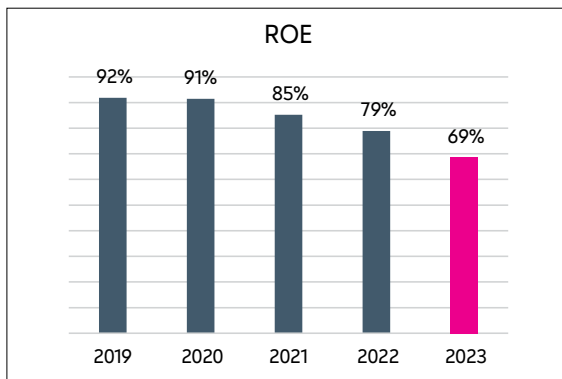
Managing Director

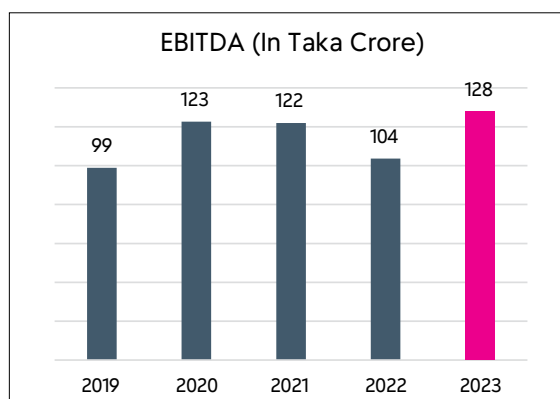
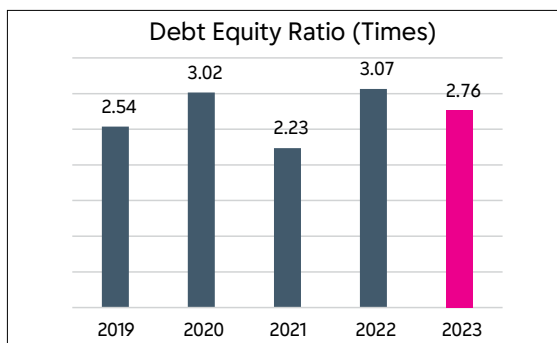
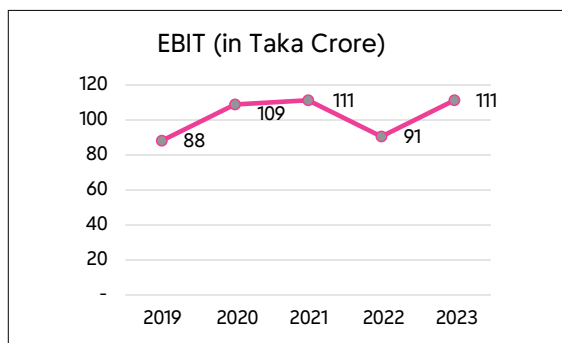
FINANCIAL PERFORMANCE

	Amount in Thousand				
	2019	2020	2021	2022	2023
FINANCIAL RESULTS:					
Revenue	4,126,150	5,333,884	4,942,046	4,969,365	5,281,570
Profit before Taxation	879,563	1,077,842	1,101,501	892,861	1,100,951
Taxation	260,302	338,954	293,380	233,721	280,453
Profit after Taxation (including other comprehensive income/items)	619,036	738,888	808,122	659,140	820,498
Dividend	590,625	661,500	779,625	463,050	259,875
BALANCE SHEET SUMMARY:					
Property, Plant & equipment (Including CWIP)	470,887	548,079	571,184	577,880	607,331
Right-of-use assets (ROU)	38,458	177,140	155,426	167,880	142,738
Deferred Tax	12,625	28,760	10,885	0	26,761
Net Current Assets	303,114	374,414	434,527	273,067	594,117
Non-current liabilities	(151,119)	(320,673)	(223,967)	(183,437)	(176,988)
Net Assets	673,964	807,720	948,056	835,390	1,193,958
Share Capital	47,250	47,250	47,250	47,250	47,250
General Reserves & Retained earnings	626,714	760,470	900,806	788,140	1,146,708
Shareholders' Funds	673,964	807,720	948,056	835,390	1,193,958
STATISTICS:					
Net assets per share (Taka)	142.64	170.95	200.65	176.80	252.69
Net operating cash flow per share (Taka)	176.55	290.57	134.90	271.66	247.41
Earnings per share (Taka)	131.06	156.38	171.03	139.50	173.65
Dividend per share (Taka)	125.00	140.00	165.00	98.00	55.00
Dividend payout ratio	95%	90%	96%	70%	32%
Dividend yield (%)	3.91%	3.46%	2.88%	2.06%	1.16%
Profit before Taxation as % of sales	21.32	20.21	22.29	17.97	20.85
Return on Capital Employed (%)	1.07	0.97	0.95	0.91	0.83
Current Ratio (Times)	1.19	1.18	1.23	1.10	1.19
Quick Ratio (Times)	0.91	0.88	0.92	0.86	1.00
Debt equity ratio (times)	2.54	3.04	2.23	3.07	2.76
Debt ratio (times)	0.72	0.75	0.69	0.75	0.73
Interest coverage ratio (times)	407.20	98.29	99.66	15.74	27.38

RATIOS AND ANALYSIS







Comments on Key Ratios

Dividend Payout Ratio for latest period:

The company declared lower dividend as compared to its EPS for the year 2023 to strengthen company's financial resilience and preserve agility in navigating potential business challenges ahead.

Dividend Yield for latest period:

Share price remain unchanged from 2022 to 2023 but due to lower dividend declaration in 2023, yield ratio reduces. The company declared lower dividend to strengthen company's financial resilience and preserve agility in navigating potential business challenges ahead.

Debt-Equity Ratio for latest period:

The company negotiated better with the vendors to increase higher credit period.

Debt Ratio for latest period:

The company has been able to maintain a consistent Debt Ratio over the years.

Interest Coverage Ratio for latest period:

Number moves significantly the reason is interest on UPAS increase significantly. During the year 2023, the company was forced to take UPAS to have uninterrupted import of raw materials.

ROE for latest period:

ROE for 2023 reduced by 8% vs last year due to increase in undistributable reserves at the year end.

P/E Ratio for latest period:

P/E Ratio improved as company is able to improve it's profit which is mainly driven by downtrend in the global commodity prices together with our world class productivity program.

HORIZONTAL ANALYSIS

for Statement of Financial Position

	2019	2020	2021	2022	2023
Assets					
Property, plant, and equipment	100.00%	116.39%	121.30%	122.72%	128.98%
Right-of-use assets (ROU)	100.00%	460.61%	404.15%	436.53%	371.15%
Deferred tax assets	100.00%	227.79%	86.22%	0.00%	211.96%
Non-current assets	100.00%	144.45%	141.29%	142.87%	148.83%
Inventories	100.00%	137.79%	129.64%	128.59%	131.01%
Trade and other receivables	100.00%	58.08%	157.17%	137.13%	308.74%
Advances, deposits and prepayments	100.00%	286.78%	172.28%	119.34%	261.43%
Cash and cash equivalents	100.00%	133.38%	121.45%	147.49%	217.66%
Current assets	100.00%	134.86%	125.00%	142.27%	199.45%
Total assets	100.00%	136.96%	128.57%	142.40%	188.37%
Equity					
Share capital	100.00%	100.00%	100.00%	100.00%	100.00%
Retained earnings	100.00%	121.34%	143.73%	125.76%	182.97%
Total equity	100.00%	119.85%	140.67%	123.95%	177.15%
Liabilities					
Employee benefits	100.00%	123.83%	50.89%	2.43%	32.04%
Lease liabilities	100.00%	1171.90%	1205.06%	1180.41%	1041.01%
Deferred tax Liability					
Non-current liabilities	100.00%	212.20%	148.21%	102.88%	117.12%
Trade and other payables	100.00%	137.41%	123.09%	161.53%	183.19%
Employee benefits	100.00%	339.74%	299.78%	333.59%	56.96%
Lease liabilities	100.00%	112.26%	62.17%	227.68%	232.35%
Current tax liabilities	100.00%	122.02%	104.04%	79.89%	98.27%
Unclaimed dividend					
Current liabilities					
Total liabilities	100.00%	982.53%	338.28%	815.60%	782.30%
Total equity and liabilities	100.00%	137.06%	121.43%	154.20%	200.12%

Horizontal Analysis (Financial Position)

Horizontal Analysis on Balance Sheet refers to the analysis of growth of each component of the balance sheet from the base period. Here, 2019 is considered the base year having value 100% and after that period value above 100% indicates positive growth and below 100% indicates negative growth compared to the base year. Here, assets and liabilities are showing growth over the years. Assets increases mainly for increase in cash which symbolizes sustainable overall balance sheet growth of the company as a whole. In parallel liabilities also increases as retained earnings has also increased in current year.

HORIZONTAL ANALYSIS

for Statement of Profit or Loss and Other Comprehensive Income

	2019	2020	2021	2022	2023
Revenue	100.00%	129.27%	119.77%	120.44%	128.00%
Cost of sales	100.00%	123.40%	119.52%	145.45%	142.22%
Gross profit	100.00%	134.17%	119.98%	99.54%	116.12%
Other income	100.00%	57.27%	253.56%	247.04%	756.34%
Operating expenses	100.00%	141.20%	112.86%	94.86%	105.84%
Impairment loss reversal on trade receivables	100.00%	20.43%	-8.60%	-3.40%	-113.21%
Operating profit	100.00%	123.08%	131.16%	106.92%	132.71%
Finance income	100.00%	130.60%	31.22%	22.74%	58.71%
Finance costs	100.00%	511.62%	515.60%	610.84%	1921.85%
Profit before contribution to WPPF	100.00%	122.54%	125.23%	101.51%	124.79%
Contribution to WPPF	100.00%	122.54%	125.23%	101.51%	124.79%
Profit before tax	100.00%	122.54%	125.23%	101.51%	124.79%
Income tax expense	100.00%	130.22%	112.71%	89.79%	107.74%
Profit for the year	100.00%	119.32%	130.50%	106.44%	131.96%
Other comprehensive income					
Remeasurement of defined benefit liability	100.00%	6447.65%	2703.33%	-3363.33%	-466.67%
Related tax	100.00%	6447.65%	2433.00%	-3027.00%	-373.33%
Other comprehensive income/(loss) for the year, net of tax	100.00%	6447.65%	2793.44%	-3475.44%	-497.78%
Total comprehensive income for the year	100.00%	117.02%	129.53%	107.74%	132.73%
EPS	100.00%	119.32%	130.50%	106.44%	132.50%

Horizontal Analysis (Comprehensive Income)

Horizontal Analysis on Income Statement refers to the analysis of growth of each component of the Income Statement from the base period. Here, 2019 is considered the base year having value 100% and after that period value above 100% indicates positive growth and below 100% indicates negative growth compared to the base year. The above table shows that, Revenue and profit growth over the five years period is consistent.

VERTICAL ANALYSIS

for Statement of Financial Position

	2019	2020	2021	2022	2023
Assets					
Property, plant, and equipment	19.75%	16.78%	18.63%	17.02%	13.52%
Right-of-use assets (ROU)	1.61%	5.42%	5.07%	4.94%	3.18%
Deferred tax assets	0.53%	0.88%	0.36%	0.00%	0.60%
Non-current assets	21.89%	23.08%	24.05%	21.96%	17.29%
Inventories	18.92%	19.03%	19.07%	17.08%	13.16%
Trade and other receivables	1.84%	0.78%	2.25%	1.77%	3.02%
Advances, deposits and prepayments	1.11%	2.33%	1.49%	0.93%	1.54%
Cash and cash equivalents	56.24%	54.78%	53.13%	58.25%	64.99%
Current assets	78.11%	76.92%	75.95%	78.04%	82.71%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
Equity					
Share capital	1.98%	1.45%	1.54%	1.39%	1.05%
Retained earnings	26.28%	23.28%	29.38%	23.21%	25.53%
Total equity	28.26%	24.73%	30.92%	24.60%	26.58%
Liabilities					
Employee benefits	5.80%	5.25%	2.30%	0.10%	0.99%
Lease liabilities	0.53%	4.57%	5.01%	4.43%	2.95%
Deferred tax Liability				0.05%	0.00%
Non-current liabilities	6.34%	9.82%	7.30%	4.58%	3.94%
Trade and other payables	56.75%	56.94%	54.33%	64.38%	55.19%
Employee benefits	0.39%	0.96%	0.91%	0.91%	0.12%
Lease liabilities	0.68%	0.56%	0.33%	1.09%	0.84%
Current tax liabilities	7.55%	6.72%	6.11%	4.23%	3.94%
Unclaimed dividend	0.04%	0.27%	0.10%	0.22%	0.16%
Current liabilities	65.40%	65.45%	61.77%	70.82%	69.48%
Total liabilities	71.74%	75.27%	69.08%	75.40%	73.42%
Total equity and liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

Vertical Analysis (Financial Position)

Vertical Analysis on Balance Sheet refers to the components of Balance Sheet as a % of Total Assets over the periods. In asset side, PPE (13.52%) and Cash & Cash equivalents (64.99%) hold major portion for 2023. In liability side, Retained Earnings (25.53%) and Trade and other payable (55.19%) hold major portion for 2023. Current asset increased by 4.67% in the current year mainly due to increase in cash.

VERTICAL ANALYSIS

for Statement of Profit or Loss and Other Comprehensive Income

	2019	2020	2021	2022	2023
Revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Cost of sales	-45.52%	-43.45%	-45.42%	-54.97%	-50.58%
Gross profit	54.48%	56.55%	54.58%	45.03%	49.42%
Other income	0.02%	0.01%	0.05%	0.05%	0.14%
Operating expenses	-33.21%	-36.27%	-31.29%	-26.15%	-27.39%
Impairment loss reversal on trade receivables	0.01%	0.00%	0.00%	0.00%	-0.01%
Operating profit	21.31%	20.29%	23.34%	18.92%	22.16%
Finance income	1.12%	1.14%	0.29%	0.21%	0.52%
Finance costs	-0.05%	-0.21%	-0.23%	-0.27%	-0.79%
Profit before contribution to WPPF	22.38%	21.22%	23.40%	18.87%	21.89%
Contribution to WPPF	-1.07%	-1.01%	-1.11%	-0.90%	-1.04%
Profit before tax	21.32%	20.21%	22.29%	17.97%	20.85%
Income tax expense	-6.31%	-6.35%	-5.94%	-4.70%	-5.31%
Profit for the year	15.01%	13.85%	16.35%	13.26%	15.54%
Other comprehensive income	0.00%	0.00%	0.00%	0.00%	0.00%
Remeasurement of defined benefit liability	-0.01%	-0.36%	-0.16%	0.20%	0.03%
Related tax	0.00%	0.09%	0.04%	-0.05%	-0.01%
Other comprehensive income/(loss) for the year, net of tax	-0.01%	-0.27%	-0.13%	0.16%	0.02%
Total comprehensive income for the year	15.00%	13.58%	16.22%	13.42%	15.56%
EPS	0.0000032%	0.0000029%	0.0000035%	0.0000028%	0.0000033%

Vertical Analysis (Comprehensive Income)

Vertical Analysis on Income Statement refers to the components of Income Statement as a % of Revenue over the periods. Here, we can see that, the Gross Profit Margin is (49.42%) and Profit for the year is (15.54%). In the expenses side, Operating Expense is (27.39%) and Income Tax Expense is (5.31%) of the Revenue for 2023. Partially, we bring back Gross Profit Margin in the current year which was significantly reduced in last year due to huge commodity price increase in the international market, but still we are far away from the numbers of 2019-2021 as in 2023 we also faced pressure from exchange rate. However, we completely recovered the PAT as in the five year horizon.

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 December 2023

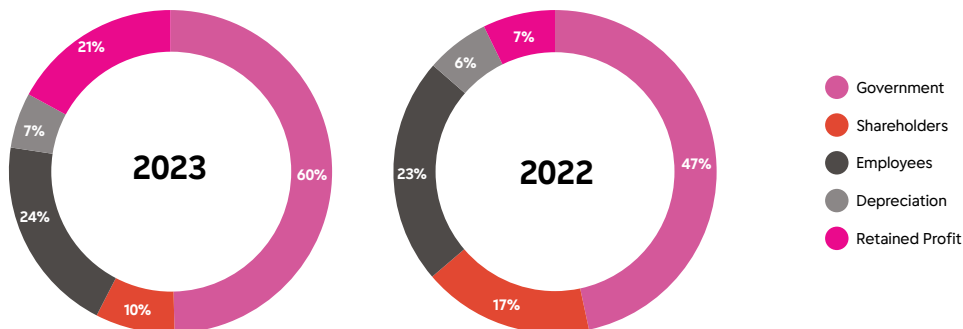
Value added is the extra value created over and above the original value. There are several types of Value Added metrics:

- Gross Value Added
- Economic Value Added
- Market Value Added

Gross Value Added

Gross Value Added helps to measure the contribution to an economy of an individual company.

	2023 Contribution		2022 Contribution	
	Tk	%	Tk	%
Value added				
Net Revenue	5,281,570,038		4,969,364,802	
Cost of materials and service	(2,984,080,132)		(3,154,489,716)	
	2,297,489,906		1,814,875,086	
Indirect tax with revenue	934,668,117		877,596,148	
Other Income/ (expenses)	7,433,914		2,428,159	
Finance Income	27,245,742		10,554,502	
Available for distribution	3,266,837,678	100%	2,705,453,895	100%
Distribution				
Government	1,620,328,811	60%	1,261,477,643	47%
Shareholders	259,875,000	10%	463,050,000	17%
Employees	648,093,298	24%	613,250,859	23%
	2,528,297,109	93%	2,337,778,502	86%
Value reinvested and retained				
Depreciation	181,218,379	7%	171,585,786	6%
Retained Profit	557,322,190	21%	196,089,607	7%
	738,540,569	27%	367,675,393	14%
	3,266,837,678	100%	2,705,453,895	100%



Economic Value Added

Economic Value Added (EVA) can be defined as the incremental difference between a company's rate of return and its cost of capital. EVA is used to measure the value that a company generates from the funds invested in it.

$$EVA = NOPAT - (\text{Invested Capital} \times WACC)$$

Where,

NOPAT: Net Operating Profit After Tax is the profit generated by a company through its operations, after adjusting for taxes but before adjusting for financing costs and noncash costs.

Invested Capital: Capital Employed is the amount of cash that is invested in the business.

WACC (Weighted Average Cost of Capital) is the minimum rate of return expected by the provider of capital- the investors in the business.

	2023	2022
Operating Profit	1,166,901,212	940,175,910
Tax	(280,452,819)	(233,720,971)
NOPAT	886,448,393	706,454,939
Total Asset	4,492,145,949	3,395,895,248
Current Liability	3,121,199,814	2,405,032,478
Capital Employed	1,370,946,135	990,862,770
Economic Value added		
NOPAT	886,448,393	706,454,939
Capital Employed	1,370,946,135	990,862,770
Cost of Equity	5%	13%
Capital Charge	65,786,535	126,266,566
Value added	820,661,858	580,188,374

Market Value Added Statement

Market value added statement reflects market's perception on the company's performance through share price of the company. A high value addition indicates high value created for its investors on one hand, on the other hand it also means investors have high confidence in the company's performance.

	For the year ended 31-Dec-23	For the year ended 31-Dec-22
Market value of shares outstanding	22,494,307,500	22,494,307,500
Book value of shares outstanding	47,250,000	47,250,000
Market value added	22,447,057,500	22,447,057,500

NON-FINANCIAL PERFORMANCE

COMPANY
OVERVIEW

CORE VALUES &
CODE OF CONDUCT

MANAGEMENT
DISCUSSION & ANALYSIS

CORPORATE
GOVERNANCE

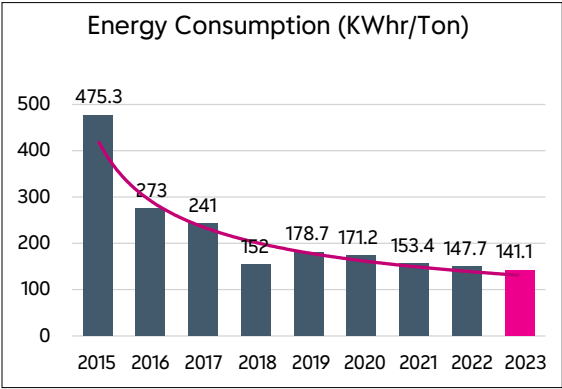
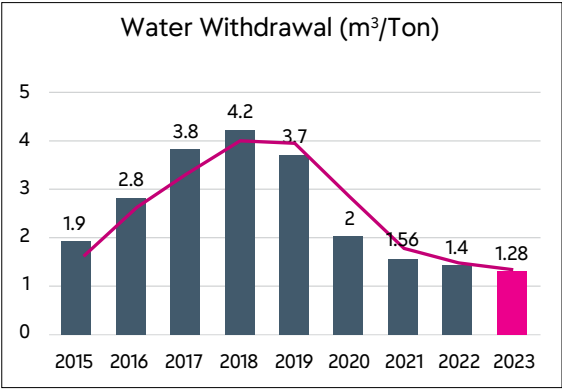
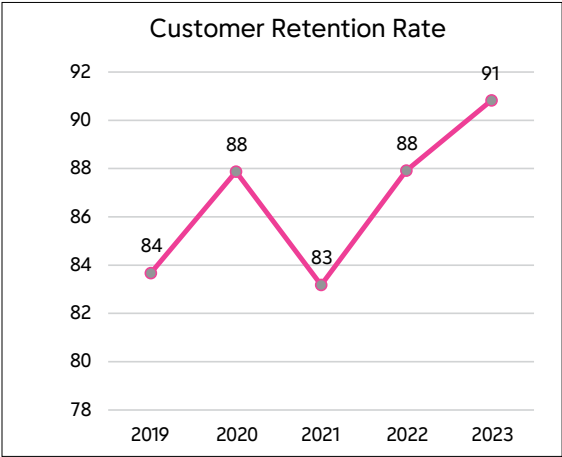
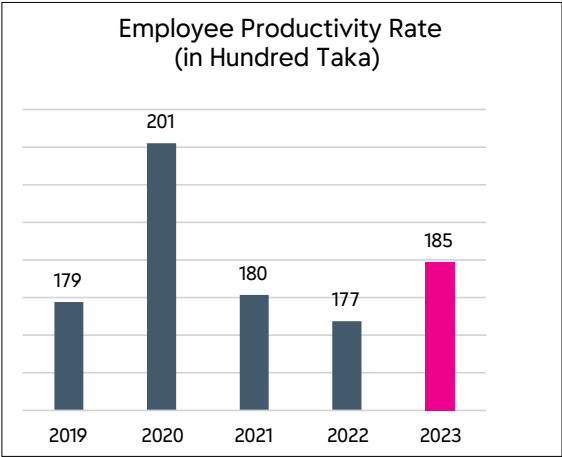
INTERNAL CONTROL AND
RISK MANAGEMENT

SUSTAINABILITY
REPORTING

INTEGRATED
REPORTING

FINANCIAL
STATEMENTS

Non-Financial Performance



Learning & Growth

	2023	2022
Turnover Rate for highest performers	11.86%	9.09%
Overall Company Attrition	9.90%	13.5%
Internal Promotion Rate	10.08%	8.81%

Customer

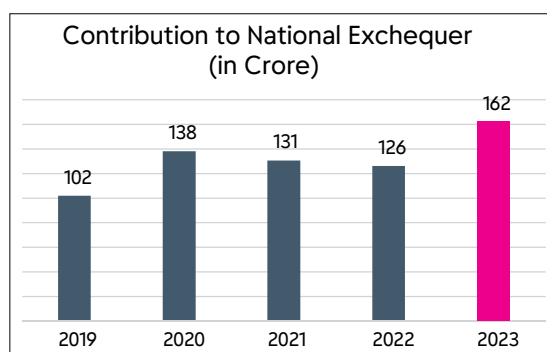
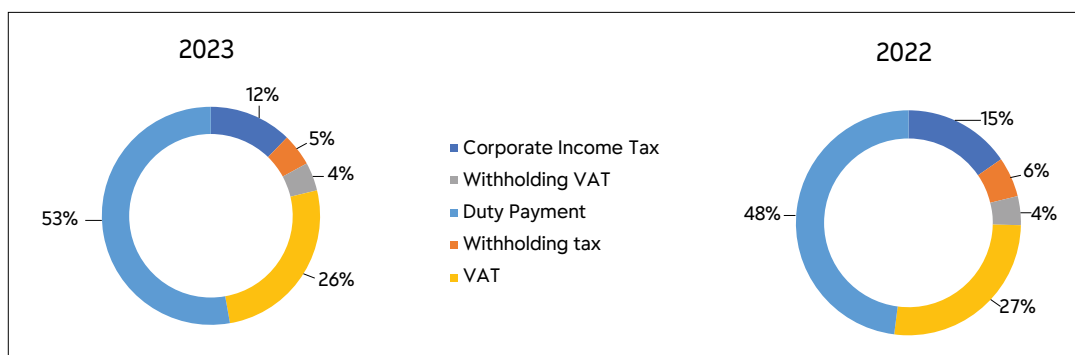
Customer Satisfaction Index 2023*: 90.32%

*Daraz

CONTRIBUTION TO NATIONAL EXCHEQUER

(Treasury)

	2019	2020	2021	2022	2023
Corporate Income Tax	159,389,326	241,385,538	253,078,465	194,686,798	199,008,881
Withholding tax	48,966,144	69,243,466	52,961,897	72,173,821	77,100,514
Withholding VAT	46,194,861	80,427,146	55,346,476	52,617,205	67,728,979
VAT	327,794,117	400,392,927	420,830,620	336,891,919	420,934,252
Duty Payment	436,140,273	589,742,612	523,791,636	605,107,900	855,556,185
Contribution to national exchequer	1,018,484,721	1,381,191,689	1,306,009,094	1,261,477,643	1,620,328,811
Contribution to National Exchequer (in Crore)	102	138	131	126	162



FUTURE OUTLOOK

As the world nears the midpoint of what was intended to be a transformative decade for development, the global economy is set to rack up a sorry record by the end of 2024 —the slowest half-decade of GDP growth in 30 years, according to the World Bank’s latest Global Economic Prospects report.

While the risk of a global recession has receded largely because of the strength of the U.S. economy, mounting geopolitical tensions could create fresh near-term hazards for the world economy. Global trade growth in 2024 is expected to be only half the average in the decade before the pandemic. Global growth is projected to slow for the third year in a row—from 2.6% last year to 2.4% in 2024, almost three-quarters of a percentage point below the average of the 2010s.

For Bangladesh, World Bank projects Real GDP growth to remain relatively subdued at 5.6 percent in FY24, compared to the average annual growth rate of 6.6 percent over the decade preceding the COVID-19 pandemic. Persistent inflation is expected to weigh on private consumption growth, and shortages of energy and imported inputs combined with rising interest rates and financial sector vulnerabilities are expected to dampen investor sentiment. Growth is expected to increase gradually over the medium-term as monetary, exchange rate, financial sector policy adjustments are implemented.

At Reckitt we firmly believe in the economic potential of Bangladesh and the caliber of its people. We have been truly amazed by the tremendous strides made over the last few decades and believe the current socio-economic challenges to be transitory. We will continue to invest in the country and make available innovative new products for our discerning consumers.



This Chapter Includes

- Board of Directors
- Management Committee
- Corporate Governance Report
- Attendance at Board Meetings
- Pattern of Shareholding
- For Our Investors
- Declaration by CEO and CFO
- Certificate of Corporate Governance Compliance to the Shareholder
- Status of Compliance on Corporate Governance Guidance by BSEC
- Dividend Distribution Policy of Reckitt Benckiser Bangladesh PLC
- Report of Directors
- Report of the Audit Committee

CORPORATE GOVERNANCE



BOARD OF DIRECTORS

From left to right

1. RAJESH KUMAR JHA
DIRECTOR

2. NAZIMUDDIN CHOWDHURY
INDEPENDENT DIRECTOR

3. ASHA GOPALAKRISHNAN
CHAIRPERSON

4. ISTIAQUE AHMAD
INDEPENDENT DIRECTOR

5. PRADEEP KRISHNAMURTHI
DIRECTOR

continued...



BOARD OF DIRECTORS (continued)

From left to right

6. VISHAL GUPTA
MANAGING DIRECTOR

9. SHEIKH FAEZUL AMIN
GOVERNMENT NOMINATED DIRECTOR

7. ARITRA BANERJEE
DIRECTOR & CHIEF FINANCIAL OFFICER

10. MOHAMMAD NAZMUL AREFIN
COMPANY SECRETARY

8. SOURAV MITRA
DIRECTOR

BOARD OF DIRECTORS



ASHA GOPALAKRISHNAN

CHAIRPERSON

B A

Nationality: Indian

Date of Appointment in BoD: March 28, 2024

• Chartered Accountant from Institute of Chartered Accountants of India

Asha has 27 years of experience in Finance and Management. Prior to joining Reckitt in February 2024, she was associated with Unilever wherein she held roles of various seniority. Her last role in Unilever was that of Head of Finance – Global Rewards and prior to that she was the VP Finance for the Beauty and Personal Care business of Unilever in South Asia which is the largest division for Unilever in the cluster. In her long and diverse career with Unilever, she has held roles such General Manager for Supply Chain Finance wherein she was responsible for Finance for Supply Chain across India, Pakistan, Bangladesh and Sri Lanka; Venturing Director – Asia wherein as the first venturing director for Unilever in Asia, she was responsible for the investments of Unilever Corporate Ventures in the Region amongst others. Currently, she is the Regional Finance Director of South Asia.



NAZIMUDDIN CHOWDHURY

INDEPENDENT DIRECTOR

B A N

Nationality: Bangladeshi

Date of Appointment in BoD: August 9, 2018

• Post Graduation Degree in Financial Management

He has held several important positions like Chief Account Officer (Ministry of Commerce, health, Agriculture and energy), Director Finance (Bangladesh railway), Deputy Secretary, Joint Secretary, Additional Secretary and lastly retired from Secretary, Ministry of Energy and Mineral resource. He has taken part in several trainings & conference both in local and abroad on audit and business communication.



RAJESH KUMAR JHA

DIRECTOR

B A N

Nationality: Indian

Date of Appointment in BoD: December 29, 2022

• Law Degree, University of Delhi
• Masters in History, University of Delhi

He enrolled as a practicing lawyer in 1999 and worked with very well-known Senior Advocate, Late Mr. P. N. Lekhi. Thereafter he joined Bhasin & Co. (of Mr Lalit Bhasin), a renowned corporate & litigation Law firm having several multinationals and domestic clients and engaged in many international and domestic transaction. During his stint as a practicing lawyer, he handled many well known cases before several High Courts and Supreme Court of India.

He has extensive experience on Corporate Legal strategy, Policy & planning, Litigation & Contract management, Compliances etc. and have handled jurisdictions such as South Asia, ASEAN, Africa, Middle East & Turkey He has handled several high value acquisitions and corporate restructuring including setting up of joint ventures. He specializes in Corporate Law, Intellectual Property Rights, Tax, Drug Law, risk mitigation, Corporate governance etc. He has won many accolades/awards such as best M&A lawyers, General counsel of the year, in India.

BOARD OF DIRECTORS (continued)



ISTIAQUE AHMAD

INDEPENDENT DIRECTOR

B A

Nationality: Bangladeshi

Date of Appointment in BoD: October 27, 2022

• B.Sc (Hon's) & M.Sc in Geology & Mining from University of Rajshahi, Bangladesh

He, with his excellence, has served Ministry of Environment and Forests as Secretary, Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) as Chairman (Additional Secretary), Cabinet Division of Government of Bangladesh as Deputy Secretary, Joint Secretary and Additional Secretary respectively, and many more important positions of Bangladesh Government. He has taken part in many trainings, seminars, conferences, workshops in both Bangladesh and abroad.



VISHAL GUPTA

MANAGING DIRECTOR

B S M N

Nationality: Indian

Date of Appointment in BoD: May 1, 2016

• Master of Business Administration in Management from University of Delhi, India
• Bachelor of Mechanical Engineering from the Institute of Technology Delhi, India

He began his career with Reckitt Benckiser India in 1995. He has worked in various assignments across India, Indonesia, United Kingdom and Philippines. He brings with him a wide ranged experience at Reckitt Benckiser from June 1995 to April 2016 in different roles holding in various positions like General Manager, Marketing Director, Sales Director, Marketing/Brand Manager, Regional Sales Manager and so on in different country like Philippines, United Kingdom, Indonesia and India. During his career with Reckitt, he had fostered strong partnership with customers, step-changed the GTM model, created a robust product portfolio and drove digital marketing initiatives that grew the business significantly which was much faster than the market.



PRADEEP KRISHNAMURTHI

DIRECTOR

B A

Nationality: Indian

Date of Appointment in BoD: April 15, 2019

• Bachelor of Mechanical Engineering from Delhi College of Engineering

He has over 29 years of experience in industry. He has worked with large organisations such as Maruti Suzuki India Limited and Hindustan Unilever prior to joining Reckitt Benckiser in 2011. He has done various roles in Reckitt Benckiser like Supply Director (India), Manufacturing Director-Indonesia and has a stellar record of driving efficiency in the manufacturing setup and executing very large and complex supply projects on time and within budget. Currently, he is the Regional Supply Director of South Asia. He brings with him an in depth expertise on supply chain and project management.

BOARD OF DIRECTORS (continued)



SOURAV MITRA

DIRECTOR

B A N

Nationality: Indian

Date of Appointment in BoD: October 30, 2016

• Chartered Accountant from Institute of Chartered Accountants of India

He has almost 24 years of finance management experience in various multinationals and in diverse industries such as consumer durables, engineering, FMCG etc. He also has rich global experience of working with diverse teams in various geographies such as Africa, South East Asia, India etc. He has made significant improvement to several different RB businesses during a rich 12 year association with the group. His vision is to step change the capability of the finance function to become able partners in the organization's growth.



ARITRA BANERJEE

DIRECTOR & CHIEF FINANCIAL OFFICER

B S M N

Nationality: Indian

Date of Appointment in BoD: March 28, 2024

• Chartered Accountant from Institute of Chartered Accountants of India

He is an experienced business leader with specialization in Finance with more than 16 years of experience in FMCG/ CPG domain across ASEAN and Indian sub-continent. He joined Reckitt Benckiser in November 2012. In his Reckitt journey, he has worked for Reckitt India, Malaysia and Thailand in different leading roles in Finance including Finance Director, Commercial Controller, Financial Planning and Analysis Controller amongst others. Prior to joining Reckitt, he has worked for various such marquee organisations such as ITC Limited (India) and BSR & Co. (Affiliate of KPMG, India) in roles of various levels of seniority.



SHEIKH FAEZUL AMIN

GOVERNMENT NOMINATED DIRECTOR

B

Nationality: Bangladeshi

Date of Appointment in BoD: April 27, 2022

• "Bachelors Degree of Engineering (BE) in Mechanical from BUET

"He is an Additional Secretary and wing Chief of planning wing of Ministry of Industries. He is also Director of CUFL, BCIC.

Prior to this he has experience as Additional Secretary(Development) of Power Division, MPEMR as well as member of SREDA (Sustainable & Renewable Energy Development Authority), which works for the promotion and development of sustainable energy, comparison of renewable energy, energy efficiency and energy conversion. He was Chairman of DESCO and Electricity Generation Company of Bangladesh Ltd. (EGCB) and Director of Ashuganj Power Station Company Limited."

BOARD OF DIRECTORS (continued)



MOHAMMAD NAZMUL AREFIN COMPANY SECRETARY

B A S N

Nationality: Bangladeshi

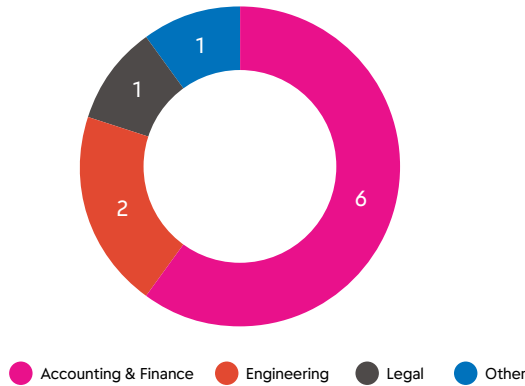
Date of Appointment in BoD: 2012

• Bachelors in Management. MBA major in Finance

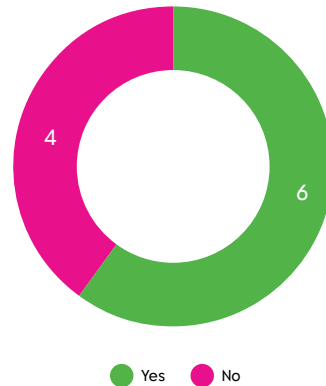
He has more than 25 years of experience in professional environment as well as industry. He started his career in 1999 in Monico Limited and then to Bangladesh edible oils and then in 2002 he joined in Reckitt Benckiser (Bangladesh) Limited. He has performed various roles including management accountant, Supply controller, commercial controller, Finance controller and company secretary. All these assignment were enriched with newer challenges and experience in finance partnership into business growth, compliance, controls were some of other attributes demonstrated by him during his ongoing career with RB.

Board Members' Skills Review

Professional Background of BOD Members



Financial Expertise



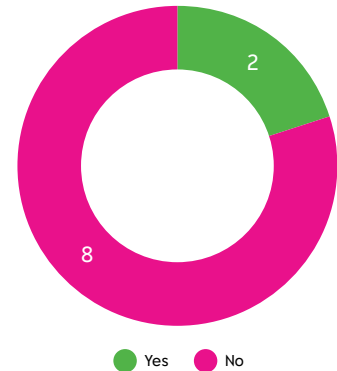
Leadership



Strategy



Engineering Expertise



** Total Number of BoD and Company Secretary is ten (10)

N NRC Committee **A** Audit Committee **B** Board of Directors **S** Share Committee **M** Mancom



MANAGEMENT COMMITTEE

From left to right

1. BISHWAJIT KUMAR DAS
SALES DIRECTOR

2. VISHAL GUPTA
MANAGING DIRECTOR

3. ARITRA BANERJEE
DIRECTOR & CHIEF FINANCIAL OFFICER

4. MOHAMMED ZIA UDDIN
SUPPLY DIRECTOR

MANAGEMENT COMMITTEE



MOHAMMED ZIA UDDIN

SUPPLY DIRECTOR

Nationality: Bangladeshi

Date of Joining Reckitt: June 2017

- Bachelor of Science in Chemical Engineering, BUET
- Master's in Business Administration (EMBA), IBA, Dhaka University
- Certified Supply Chain Manager (CSCM) from ISCEA, USA

Mr. Mohammed Zia Uddin has over 18 years of experience in integrated supply chain -Manufacturing, Planning, Sourcing, Logistics & warehousing. He joined Reckitt in June 2017 as Supply Services Manager, BD and he has been looking after planning, logistics & warehousing. He relocated new Dhaka warehouse without sacrificing service which was rated green and appraised by internal & external stake holders. He contributed immensely establishing SQRC culture in warehouses. He has been instrumental in supporting business during COVID-19 pandemic/global supply chain disruptions.



BISHWAJIT KUMAR DAS

SALES DIRECTOR

Nationality: Bangladeshi

Date of Joining Reckitt: January 2008

- Masters of Business Administration (MBA) - IBA, Dhaka University

Mr. Bishwajit Kumar Das joined Reckitt as Regional Sales Manager in 2008 and subsequently played the role of National Sales Manager and Head of Sales in different tenure. Prior to join Reckitt, Mr. Das worked in another two Multinational Organizations Coca-Cola and Robi Axiata in-home, Thailand and Vietnam in different projects and senior positions. Currently, He is serving as Sales Director for Bangladesh business.

CORPORATE GOVERNANCE REPORT 2023

Procedure for the appointment of Directors

The Board is led by a Chairperson and the Managing Director leads the management team. The roles performed by the Chairman and Managing Director are mutually exclusive. The company fully complies with the regulations issued by the authorities regarding the appointment of Directors. We are in full compliance with BSEC notifications and the Companies Act. Directors are subject to retirement in accordance with the Companies Act, 1994. At least one-third of the Directors are required to retire by rotation at every AGM. A director can be appointed for a tenure up to three years, can be re-appointed for another term of up to three more years. Independent Directors can also be appointed for two consecutive tenures of three years each. The company complies with all the relevant rules and regulations of the respective regulatory bodies in relation to directors' nomination, removal, and casual vacancy.

Constitution of the Board of Directors

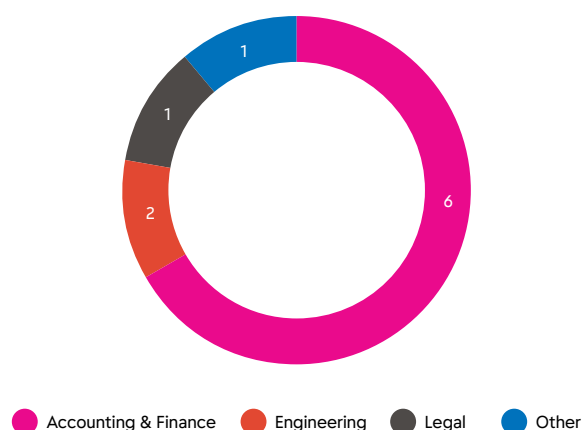
The Board of Directors of Reckitt consists of a Chairperson, a Managing Director and among the other seven Directors on the Board, there are seven Non-executive Directors and two of them are Independent Directors who are also senior officials or ex-officials of the Bangladesh Government and corporate leaders. The role of the Company Secretary is entrusted to Governance.

Training and Development of the Board of Directors

The Board understands the significance of continuously developing or enhancing the required knowledge and skills of the Directors for the fulfillment of their duties effectively. The newly appointed Directors of the Board take appropriate time to acquaint themselves with the policies, work ethics, business strategies, corporate functions, audit and compliance of the company. Managing Directors and other Senior Management take significant part in the orientation of the new director(s). The Company Secretary also make available information regarding disclosure obligations of the Directors and furnish to the board.

Professional Background of Board of Directors

Professional Background of BOD members and company secretary



Independence of Independent Directors

In compliance with the guideline, two (2) Directors out of the total nine (9) Directors are independent, having no share or interest in Reckitt. Independence of the respective Independent Directors is confirmed during selection and appointment of the Directors and they remain committed to continue with such independence throughout their tenure.

Responsibilities of the Chairperson-

- Leading the board and taking responsibility for the Board's overall effectiveness in directing the company.
- Chairing the board and setting board agendas.
- Ensuring an appropriate balance is maintained between the interests of shareholders and other stakeholders.
- Exercising control over quality, adequacy and timelines of the flow of information between management and the board.
- Engaging the Board in assessing and improving its performance.
- Promoting the highest standards of corporate governance;
- Ensuring the long-term sustainability of the company.

Roles & Responsibilities of Independent Directors

- Provide Independent judgement to bear the board's Deliberations on issues such as strategy, performance, resources, risk management, etc.
- Evaluating the performance of the board of the company with an objective view.
- Scrutinize, monitor, and report management's performance regarding goals and objectives agreed in the board meetings.
- Protect the interests of all stakeholders.
- Verify the integrity of financial information and ensure financial controls and systems of risk management are in operation.
- In situations of conflict between management and shareholder's interest, aim towards the solutions which are in the best interest of the company.
- Attend BOD's meetings and board committees meeting being a member.
- Report matters concerning unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- Not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

Responsibilities of the Company Secretary

- Advisor to the Board of Directors and perform the Statutory function mentioned in the Company's Act 1994, Security and Exchange Rule 1987, BSEC Code 2018 and other listing regulations and acts.
- Responsible to ensure Corporate good governance of the Company.
- Finalize notice to organize Board Meetings and Shareholders meetings.
- Assist the Chairman of Board and its committees to conduct the meetings, facilitate the governance and Board Management.
- Maintain the necessary liaison with the relevant offices of the Government, regulatory authorities and other stakeholders on matters of corporate interest in a transparent manner and act as a bridge between the Board, management and shareholders to facilitate good governance in the Company.
- Drive policy compliance awareness among Company employees.
- Perform the duties as per the Power of Attorney of the Company and liaison with external regulators, auditors, lawyers and other relevant authorities for court affairs.
- Compliance with acts, rules, regulations, notifications, guidelines, orders/directives, etc., as issued by the BSEC or Stock Exchange(s) applicable to the conduct of business activities of the Company.
- Disclosure of the Company's Price Sensitive Information (PSI) and other capital market-related issues.
- Prepare the Company's Annual Report, holding, managing and administering Board and Committee meetings and annual meetings of shareholders
- Monitor changes in relevant legislation and the regulatory environment and take appropriate actions.
- Filing statutory returns to regulatory bodies, such as RJSC, Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Stock Exchanges and Central Depository System, etc.
- Engagement with stakeholders for public affairs of the Company
- Ensure that appropriate Board procedures are followed, as per Bangladesh Secretarial Standards (BSS), as adopted by ICSB and other guidelines and best practices and advise the Board on such matters.

Annual appraisal of the Board

Factor	Attributes	Type of the attribute		
		Primary	intermediary	advanced
Roles and Responsibilities	Understanding of nature and role of directors' position and ensuring both company and shareholders' interest			X
Leadership and Initiative	Heading Board Sub Committees		X	
Personal Attributes	Non-partisan appraisal of issues			X
	Commitment to role & fiduciary responsibilities as a board member	X		
	Attendance and active participation			X

Based on the above criteria the NRC committee has expressed their satisfaction for the below:

- Directors performed their role in ensuring both company and share holders' interest.
- Non-Executive Directors have provided with sufficient information and awareness regarding the Company's vision/purpose/strategy and adequate information about the industry.

External Assurance

Your company has obtained the following external assurance on the following in the reporting period under consideration:

SI	Particulars	Assurance Provider
1	Financial Statements Audit Report	A. Qasem & Co.
2	Corporate Governance Certification	Rahman Anis & Co.
3	Provident Fund Financial Audit	Ahmed Mashuque & Co.
4	Gratuity fund valuation	Willis Tower Watson
5	Independent Scrutinizer of 63 rd AGM	M/S Mohammad Sanaullah & Associates
6	ISO 14001 and ISO 45001	Intertek

Internal Control Environment of Reckitt

It is also the responsibility of the Board of Directors to ensure there are effective systems of internal control and risk management and that these are continually monitored and reviewed. On this regard Managing Director and Finance Director reviews the internal control of the company annually and takes measures to manage risk. In addition, our audit committee reviews the assurance reports and management report (if any), issued by external assurance providers and take measures as necessary.

Ethical Conduct

Employees of the company are responsible to complete compliance training annually, which is designed to ensure the code of conduct is embedded with the employees. In addition to the compliance training our policies are shared with our third parties, to ensure that our trusted suppliers and third parties are also in harmony with our procedures to conduct any business. This helps us to be responsible in the society and build shared success.



Asha Gopalakrishnan
Chairperson

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2024/166



Date of issue : March 7, 2024

Renewed Certificate

This is to certify that

- RECKITT BENCKISER (BANGLADESH) PLC.

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies
and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2024.




Secretary General

ATTENDANCE AT BOARD MEETINGS

Number of Meeting held during the year ended 31st December 2023:

Sl. No.	No. of Meeting	Notice Date	Meeting Date	Attendance of Members	Leave of absence
1	1 st Meeting	February 8, 2023	February 16, 2023	8	-
2	2 nd Meeting	April 10, 2023	April 17, 2023	8	1
3	3 rd Meeting	July 17, 2023	July 31, 2023	8	1
4	4 th Meeting	September 19, 2023	September 25, 2023	9	-
5	5 th Meeting	October 15, 2023	October 29, 2023	8	1

Attendance of the Board of Directors:

Sl No.	Name of Directors	Number of meetings held whilst a board member	Meetings attended	Remarks
1	Mr. Rahul Mathur Chairperson	5	5	Mr. Mohammad Zia Uddin attended 4 meetings of the Board as alternate Director of Mr. Rahul Mathur
2	Mr. Vishal Gupta	5	5	
3	Mr. Nazimuddin Chowdhury Independent Director	5	5	
4	Mr. Istiaque Ahmad Independent Director	4	4	Appointed with effect from 27 October 2022 and accorded by BSEC on 16 March 2023.
5	Mr. Tanmay Gupta	5	5	
6	Mr. Sourav Mitra	5	5	
7	Mr. Sheikh Faezul Amin	5	5	
8	Mr. Rajesh Kumar Jha	5	2	Leave granted
9	Mr. Pradeep Krishnamurthi	5	5	Mr. Bishwajit Kumar Das attended 4 meetings of the Board as alternate Director of Mr. Pradeep Krishnamurthi
10	Mr. Mohammad Nazmul Arefin (Secretary)	5	5	

Attendance of the Invitee(s):

Sl. No.	Name of Member(s)	Designation	Number of Meetings	Meetings attended	Remarks
1	Mr. Mrityunjoy Bose	Head of Internal Audit & Compliance	5	5	

PATTERN OF SHAREHOLDING

AS AT 31 DECEMBER 2023

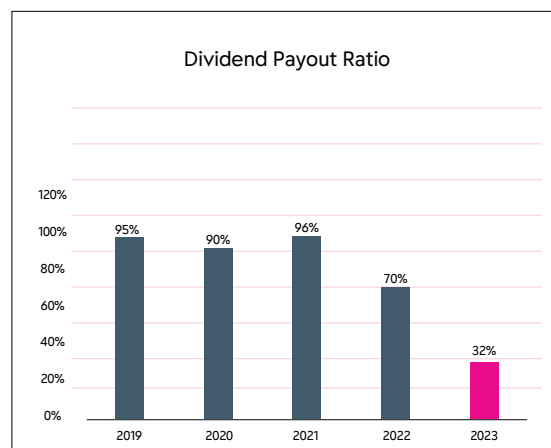
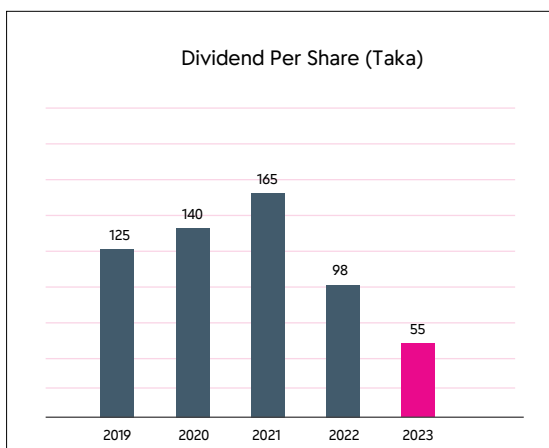
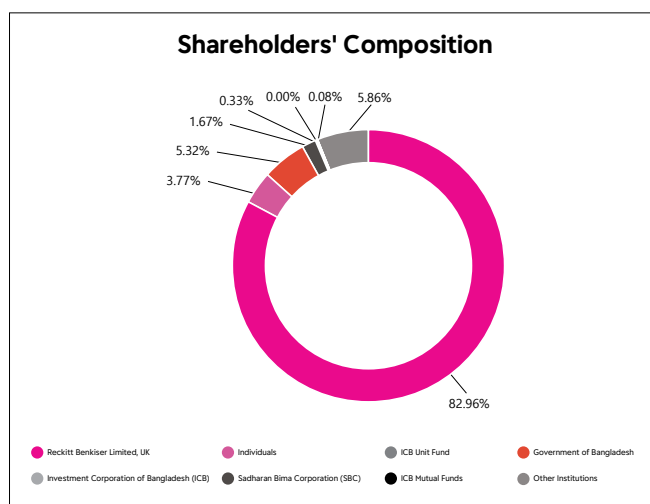
Shareholders' Category	No. of Shareholders	No. of Shares held
a) Parent / Subsidiary / Associated Companies and other related parties Reckitt Benckiser Limited, United Kingdom - Parent Company	1	3,919,918
b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children,	Nil	Nil
c) Top five Executives	Nil	Nil
d) Shareholders holding 10% or more voting interest Reckitt Benckiser Limited, United Kingdom	1	3,919,918



FOR OUR INVESTORS

General Information

In Taka	2023	2022
130,000 ordinary shares of Taka 10 each fully paid up in cash	1,300,000	1,300,000
20,000 ordinary shares of Taka 10 each fully paid up in other than cash	200,000	200,000
4,575,000 ordinary shares of Taka 10 each fully paid bonus share	45,750,000	45,750,000
In issue at 31 December - fully paid	47,250,000	47,250,000
Authorised		
25,000,000 ordinary shares of Taka 10 each	250,000,000	250,000,000



Share Performance 2023

Month	Dhaka Stock Exchange			Chittagong Stock Exchange		
	High (BDT)	Low (BDT)	Close (BDT)	High (BDT)	Low (BDT)	Close (BDT)
January	4765.2	4760.7	4760.7	4800	4744	4800
February	4760.8	4760.7	4760.7	5032.1	4744	4744
March	4760.7	4760.7	4760.7	4750	4744	4750
April	4777.9	4760.7	4777.9	4744	4744	4744
May	4823.2	4765.6	4772.2	4744	4744	4744
June	4970.4	4795.2	4873.7	4744	4744	4744
July	4858.1	4784.5	4790	4744	4744	4744
August	4944.7	4792.5	4824.1	4744	4744	4744
September	4894.9	4761	4763.4	4744	4744	4744
October	4768.2	4760.7	4760.7	4744	4744	4744
November	4760.7	4760.7	4760.7	4744	4744	4744
December	4760.7	4760.7	4760.7	4744	4744	4744

Company Website

Our website link: <https://www.reckitt.com/about-us/rb-bangladesh/> provides the Board with an additional method of communicating to shareholders. The company's 2023 Annual Report and Notice of the 2023 AGM are available to view at the website. The website also contains up-to-date information for shareholders to view throughout the year, including:

- financial results
- report of the director's
- dividend payment dates and amounts
- the Annual Report and Notice of AGM
- share capital information
- price sensitive information

Shareholder Services

If you have any queries relating to your shareholding, please contact us:

Md. Anisur Rahman,
Contact Number: +8801777759121,
Telephone Number: +88 (02) 222290770
Ext-121,
 or write an email to the Share Office :
anisur.rahman2@reckitt.com

DECLARATION BY CEO AND CFO

The Board of Directors
Reckitt Benckiser (Bangladesh) PLC
The Glass House
9th and 10th Floors,
Block-SE(B), 38 Gulshan
Avenue, Dhaka-1212

Date: March 28, 2024

Subject: Declaration on Financial Statements for the year ended on 31 December 2023

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 10 June 2018, and subsequent amendment under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Reckitt Benckiser (Bangladesh) PLC for the year ended on 31 December 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

DECLARATION BY CEO AND CFO (continued)

In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on 31 December 2023 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Vishal Gupta

Vishal Gupta

Managing Director

Date: March 28, 2024

Aritra Banerjee

Aritra Banerjee

Chief Financial Officer (CFO)

Date: March 28, 2024





RAHMAN ANIS & CO.

CHARTERED ACCOUNTANTS

Report to the Shareholders of Reckitt Benckiser (Bangladesh) PLC on Compliance on the Corporate Governance Code

[Certificate as per condition No. 1(5) (xxvii) of BSEC Corporate Governance Code]

We have examined the compliance status to the Corporate Governance Code by **Reckitt Benckiser (Bangladesh) PLC** for the year ended on December 31, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Date: March 27, 2024
Place: Dhaka, Bangladesh


Rahman Anis & Co.
Chartered Accountants



STATUS OF COMPLIANCE WITH CONDITIONS IMPOSED BY THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION:

Status of compliance Reckitt Benckiser (Bangladesh) PLC for the year ended 31st December 2023 with conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, and subsequent amendments issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance status (Put tick mark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	Board of Directors			
1. (1)	Board's Size The number of Board Directors should not be less than 5 (five) and more than 20 (twenty).	✓		9 (Nine) Board members including 2 (two) Independent Directors
1. (2)	Independent Directors			
	(a) At least 2 (two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		There are two independent directors in the Board
	(b) Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director—			
	(b) (i) Who either does not hold any share or holds less than 1% shares to the total paid-up shares of the company;	✓		As declared by the independent directors, they have complied with these requirements. Moreover, as per records of CDBL and RBPLC they are not holding any shares in the Company.
	(b) (ii) Who is not a sponsor of the company and is not connected with the companies any sponsor or director or nominee director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding Entities who holds one percent (1%) or more share of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	✓		
	(b) (iii) Who has not been an executive of the company in immediately preceding 2 (two) financial years.	✓		
	(b) (iv) Who does not have any other relationship whether pecuniary or otherwise, with the company or its subsidiary/ associated companies.	✓		
	(b) (v) Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	✓		
	(b) (vi) Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		
	(b) (vii) Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	✓		
	(b) (viii) Who shall not be an independent director in more than 5 (five) listed companies.	✓		
	(b) (ix) who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	✓		
	(b) (x) Who has not been convicted for a criminal offence involving moral turpitude.	✓		
	(c) The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	✓		
	(d) The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	✓		
	(e) The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		

Condition No.	Title	Compliance status (Put tick mark in the appropriate column)		Remarks (if any)	COMPANY OVERVIEW	
		Complied	Not complied			
1.(3)	Qualification of Independent Director (ID)					CORE VALUES & CODE OF CONDUCT MANAGEMENT DISCUSSION & ANALYSIS CORPORATE GOVERNANCE
	(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓			
	(b)	Independent director shall have following qualifications:				
	(b) i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	None			
	(b) ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	None			
	(b) iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	✓			
	(b) iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	None			
	(b) v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	None			
	(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓			
(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	✓		Subject to the consent of BSEC	INTERNAL CONTROL AND RISK MANAGEMENT	
1.(4)	Chairman of the Board and Chief Executive Officer					SUSTAINABILITY REPORTING INTEGRATED REPORTING FINANCIAL STATEMENTS
	(a)	The positions of the Chairman of the Board and the Managing Director (MD) and/or the Chief Executive Officer of the companies shall be filled by different individuals.	✓		Chairperson of the Board and MD are different individuals and Chairperson is elected from amongst the non-executive Directors	
	(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓			
	(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓			
	(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓			
(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓				
1.(5)	The Directors' Report to Shareholders					
	(i)	Industry outlook and possible future development in the industry.	✓			
	(ii)	Segment-wise or product-wise performance.	✓			
	(iii)	Risks and concerns.	✓			
	(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓			
	(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	None			
	(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		Explanation given in the notes of the Financial Statements	
(vii)	Utilization of proceeds from public issues, rights issues and / or through any other instruments.	N/A				

Condition No.	Title	Compliance status (Put tick mark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.(5)	(viii) An explanation if the financial result deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	N/A		
	(ix) If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	None		
	(x) Remuneration to directors including independent directors.	None		No remuneration is to be paid to its non-whole time Directors
	(xi) The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
	(xii) Proper books of account of the issuer company have been maintained.	✓		
	(xiii) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
	(xiv) International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
	(xv) The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
	(xvi) A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	✓		
	(xvii) There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	None		
	(xviii) Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		
	(xix) Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
	(xx) If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		Dividend has been recommended for the year ended 31 December 2023
	(xxi) Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	N/A		No bonus share or stock dividend has been declared as interim dividend during the year 2023
	(xxii) The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
	(xxiii) The pattern of shareholdings and name wise details disclosing the aggregate number of shares:			
	(xxiii) a) Parent/Subsidiary/Associated Companies and other related parties (name wise details).	✓		
	(xxiii) b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	✓		
	(xxiii) c) Executives (top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit).	✓		
	(xxiii) d) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
	(xxiv) Appointment/Reappointment of Directors:			
	(xxiv) a) A brief resume of the director.	✓		
	(xxiv) b) Nature of his/her expertise in specific functional areas.	✓		
	(xxiv) c) Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
	(xxv) A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
	(xxv) a) accounting policies and estimation for preparation of financial statements;	✓		

Condition No.	Title	Compliance status (Put tick mark in the appropriate column)		Remarks (if any)	COMPANY OVERVIEW
		Complied	Not complied		
	(xxv) b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		CORE VALUES & CODE OF CONDUCT
	(xxv) c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
	(xxv) d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	None		
	(xxv) e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
	(xxv) f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
	(xxv) g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
	(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
	(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	✓		
	(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		CORPORATE GOVERNANCE
1.(6)		Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1.(7)		Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			INTERNAL CONTROL AND RISK MANAGEMENT
	(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
	(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		SUSTAINABILITY REPORTING
2.		Governance of Board of Directors of Subsidiary Company			
	(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	N/A		INTEGRATED REPORTING
	(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	N/A		
	(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		
	(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	N/A		
	(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		
3.		Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			FINANCIAL STATEMENTS
	(1)	Appointment:			
	(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
	(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
	(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	✓		

Condition No.	Title	Compliance status (Put tick mark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	(d) The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
	(e) The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
	(2) Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		
	(3) Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
	(a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
	(a)(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
	(a)(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
	(b) The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
	(c) The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have at least following subcommittees: (i) Audit Committee; and (ii) Nomination and Remuneration Committee.	✓		
5	Audit Committee			
	(1) Responsibility to the Board of Directors			
	(a) The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
	(b) The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
	(c) The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
	(2) Constitution of the Audit Committee			
	(a) The Audit Committee shall be composed of at least 3 (three) members.	✓		
	(b) The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
	(c) All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
	(d) When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	N/A		
	(e) The company secretary shall act as the secretary of the Committee.	✓		
	(f) The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
	(3) Chairman of the Audit Committee			
	(a) The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
	(b) In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
	(c) Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		

Condition No.	Title	Compliance status (Put tick mark in the appropriate column)		Remarks (if any)	COMPANY OVERVIEW
		Complied	Not complied		
(4)	Meeting of the Audit Committee				CORE VALUES & CODE OF CONDUCT
(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓			
(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓			
(5)	Role of Audit Committee				MANAGEMENT DISCUSSION & ANALYSIS
(a)	Oversee the financial reporting process.	✓			
(b)	Monitor choice of accounting policies and principles.	✓			
(c)	Monitor Internal Control Risk management process.	✓			CORPORATE GOVERNANCE
(d)	Oversee hiring and performance of external auditors	✓			
(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓			
(f)	Review along with the management, the annual financial statements before submission to the board for approval.	✓			
(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓			
(h)	Review the adequacy of internal audit function.	✓			
(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓			
(j)	Review statement of significant related party transactions submitted by the management.	✓			
(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓			
(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓			
(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	N/A			
(6)	Reporting of the Audit Committee				INTERNAL CONTROL AND RISK MANAGEMENT
(a)	Reporting to the Board of Directors				
(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓			SUSTAINABILITY REPORTING
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:				
(ii) (a)	Report on conflicts of interests.	None			INTEGRATED REPORTING
(ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	None			
(ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations.	None			FINANCIAL STATEMENTS
(ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately.	None			
(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	None			
(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓			
	Nomination and Remuneration Committee (NRC)				
(1)	Responsibility to the Board of Directors				
(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓			

Condition No.		Title	Compliance status (Put tick mark in the appropriate column)		Remarks (if any)
			Complied	Not complied	
6.	(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
	(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).	✓		
	(2)	Constitution of the NRC			
	(a)	The Committee shall comprise of at least three members including an independent director;	✓		
	(b)	At least 02 (two) members of the Committee shall be non-executive directors;	✓		
	(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
	(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
	(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	None		
	(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	None		
	(g)	The company secretary shall act as the secretary of the Committee;	✓		
	(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
	(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
	(3)	Chairperson of the NRC			
	(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
	(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
	(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	✓		
	(4)	Meeting of the NRC			
	(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
	(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
	(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
	(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
	(5)	Role of the NRC			
	(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
	(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
	(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
	(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
	(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
	(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
	(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		

Condition No.	Title	Compliance status (Put tick mark in the appropriate column)		Remarks (if any)	COMPANY OVERVIEW
		Complied	Not complied		
	(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		CORE VALUES & CODE OF CONDUCT
	(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
	(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
	(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
	(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7.	External /Statutory Auditors				MANAGEMENT DISCUSSION & ANALYSIS
	(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
	(i)	Appraisal or valuation services or fairness opinions.	✓		
	(ii)	Financial information systems design and implementation.	✓		
	(iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
	(iv)	Broker-dealer services.	✓		
	(v)	Actuarial services.	✓		
	(vi)	Internal audit services.	✓		
	(vii)	Any other service that the Audit Committee determines.	✓		
	(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
	(ix)	any other service that creates conflict of interest.	✓		
	(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
	(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8.	Maintaining a website by the Company.-				CORPORATE GOVERNANCE
	(1)	The company shall have an official website linked with the website of the stock exchange.	✓	https://reckitt.com/information-pages/reckitt-bangladesh-about-us/	
	(2)	The company shall keep the website functional from the date of listing.	✓		
	(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		INTERNAL CONTROL AND RISK MANAGEMENT
Reporting and Compliance of Corporate Governance					
9	(1)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary (Chartered Accountant/ Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		SUSTAINABILITY REPORTING
	(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
	(3)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		
Reporting and Compliance of Corporate Governance					INTEGRATED REPORTING
Reporting and Compliance of Corporate Governance					
Reporting and Compliance of Corporate Governance					FINANCIAL STATEMENTS
Reporting and Compliance of Corporate Governance					

Dated: Dhaka, 28 March 2024

For and on behalf of the
Board of Directors



Nazimuddin Chowdhury
Independent Director

DIVIDEND DISTRIBUTION POLICY

Objective:

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of the Company before recommending dividend to its shareholders for a financial year. The policy is framed in compliance with the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2021-386/03- dated on January 14, 2021.

CRITERIA TO BE CONSIDERED BEFORE RECOMMENDING DIVIDEND:

The Board will consider the following factors before recommending dividend:

Statutory and Regulatory Compliance:

- The company shall declare dividend only after ensuring compliance with the regulatory guidelines on dividend declaration e.g. in line with the directives of the Finance Act and or by fulfilling other restrictions, if there is any, from the regulators like; Bangladesh Bank and Bangladesh Securities Exchange Commission (BSEC) etc.
- As per IFRS: IAS 1:137(a):- An entity shall disclose in the notes the amount of dividends proposed or declared before the financial statements were authorized for issue but not recognized as a distribution to owners during the period, and the related amount per share.
- IAS 10:12:- If an entity declares dividends to holders of equity instruments (as defined in IAS 32 Financial Instruments: Presentation) after the reporting period, the entity shall not recognize those dividends as a liability at the end of the reporting.
- IAS 10:13:- If dividends are declared after the reporting period but before the financial statements are authorized for issue, the dividends are not recognized as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with IAS 1 presentation of Financial Statements.

As per Schedule-XI of the Companies Act 1994: Part-I-Balance sheet A. Horizontal Form: Dividends stated to be in respect of the period covered by the financial statements and that are proposed or declared after the balance sheet date but before approval of the financial statements should be either adjusted or disclosed. **Notes (h) of general instruction for preparation of balance sheet:** Assets and liabilities should be adjusted for events occurring after the balance sheet date that provide additional evidence to assist with the estimation of amounts relating to conditions existing at the balance sheet date or that indicate that going concern assumption in relation to the whole or part of the enterprise is not appropriate. Assets and liabilities should not be adjusted for, but disclosure should be made of, those events occurring after the balance sheet date that do not affect the condition of assets or liabilities at the balance sheet date but are of such importance that non-disclosure would affect the ability of the users of the financial statements to make proper evaluation and decision.

- **As per section 184 (1) of the Companies Act 1994:-** There shall be attached to every balance sheet laid before a company in general meeting a report by its Board of Directors, with respect to-
 - a. the state of the company's affairs;
 - b. the amount, if any, which the Board proposes to carry to any reserve in such balance sheet;

- c. the amount, if any, which the Board recommends should be paid by way of dividend;
- d. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the balance sheet related and the date of the report.

The procedures to remit the dividends as per the Guidelines for foreign exchange transactions issued by Bangladesh Bank are as follows:

The company may apply for remittance of dividends (both final and interim) through authorized dealer bank (AD) to the non-resident shareholders through application in the prescribed form (Appendix 5/60) in triplicate duly certified by the company's Auditors and supported by the required documents:

Each company will apply for dividend remittances through one nominated AD whose name should be communicated beforehand to the Foreign Exchange Investment Department, Bangladesh Bank, Head Office, Dhaka. Any change in the nominated AD bank should likewise be notified to the Bangladesh Bank well in advance.

While allowing remittance of dividend the ADs should satisfy themselves that profit shown in the Balance Sheet and Profit & Loss Account has arisen out of the normal trading/business activities of the company or out of past accumulated reserves which were remittable. In arriving at the profit out of which dividend has been declared and applied for remittance, ADs should in particular verify to ensure that all previous losses/tax liabilities, if any, have been fully adjusted against current year's net profit or against general/revenue reserve. Also, any cash subsidy granted by Govt. to the company should be deducted from profit in arriving at the divisible profit, unless allowed otherwise by the Bangladesh Bank. Remittance of dividend should be approved in Taka first and be affected after converting the Taka into equivalent foreign exchange at the rate ruling on the date of remittance.

- Income Tax deduction at source on Dividends: Based on the DTA agreement between the Government of the Peoples Republic of Bangladesh and country in which dividend to be distributed, the prescribe rate of tax deduction at source on dividend for the corporate shareholder are to be deducted. A certificate from NBR to be obtained required regarding applicability of reduced tax rate on dividend U/S 119 of Income Tax Act 2023.

Financial Criteria:

- Financial performance of the Company for the year for which dividend is recommended
- Requirements for capex financing
- Working capital financing plan
- Dividend payout trends (the dividend payout ratio will be calculated as a percentage of dividend (including dividend tax) recommended for the year to the net profit for that year)

- Tax Implications if any, on distribution of dividends
- Cost of raising funds from alternate sources of capital
- Corporate actions including mergers/demergers, acquisitions and additional investments including expansion plans and investment in subsidiaries/ associates of the Company
- Such other factors and/or material events which the Company's Board may consider

External Factors:

- Shareholder expectations including individual shareholders
- Macro-economic environment
- Industry dividend payout rate

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

- The Board of the Company may not recommend any dividend if the eligibility criteria for recommendation of dividend has not been met by the Company, including any regulatory restriction placed on the Company on declaration of dividend or if the Board strongly believes the need to conserve capital for growth or other exigencies which will be spelt.

Dividend Distribution:

- Company shall pay of the dividend (cash/stock) to the shareholders within 30 days of declaration or approval or record date as the case may be.
- Company shall pay off the cash dividend to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN) or through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible through BEFTN.
- Dividend of the margin client of stockbroker or merchant banker shall pay of to the Consolidated Customer's Bank Account (CCBA) of the stockbroker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system and for the member who have not been converted in Dematerialization (DEMAT) shares, shall issue cash dividend warrant and shall send It by post to the shareholder.
- Company shall credit the stock dividend to the BO account or issue bonus share certificate of the entitled shareholder.
- Company shall follow the directives/circulars in force of the securities regulator, related to dividend distribution from time to time

UTILISATION OF RETAINED EARNINGS:

The Company would utilize the retained earnings of the Company in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to ensuring maintenance of a healthy level of minimum capital adequacy ratios, meeting the Company's future business growth / expansion and strategic plans or such other purpose the Board may deem fit from time to time in the interest of the Company and its stakeholders.

PAREMETERS FOR VARIOUS CLASSES OF SHARES:

Currently, the Company does not have any other class of shares (including shares with differential voting rights/preference shares) other than equity shares. In the absence of any other class of shares and/or share with differential voting rights, the entire distributable profit for the purpose of declaration of dividend is considered for the equity shareholders.

CONFLICT IN POLICY:

In the event of a conflict between this policy and extant regulations, the regulations shall prevail.

AMMENDMENTS / MODIFICATIONS:

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the board for noting and necessary ratification.

REVIEW OF POLICY:

The board of directors of the Company may review the policy, if the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company's website and in the Annual Report.

DISCLOSURE OF POLICY:

The policy will be available on the Company's Website and will also be disclosed in the Company's Annual Report.



PRINCIPLES AND DISCLOSURE OF MI & PSI

PRINCIPLES:

This Principles is called "Reckitt Benckiser (Bangladesh) PLC - Principles of Disclosure of Material Information & Price Sensitive Information" and this principle is framed in compliance with the Bangladesh Securities and Exchange Commission's notification no. BSEC/CMRRCD/2021-396/52/Admin/140 dated 28 December 2022.

OBJECTIVES:

The objective of this Principles is to disclose the material information and price sensitive information of the company for protecting the shareholder's right, fluctuation of capital market, insider trading etc.

PRICE SENSITIVE INFORMATION (PSI):

The company will consider the following information are as the price sensitive information (PSI) of the company:

- Information related to the financial report, financial results and other basic information related to the financial performance;
- Information related to dividend and corporate declarations;
- Information related to the change of corporate structure (i.e. amalgamation, merger, de-merger, re-structuring, acquisition, winding up, transfer, and transformation, etc.);
- Information related to the change of capital structure;
- Information related to the business extension, change, etc.;
- Any other information as defined by the BSEC as PSI through various rules, regulations, circulars and directives; and
- Any information published by the BSEC in official gazette defining as PSI.

MATERIAL INFORMATION (MI)

1. Factors related to changes in financial conditions, such as:-

- a. Changes in financial statements, such as significant decrease or increase in income, expenses, cash flows, receivables, liabilities or assets etc. and revaluation of most or significant assets or any information or statement or comment regarding revaluation of significant assets or significant decrease-increase;
- b. The following comparative information in the financial statements:
 - i. Earnings per share;
 - ii. Net operating cash flow per share;
 - iii. Net asset value per share;
- c. Material changes in the value or composition of assets of the company;
- d. Any special instructions or any modification of any special instructions previously given by the regulatory authority of the company regarding reservation of provisions; and
- e. Any change in the accounting policies of the company, etc.

2. Information regarding corporate announcements, such as:-

- a. Any decision relating to dividend;
- b. Decision to declare or issue rights, bonus issues or similar benefits to security holders;
- c. Corporate declarations or other information relating to the receivables of the investors; and
- d. Any change in dividend distribution policy, etc.

3. Information regarding changes in corporate structure, such as:-

- a. Acquisition or disposal of any existing assets of the company at least 05% (five percent) or more;
- b. Merger of the Company with another company;
- c. Any acquisition or substantial acquisition of shares of any company, etc.;
- d. Demerger of any unit of the company;
- e. Conversion or winding up of any unit of the Company;
- f. Changes in corporate operations by way of capital reorganization or merger or demerger;
- g. Takeover proposal or internal service acquisition proposal of any company;
- h. Change of ownership that may affect controlling of the Company; and
- i. Change of name or address, etc.

4. Information regarding changes in capital structure, such as:-

- a. Any decision regarding private or public or rights offer of securities or changes in its capital structure;
- b. Systematic repurchase or redemption of securities of the Company;
- c. Any decision regarding consolidation of shares, exchange of shares, conversion of any security into equity security or conversion of debentures into shares; and
- d. Significant changes in rights of security holders, etc.

5. Information regarding expansion, change etc. of business activities, such as:-

- a. Any significant development or change in the Company's technology, production or facilities;
- b. Significant capital investment or significant change in the purpose of the organization;
- c. Significant new contracts, product, patent, service or business changes;
- d. Significant realization of long-term Bad Debts;
- e. Any change of the Board of Directors or any resignation or termination of the Chief Executive, CEO, CFO and Company Secretary;
- f. Change of statutory auditor or corporate governance compliance auditor and credit rating company or agency;
- g. Initiation of legal proceedings or development of regulatory matters or any significant judgment or order by the court;
- h. Change of category of listed security in the stock exchange(s) or company's de-listing from the exchange(s);
- i. Any significant management contract, investor relations agreement, service agreement, or related party transaction that could materially affect the financial statements of the Company;
- j. Information relating to decision of sale or purchase of any fixed asset or renovation or development or expansion of plant or machinery (BMRE) or setting up of new units; and
- k. Grant or acceptance of significant advances or loans between the inter-company or subsidiary or associate companies.
- l. Any kinds of loan or related benefits receive and provide or exchange with any directors of the Company.

6. Information related to loan and debt management, such as:-

- a. Borrowing and repayment of 25% or more of the paid-up capital or net asset value, whichever is higher;
- b. The encumbrance or discharge of significant assets;
- c. Failure to pay any bank or creditor or debt obligation or liability for a period exceeding 06 (six) months;
- d. Significant new loan agreements; and
- e. Foreign loan agreement or investment agreement, etc.

7. Others, such as:-

- a. Signing of any material agreement or cancellation or substantial amendment of previously declared/signed agreement;
- b. Loss of any substantial assets of the Company or any event affecting its reputation;
- c. Cancellation or substantial modification of any scheme previously declared; and
- d. Submission of qualified report of the Company by the auditor, etc.

8. The Commission may, by order published in the Official Gazette, determine any other information to be Material Information.

DISCLOSURES ON THE WEBSITE:

The company shall disclose on its website all such events/information which has been disseminated to the BSEC and Stock Exchange(s) under this Principles and such disclosures shall be posted on the website of the company for a minimum period of three years.

MONITORING AND REPORTING:

The 'Key Managerial Personnel' (KMP) are jointly responsible to the Board for monitoring and reporting the implementation of this principle. "Key Managerial Personnel" means the Chief Executive Officer (CEO)/Managing Director, Chief Financial Officer (CFO), Company Secretary, and such other officer/s as may be prescribed by the Board of Directors.

PRINCIPLES REVIEW:

This Principles may be modified as may, in the opinion of the Board, be deemed necessary with the assistance of KMP and subsequently to be updated to the website and notified to BSEC.



REPORT OF THE DIRECTORS

The Directors of the Company are pleased to present the audited financial statements of the Company for the year ended 31 December 2023 and report that:

PRINCIPAL ACTIVITIES

Our culture is our foundation. Our logo, which reflects our purpose, fight, compass and behavior. Our leadership behaviors are making an impact. Employees are encouraged to own, create, deliver and care. We are inspired by our purposeful brands, and our efforts for a healthier planet and a fairer society.

During 2023, there were no major changes in the principal activity of the Company. Reckitt continued manufacturing and marketing of Household (Hygiene), Toiletries and Pharmaceutical (Health) products. Your company also continued to invest in major brands to drive business growth.

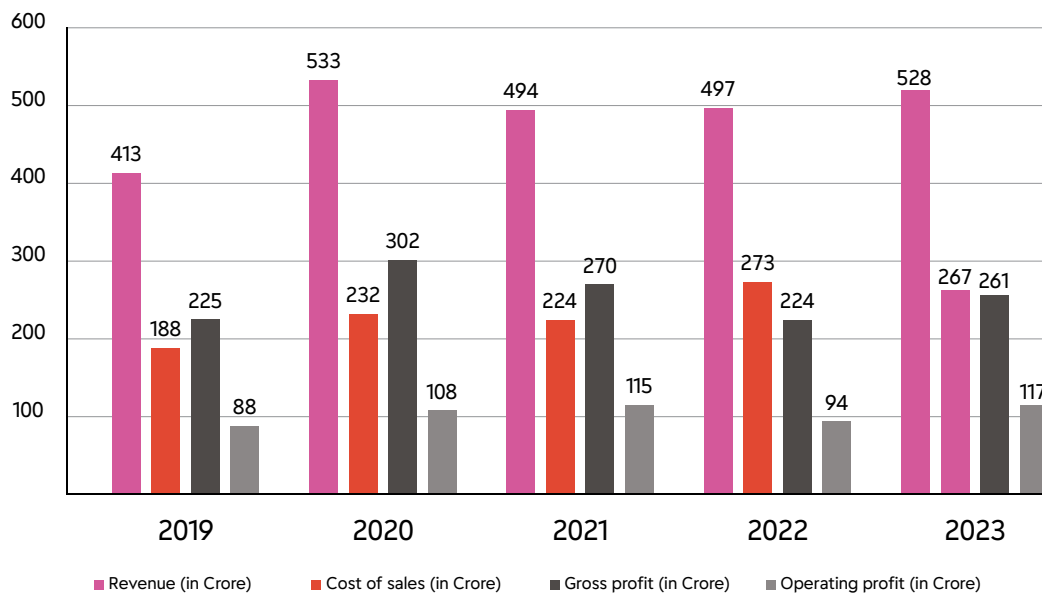
ECONOMIC HIGHLIGHT

In 2023, global geo-political challenges coupled with local political situation exacerbated the economic challenges facing the country. We witnessed elevated inflation, steady depreciation of the Taka against US Dollar, reduction in foreign currency reserves and a general scarcity of foreign currency. This impacted normal business operations and led to the introduction of temporary solutions such as UPAS (Usance Payable at Sight) Letter of Credit which at the end of the day increases the cost of doing business and stokes inflation.

BUSINESS HIGHLIGHTS

During 2023, your company's maintained very good performance throughout the year even with the challenges of the volatile economy. Your company worked hard and proactively to improve the profitability in the face of the growing impediments of the economy. The resulting turnover at the end of the year has seen an increase by 6.28% compared to last year.





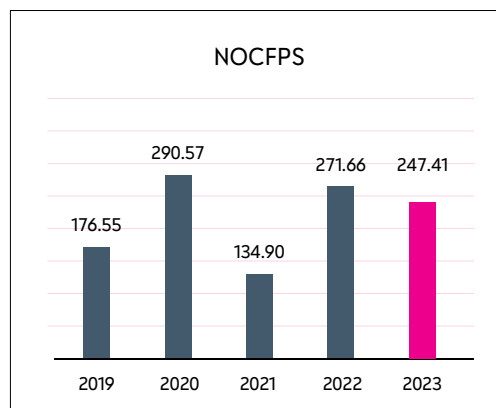
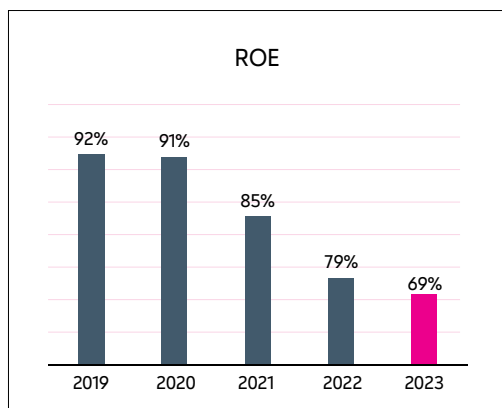
Five years' Business Performance

COST OF GOOD SOLD, GROSS PROFIT MARGIN, NET PROFIT MARGIN

This year your Company was able to improve the gross profit margin on the back of benign global commodity prices and efficiencies generated from a world class Productivity program partially offset by the continued depreciation of the Taka against US Dollar. Given the downward trend in commodity prices, price adjustments were calibrated. This has helped your Company improve gross profit margin by 14.25% and net profit margin by 23.19%.

NET ASSET, LIABILITY AND EQUITY AND NET OPERATING CASHFLOW

We maintained 69%+ ROE for the year, our Net Operating Cash flow per share stood at Tk 247.41 per share from Tk. 271.66 of last year.



SEGMENT WISE PERFORMANCE

The company has two operating segments based on two strategic business divisions i.e. **Health and Hygiene**. Furthermore, we have categorized **health** in two different segments i.e. toiletries and pharmaceutical. These divisions offer different products and are managed separately as they require different technology and marketing strategies. These are:

Reportable segments	Operations
Hygiene	
Household	Manufacturing and trading of hygiene and home care products.
Health	
Toiletries	Manufacturing and trading of health care products.
Pharmaceuticals	Manufacturing of anti-septic products

These two operating segments are the strategic business units of the company and are managed separately based on the Company's management and internal reporting structure. For the year 2023, 61% of the total turnover came from **Toiletries and Pharmaceutical (Health)** products and 39% from **Household (Hygiene)** products.

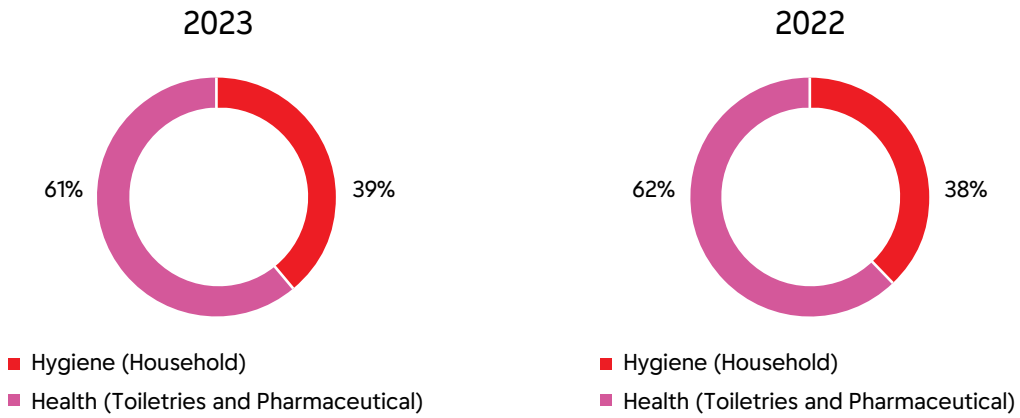


Figure: Composition of health and hygiene on turnover

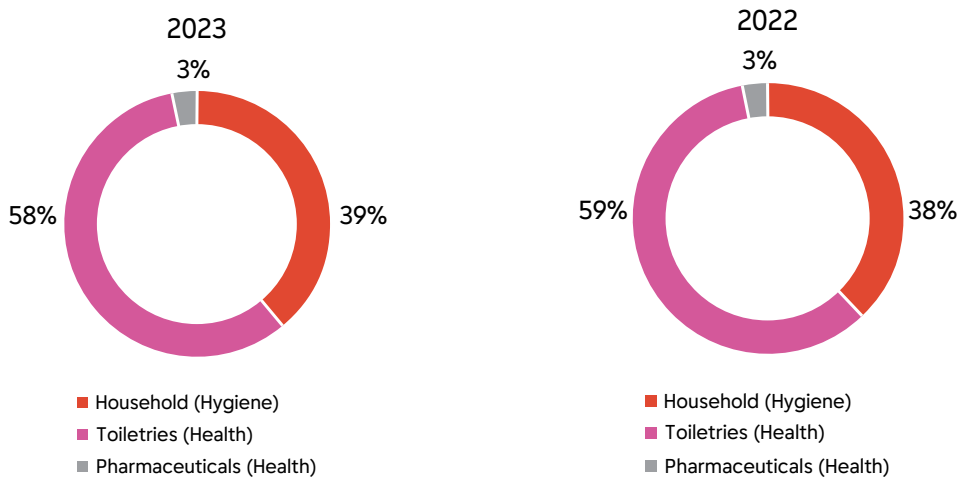


Figure: Composition of all segments and sub-segments on turnover

Detail information reportable for each segment has been demonstrated in note no. 15 of the Notes to the Financial Statements.

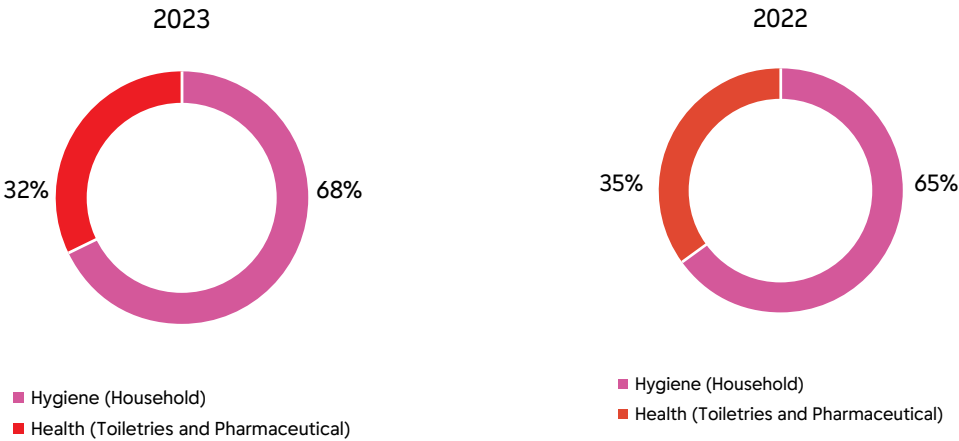


Figure: Composition of health and hygiene on operating profit

RELATED PARTY TRANSACTIONS

During the year the company made transaction with related parties which includes key management personnel, parent's entity and inter group entities. These are for salaries & benefits, royalties, import of finished goods and support services.

The detail statement on transaction, nature and amount are presented in note no. 26 of the Notes to the Financial Statements.

EXTRAORDINARY GAIN OR LOSS

During the year 2023, there was no extraordinary gain or losses incurred to the business.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL PERFORMANCE

During the year, quarterly revenue was steady. However, cost of sales and operating expense reduced consistently as quarter progressed. This is mainly driven by reduction in basic raw material cost and better control over operating expenses. We have also taken one off royalty write back in quarter 4 which had a favorable impact on operating expenses resulting in a quarter-on-quarter progressive EPS.

Amount in Thousand Taka	Total	Q4	Q3	Q2	Q1
Revenue	5,281,571	1,228,232	1,374,943	1,312,054	1,366,342
Cost of sales	2,671,229	573,674	693,531	675,085	728,939
Operating and other expenses	1,446,785	290,751	351,067	403,731	401,236
Tax expenses	280,453	45,950	88,913	71,490	74,100
Profit for the year	820,498	296,870	224,591	146,980	152,057
Basic earnings per share (Taka)	173.65	62.83	47.53	31.11	32.18

SUMMARY OF FINANCIALS

We are pleased to present the following summarized financials of the Company before you:

Particulars	2023	2022
	Taka	Taka
Profit before taxation (including other comprehensive income/items)	1,102,070,608	900,950,328
Less: Taxation	(280,452,819)	(235,991,221)
Profit after taxation (including other comprehensive income/items)	821,617,789	666,959,357
Add: Un-appropriated profit from previous year	788,140,470	900,806,113
Profit available for appropriation	1,609,758,259	1,567,765,470
Less: Final cash dividend paid @ Tk.98 (i.e. 980%) per share for 2022	(463,050,000)	(779,625,000)
Total profit available for appropriation	1,146,708,259	788,140,470
Appropriation:		
Proposed Final Cash Dividend @ Tk.55 (i.e. 550%) per share	(259,875,000)	(463,050,000)
Un-appropriated profit *	886,833,259	325,090,470

*After recognition of dividend in the period of appropriation

DIVIDEND

The Board is pleased to recommend final cash dividend of Tk.55/= (550%) per share amounting to Tk.25.99 crores for the year 2023, (2022: Tk.98 per share i.e. amounting to Tk 46.31 crores), this is fully out of the profit from current year of 2023.

The above recommendation of dividend is as per the Board approved dividend policy which is disclosed in the "Dividend Distribution Policy" section of the Annual Report 2023 on page 80-82.

EARNINGS PER SHARE

The earnings per share numbers are provided on pages 40, 160 & 187.

SUSTAINABILITY

We continued our sustainability effort towards the environment and society. Trust originates from our safe and effective brands which is reinforced by our attention to wider issues that matter to consumers and society as a whole. Our sustainability commitments, on climate change, plastics, the economy and human rights, resonate strongly with our consumers and customers. But our sustainability agenda is not just limited to satisfying consumers. Rather, broader considerations inform and infuse our approach, such as the increasing connection between a healthy planet and healthy lives for us all. Our aim is to generate business growth through the positive impact we have on the world. Our progress rests on three main pillars: purpose-led brands, combating climate change for a healthier world and enabling a fairer, more diverse and inclusive society.

We are enthusiastic to help people feel better as we believe, wellness and nourishment is a right and not a privilege. We continue to contribute through our existing program Dettol Harpic Porichchhonno Bangladesh (DHPB). DHPB has been playing the pivotal role through partnering with likeminded stakeholders for the last 6 years.

Additionally, in 2023, we have partnered with Amar Ekushey Boimela as hygiene partner to provide hygiene support to 6 million people. DHPB also partnered with Scout for 11th National Scout Jamboree, a 9-day long campaign. In addition to this we have produced hygiene curriculum for children aging 5 to 10 years under the national campaign "Clean City, Clean Village".

ENVIRONMENT, HEALTH, AND SAFETY

Our strategy is all about creating positive impact. We want to be a regenerative business that adds value to society and the environment. We are combating climate change with ambitious plans to reduce our own carbon footprint, by reducing energy use, reducing water usage and reducing waste generation. We are taking steps to improve the environmental performance of our products, factories, and suppliers. And all these activities support the planet. By sourcing raw materials, ingredients, and packaging responsibly we protect communities and the ecosystems in which they operate. By respecting colleagues, contractors and suppliers we are encouraging fairness across the value chain. By producing safer, sustainable products, reducing waste, and maximizing recycling and reuse, we enable and promote circular economic principles.

External Recognition and Accomplishments

During the year 2023, your company received several external recognitions on different grounds from various national and international institutions. It is the recognition to our high performing, driven and inspired employees. During the year the following accolades were achieved:

1. Certificate of Merit Award from ICAB for Best Presented Annual Report 2022
2. Silver Award from ICAB for Best Corporate Award 2022
3. Best Impact Partner Award from Bangladesh Scouts for the years 2023
4. Silver Award by COMMWARD 2023 by BFF for best use of Branded Content
5. Hygiene Partner Award 2023 by Bangla Academy
6. Second Most Loved Brand in Soap and Handwash Category by BFF

CORPORATE GOVERNANCE

We would like to confirm that:

- a) The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of account of the issuer company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- g) There are no significant doubts upon the Company's ability to continue as a going concern.
- h) Significant deviations from last year's operating results of the Company have been highlighted in the report and reasons thereof have been explained.
- i) Key operating and financial data of preceding five years have been provided on page 39.
- j) During the year five Board meetings were held and the attendance by each director is given on page 65.
- k) The pattern of shareholding is provided on pages 66 & 169.
- l) A management discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with brief discussion of changes in the financial statements, is provided on page 35-37.
- m) Declaration or certification by the CEO and the CFO to the Board as required under condition no. 3(3) of Corporate Governance Code; is provided on page 69-70.
- n) In accordance with the requirement of the Bangladesh Securities and Exchange Commission, "Compliance of conditions of Corporate Governance Code as required under condition no. 9" is provided on page 71-79.
- o) During the year the company did not pay any remuneration to its non-whole time Directors including Independent Director. Only meeting attendance fees, however, at approved scales were paid to selective non-whole-time directors.

DIRECTORS

Following were members of the Board of Directors of the company during 2023.

1	Mr. Rahul Mathur	Chairperson
2	Mr. Vishal Gupta	Managing Director
3	Mr. Sourav Mitra	Director
4	Mr. Pradeep Krishnamurthi	Director
5	Mr. Nazimuddin Chowdhury	Independent Director
6	Mr. Tanmay Gupta	Director
7	Mr. Sheikh Faezul Amin	Government Nominated Director
8	Mr. Rajesh Kumar Jha	Director
9	Mr. Istiaque Ahmad	Independent Director

Mr. Istiaque Ahmad has been appointed as Independent Director with effect from 27 October 2022 though it has been accorded by Bangladesh Securities and Exchange Commission (BSEC) dated 16 March 2023 and require the approval in the 63rd Annual General Meeting.

Further, Mr. Aritra Banerjee, and Ms. Asha Gopalakrishnan have been appointed as nominee directors in the place of Mr. Tanmay Gupta, and Mr. Rahul Mathur respectively with effect from 28th March 2024 and require the approval in the 63rd Annual General Meeting.

Further, Ms. Asha Gopalakrishnan has been appointed as chairperson of the board in the place of Mr. Rahul Mathur, with effect from 28th March 2024.

The brief resume of directors, expertise, and directorship to other Company (If any) provided on page 55-58.

ELECTION OF DIRECTORS

As per Article 118A of the Articles of Association of the Company, Mr. Vishal Gupta, Mr. Nazimuddin Chowdhury, and Mr. Rajesh Kumar Jha will retire from the Board of Directors and being eligible offer themselves for re-election.

The elections of new Directors are subject to approval in the 63rd Annual General Meeting.

AUDITORS

As per the Companies Act 1994 and the Articles of Association of Reckitt Benckiser (Bangladesh) PLC, the statutory auditors of the Company, A. Qasem & Co., Chartered Accountants (Member firm of Member Firm of ECOVIS International), shall retire at this (63rd) AGM. As per BSEC Order No. SEC/CMRRCD/2009-193/104/Admin dated 27 July 2011, an audit firm cannot be engaged for more than three consecutive years as statutory auditors of the same Company. A. Qasem & Co., Chartered Accountants has been the statutory auditors of the Company since 2021. In compliance with the BSEC order, we are required to appoint new statutory auditors for the Company. Rahman Rahman Huq, Chartered Accountants (Member firm of KPMG) has offered their willingness to be appointed as Statutory Auditor of Reckitt Benckiser (Bangladesh) PLC.



On the suggestion of the Audit Committee, the Board recommends Rahman Rahman Huq, Chartered Accountants (Member firm of KPMG) to appoint the auditor of the company for the year 2024 and continuation till the next AGM.

CERTIFICATION UNDER COMPLIANCE OF CORPORATE GOVERNANCE CODE

During the year 2023, M/s. Rahman Anis & Co., Chartered accountants, have certified the Compliance of the Company under corporate Governance code of BSEC.

Meanwhile, M/S MOHAMMAD SANAULLAH & ASSOCIATES, Chartered Secretaries, has offered their willingness to be appointed as Corporate Governance Auditor of Reckitt Benckiser (Bangladesh) PLC. As recommended by the Audit Committee, the Board recommends M/S MOHAMMAD SANAULLAH & ASSOCIATES, Chartered Secretaries, to appoint as Corporate Governance Auditor for the year 2024 and continuation till the next AGM.

INDEPENDENT SCRUTINIZER FOR THE AGM

The Board has appointed M/S MOHAMMAD SANAULLAH & ASSOCIATES, Chartered Secretaries, as Independent Scrutinizer for 63rd AGM of Reckitt Benckiser (Bangladesh) PLC.

ACKNOWLEDGEMENT

The Board of Directors reiterate their sincere appreciation and gratitude to all honorable shareholders, business partners, customers, suppliers and other stakeholders in the Company for their confidence and support.

The Directors also take this opportunity to acknowledge with great appreciation the dedication and hard work of the employees which has been the driving force behind the sustained results of the Company.



Aritra Banerjee
Director



Vishal Gupta
Managing Director



Istiaque Ahmad
Independent Director



Nazimuddin Chowdhury
Independent Director



REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2023

Audit Committee of Reckitt Benckiser (Bangladesh) PLC, a sub-committee of the Board of Directors, supports the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good control monitoring system within the business.

Composition of the Audit Committee:

The Audit Committee, appointed by and responsible to the Board of Directors, comprises 6 non-executive directors as members of the audit committee and the Company Secretary as the Secretary of the Audit Committee, out of them, two members are independent Directors, and the Committee is chaired by one of the independent Director Mr. Nazimuddin Chowdhury.

As required all members of the audit committee are 'financially literate' and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. More than one member has fifteen years plus experience with thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting of the company.

Role of the Audit Committee:

The Audit Committee's role flows directly from the Board and the Committee reports regularly to the Board on its activities. The Committee's main responsibilities consist of:

- Oversee the financial reporting process and reviewing the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommend the same to the Board;
- Monitor choice of accounting policies and principles and reviewing the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the Company's processes for monitoring compliance with laws and regulations and the Codes of Conduct;
- Monitoring and reviewing the arrangements for ensuring the objectivity and effectiveness of the external and internal audit functions;
- Reviewing the effectiveness of internal audit function including performance, structure, adequacy of resources, and compliance with professional standards, regulatory and financial reporting requirements, statement of all related party transactions, examining audit findings and material weaknesses and monitoring implementation of audit action plans;
- Recommending to the Board the appointment, reappointment or removal of the external auditors;
- Performing other activities as and when requested by the board of directors.

Meetings and Attendance of Audit Committee:

During the year of 2023, a total of 4 (Four) meetings were held. The attendance of the members are as follows:

Number of Meeting held during the year ended 31st December 2023:

Sl. No.	No. of Meeting	Notice Date	Meeting Date	Attendance of Members	Leave of absence
1	1 st Meeting	February 8, 2023	February 16, 2023	4	1
2	2 nd Meeting	April 10, 2023	April 17, 2023	3	2
3	3 rd Meeting	July 17, 2023	July 31, 2023	4	2
4	4 th Meeting	October 15, 2023	October 29, 2023	4	2

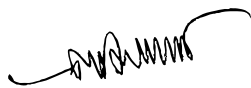
Attendance of the members:

Sl. No.	Name of Members	Designation	Number of Meeting	Meetings attended	Remarks
1	Mr. Nazimuddin Chowdhury Independent Director	Chairperson	4	4	
2	Mr. Istiaque Ahmad Independent Director	Member	4	3	Leave granted
3	Mr. Rahul Mathur	Member	4	1	Leave granted
4	Mr. Pradeep Krishnamurthi	Member	4	3	Leave granted
5	Mr. Sourav Mitra	Member	4	4	
6	Mr. Rajesh Kumar Jha	Member	2	0	Appointed on April 17, 2023. Leave granted
7	Mr. Mohammad Nazmul Arefin (Secretary)	Secretary	4	4	

Attendance of the invitees:

Sl. No.	Name of Members	Designation	Number of Meeting	Meetings attended	Remarks
1	Mr. Mrityunjoy Bose	Head of Internal Audit & Compliance	4	4	
2	Mr. Tanmay Gupta	Chief Financial Officer	4	4	

On behalf of the Audit Committee



Nazimuddin Chowdhury

Chairperson
Audit Committee

Dated: 28 March 2024

Major activities of the Audit Committee carried out during the year:

- Reviewed the quarterly, half yearly, and annual financial statements for the year ended 31 December 2023 along with receiving the statutory audit report and raising necessary questions on statutory auditors in case of doubts;
- Approved the internal audit plan for 2023, monitored progress and effected revisions when necessary;
- Discussed internal audit reports and findings in detail with members of the management and monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans;
- The committee reviewed the effectiveness of the internal financial controls, procedures and reviewed external audit report.
- Considered and made recommendation to the Board on the appointment and remuneration of external auditors;
- Review of financial and accounting matters as reported by the Chief Financial Officer on the financial performance and accounting treatment of the company;
- Reviewed and received report on the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC);
- Conducted a meeting with the statutory auditors for review of the annual financial statements;
- Reviewed the Management's Discussion and Analysis;
- Reviewed statement of all related party transactions submitted by the management;
- Reviewed Management Letters issued by statutory auditor's;
- Reviewed current year audit fees based on scope and magnitude, level of expertise deployed, and time required for effective audit and evaluate the performance of external auditors.

There are no significant breaches of control which is came to notice of the audit committee while reviewed. Therefore, the committee is of the opinion that adequate controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and that the financial position of the company is adequately managed.

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

FOR THE YEAR ENDED 31 DECEMBER 2023

As a sub-committee of the Board, the responsibility of Nomination and Remuneration Committee (NRC) is to assist the Board of the company in formulation of the nomination and remuneration policy and criteria of director (executive/non-Executive/independent) and top-level executives of the company. The Board has adopted a nomination and remuneration criteria and policy of NRC in 2019.

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Nomination and Remuneration Committee (NRC) comprises 5 (Five) non-executive directors as member of the NRC and the committee is chaired by one of the independent director Mr. Nazimuddin Chowdhury.

During the financial year some changes was happened in the committee. Mr. Nazimuddin Chowdhury, Independent Director of the company Joined as Chairperson of NRC on 27 October 2022 (w.e.f. 29 October 2022) and Mr. Sourav Mitra, non-executive directors of the company also joined as new member of NRC on 31 July 2022. On the other hand, Ms. Afreen Huda, non-voting member of NRC ceased on 31 July 2022 and Mr. C.Q.K. Mustaq Ahmed, Independent Director & Chairperson of NRC has completed his second tenure as Independent Director on 28 October 2022.

Now, Nomination and Remuneration Committee (NRC) comprises with the following four members:

- | | |
|------------------------------|---------------|
| 1. Mr. Nazimuddin Chowdhury | - Chairperson |
| 2. Mr. Rahul Mathur | - Member |
| 3. Mr. Pradeep Krishnamurthi | - Member |
| 4. Mr. Sourav Mitra | - Member |
| 5. Mr. Rajesh Kumar Jha | - Member |

As per regulatory guideline, the Company Secretary, Mr. Mohammad Nazmul Arefin acts as Secretary to the Committee.

MEETING AND ATTENDANCE OF NOMINATION AND REMUNERATION COMMITTEE (NRC):

Nomination and Remuneration committee meeting and attendance during the year ended 31 December 2023 are as follows.

Meeting held during the year ended 31 December 2023:

Sl. No.	No. of Meeting	Notice Date	Meeting Date	Attendance of Members	Leave of absence
1	1 st Meeting	September 19, 2023	September 25, 2023	4	1

Attendance of the members:

Sl. No.	Name of members	Designation	Number of Meeting	Meetings attended	Remarks
1	Mr. Nazimuddin Chowdhury	Chairperson	1	1	
2	Mr. Sourav Mitra	Member	1	1	
3	Mr. Pradeep Krishnamurthi	Member	1	1	
4	Mr. Rahul Mathur	Member	1	1	
5	Mr. Rajesh Kumar Jha	Member	1	0	Leave granted
6	Mr. Mohammad Nazmul Arefin (Secretary)	Secretary	1	1	

TERMS OF REFERENCE/ROLE OF NOMINATION AND REMUNERATION COMMITTEE (NRC):

- NRC shall be independent and responsible or accountable to the Board and to the Shareholders;
- NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
 - formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;
 - the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
 - identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
 - formulating the criteria for evaluation of performance of independent directors and the Board; and
 - identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and developing, recommending and reviewing annually the Company's human resources and training policies.

CRITERIA OR POLICY FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS:

Matters to be dealt with perused and recommended to the Board by the Nomination and Remuneration Committee. The following matters shall be dealt with by the Committee:-

- a. Qualifications of the directors: The Committee shall consider the following attributes/criteria whilst recommending to the Board the candidature for appointment as Director:
 - Age, Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - The considerations shall include achieving an appropriate level of diversity having regard to factors such as integrity, race, gender, age, nationality, cultural and educational background and industry or related experience.
- b. Positive Attributes and Independence: The Committee shall meet potential candidates to assess their level of competence, experience and their personal and other positive attributes before making its recommendation to the Board. For the purpose of assessing the attributes and independence of the candidate, the Committee shall, interlaid, take into consideration whether the candidate demonstrates:
 - high standards of ethical behavior;
 - positive disposition, good interpersonal and communication skills;
 - ability to think independently without being influenced by extraneous circumstances or consideration;
 - capability to act with reasonable care, in good faith and in the best interests of the Company and its stakeholders;
 - ability to devote time and attention for the business and governance of the Company;
 - refrain from situations that may have a direct or indirect conflict of interest with those of the Company; and
 - to abide by the Company's Code of Business Conduct.

- c. Size and composition of the Board: The committee will be reviewing the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management. The committee will also ensure that the Board is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company. The Committee is to assist the Board in ensuring the Board nomination process considers diversity relating to gender, thought, experience, knowledge and perspectives.
- d. Recruitment of Directors: Review the criteria set by Reckitt Benckiser Group PLC in determining qualifications for key management positions and recommend candidates upon evaluating them against the Reckitt Leadership characteristics and values. The committee will procure the company's Job description and assess the proposed candidates to ensure that the right candidate is being appointed for the position in line with Reckitt Benckiser Group PLC's Talent Acquisition framework of Qualification, Experience, Agility, and Culture fit.
- e. Succession plans: The Committee will review identified successors for Board and top level executive positions to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
- f. Evaluation of performance: The Committee will be responsible for the following:
 - Review performance criteria as prescribed or determined by Reckitt Benckiser Group PLC for the Directors/ Key Management Positions and Senior Positions and recommend to the Board.
 - Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company to ensure that the Board is well equipped with expertise to perform their role in ensuring both company and shareholders' interest.
 - Ensure that Non-Executive Directors are provided with sufficient information and awareness regarding the Company's vision/purpose/strategy and adequate information about the industry so that they are equipped to carry out their legal responsibilities and duties.
- g. Remuneration framework and policies: The Committee is responsible for reviewing and reporting to the Board on:
 - Remuneration of General Manager/CEO: Whether the salary reviewed is in line with the prescribed pay matrix philosophy put forward by Reckitt Benckiser Group PLC/ Region and get inputs if there are any discrepancies. In case of discrepancies, the differences will have to be in gross violation either regarding salary components considered or calculation methodology;
 - Individual and total remuneration of non-executive Directors and the chairperson (if nonexecutive), including any additional fees payable for membership of Board

committees;

- The remuneration of top level executive: Whether the salary reviewed is in line with the prescribed pay matrix philosophy put forward by Reckitt Benckiser Group PLC/ Region. The committee will periodically review salaries of the positions mentioned that include base pay, incentive payments, equity awards, retirement rights, severance pay if any and service contracts to ensure that Reckitt Benckiser (Bangladesh) PLC is market competitive in terms of:
 - a. attracting and motivating talent to pursue the Company's long-term growth;
 - b. demonstrating a clear relationship between executive compensation and performance;
 - c. being reasonable and fair, in terms of best governance practices and legal requirements; and
 - d. balancing between fixed and incentive pay to reflect short and long-term performance objectives as appropriate or advised by Reckitt Benckiser Group PLC for the Company and its goals.

ACTIVITIES OF THE NRC FOR THE YEAR ENDED 31 DECEMBER 2023:

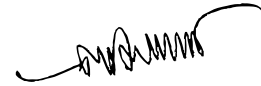
- Review the existing code of conduct for the members of the Board of Directors the company;
- Recommend a new code of conduct for Chairperson, Directors and Top-level executive of the company;
- Reviewed and recommend appointing of Directors and Top-level executive of the company;
- Evaluated the performance of Independent Directors and the Board of the company so as to ensure proper discharge of responsibility by the Board of Directors in the best interest of the company;
- The committee identified the needs of the company for employment at different levels and making evaluation the performance and review of the Human resources and training policies of the company. The committee reviewed all required documents including a) detail organogram; b) existing published Human resource policies (with effect from May 2015); c) Job description of the leadership positions of the company. The committee also reviewed the selection, transfer or replacement and promotion criteria of all existing employees of the company. All the criteria and process are in line with the guideline of Reckitt Benckiser Group PLC;
- The committee reviewed the size and composition of the Board to have an appropriate mix of executive and independent Directors to maintain its independence and separate its functions of governance and management. The committee also reviewed the size and composition of the Top-level executives as per the requirement of the business volume of the company. The committee ensured

that the Board and top-level executives are structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company; and

- The committee reviewed the recruitment and removal of executive and independent directors and the top-level executives of the company as per the criteria set by Reckitt Benckiser Group PLC in determining qualifications

for key management positions and recommend candidates upon evaluating them against the Reckitt Leadership characteristics and values. The committee procured the company's Job description and assessed the proposed candidates to ensure that the right candidate is being appointed for the right position in line with Reckitt Benckiser Group PLC 's Talent Acquisition framework of Qualification, Experience, Agility, and Culture.

On Behalf of the NRC Committee



Nazimuddin Chowdhury


Chairperson of NRC

Dated: 28 March 2024



This Chapter Includes

- Internal Control and Risk Management 2024
- Management assurance on the Internal Controls of the organization
- Stakeholders Engagement
- Risk Management Framework
- Principal risk and uncertainties faced by the organization
- Risk mitigation strategies
- Internal Controls of the organization & Internal Control
- Structure components

A photograph of two men standing in front of a wall with several safety posters. The man on the left is wearing a brown shirt and dark trousers, and the man on the right is wearing a red shirt and light-colored trousers. They are both looking at the posters. The posters are titled 'Golden Rule 7', 'Golden Rule 8', 'Golden Rule 9', and 'Golden Rule 10'. The poster for 'Golden Rule 9' features a cartoon character holding a power tool and the text 'DOES YOUR POWER TOOL CUT IT?'. The poster for 'Golden Rule 10' features a cartoon character running with a flag. The background is a blue corrugated metal wall. The foreground has a yellow and black striped barrier.

INTERNAL CONTROL AND RISK MANAGEMENT

INTERNAL CONTROL AND RISK MANAGEMENT

Internal controls are the process for assuring Reckitt Benckiser (Bangladesh) PLC's objectives with regards to operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations, and policies.

The financial control framework at Reckitt provides a minimum set of controls applicable to all entities to address the most critical financial reporting risks.

Although compliance with the internal control framework is required by all entities, the scope of the framework will vary depending on whether the business is in or out of scope.

The financial control framework:

- Defines the minimum set of controls required to be in place.
- Provides guidance on control operation and detailed control attributes.
- Drives simplification and standardization, making control compliance easier.
- Adaptable for local market distinctions
- Provides one framework for all to adhere to

This control handbook provides key information from the Reckitt Financial Control Framework including guidance risks and applicable controls.

MANAGEMENT ASSURANCE ON THE INTERNAL CONTROLS OF THE ORGANIZATION

A financial forecast covering a five-year period was prepared (the base case). This period was selected as it is the period covered in Reckitt Benckiser (Bangladesh) PLC 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 several key assumptions aligned to the company's growth strategy, planned capital spending and capital allocation policy. The assessment of viability considers 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 crystallization of the company's principal risks. Principal risks have the potential to create adverse circumstances for Reckitt Benckiser (Bangladesh) PLC and can occur individually or in combination with each other. The assessment of viability considered the implications of crystallization 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) Crystallization of principal risks deemed to have the most relevant potential impact on viability; and
- (ii) Crystallization 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. 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. Based on 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.

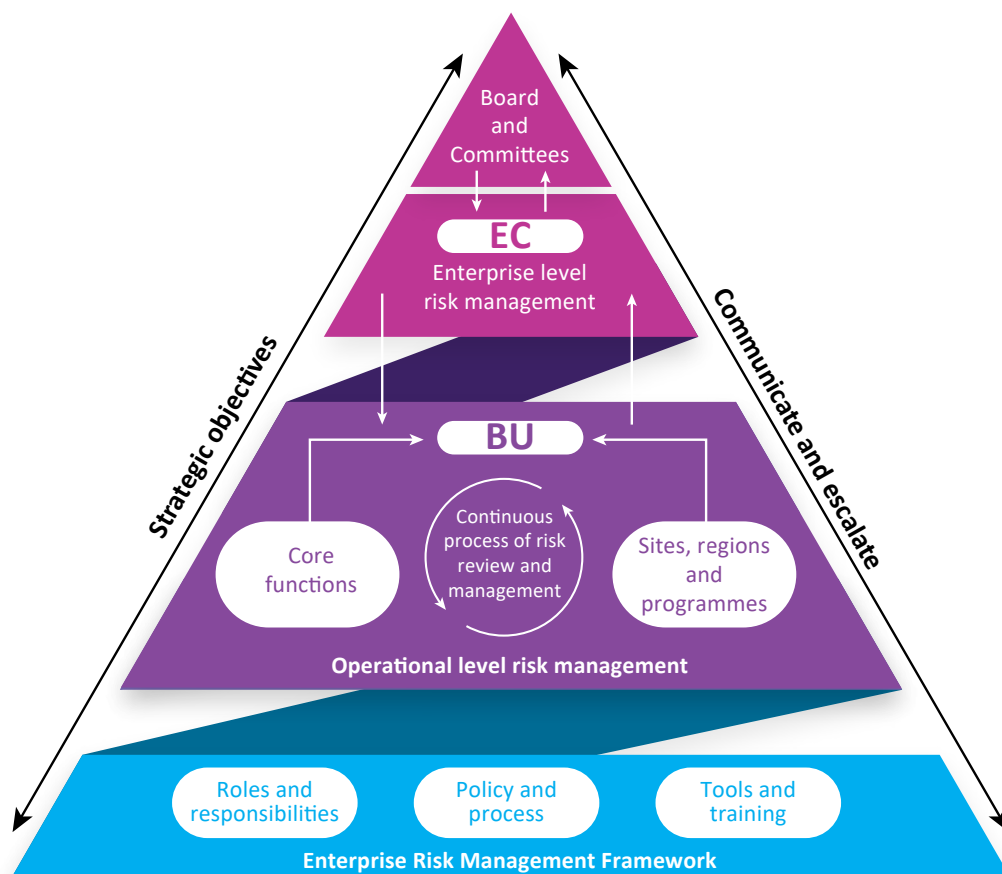
Viability Statement

The Board believes that the Reckitt Benckiser (Bangladesh) PLC 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 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

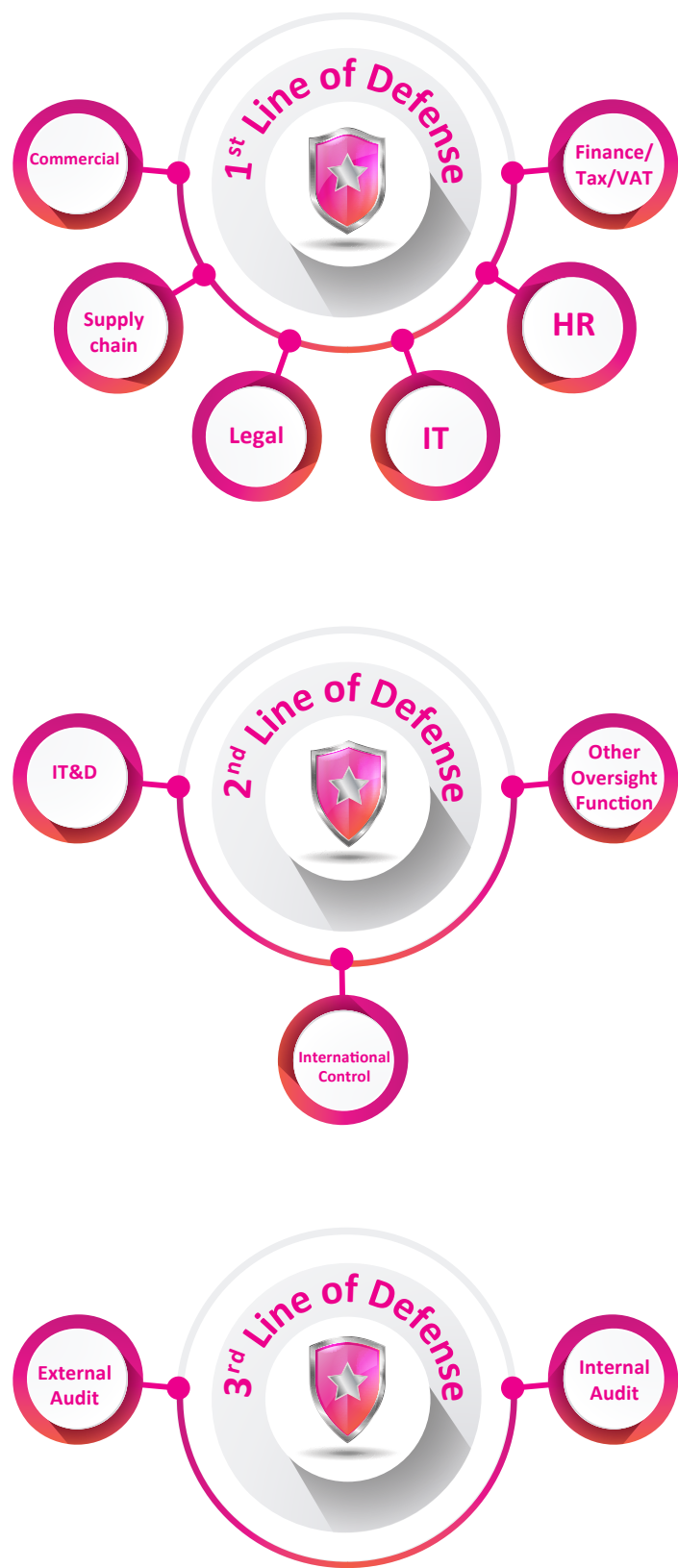
As a result of the Viability Review, the Board has a reasonable expectation that Reckitt Benckiser (Bangladesh) PLC will be able to continue in operation and meet its liabilities.

STAKEHOLDERS ENGAGEMENT



RISK MANAGEMENT FRAMEWORK

Internal controls over financial reporting are underpinned by the three lines of defense model which provides structure to risk management and internal controls at Reckitt Benckiser (Bangladesh) PLC.



PRINCIPAL RISK AND UNCERTAINTIES FACED BY ORGANIZATION

In the ever-changing business landscape, Reckitt Benckiser (Bangladesh) PLC faces principal risks and uncertainties that require vigilant management. From regulatory shifts to supply chain disruptions, these challenges threaten the company's operations and financial performance.






However, through proactive risk mitigation strategies, the company navigates these uncertainties while ensuring compliance with previous year's risk status, demonstrating its commitment to sustained resilience and stakeholder protection. The principal risks and uncertainties faced by the organization has been listed below-

Risks	What is the Risk?
Cyber Security Risk Trend: ↑ Increasing	A cyber security incident that could compromise the confidentiality, integrity and availability of critical IT systems, and the data held on them, within our own network or that of a third party. Such an attack could impact our ability to manufacture and/or move products, resulting in a material impact on our market value and reputation. This risk is heightened as we become a more digitally enabled and data-driven Company with greater connectivity and mandatory internal and external compliance obligations to protect our customers, suppliers, consumers, and critical business processes.
Changes to Product Regulations Risk Trend: ↑ Increasing	Failure to identify, assess and proactively respond to new or changing regulations or emerging detection methodologies impacting our products could result in increased regulatory scrutiny, costly product reformulations or product recalls, potential litigation, and the license to sell a product being removed.
Legal and Compliance Risk Trend: ↑ Increasing	We operate in multiple jurisdictions which creates a complex regulatory environment. A serious violation of competition, anti-corruption, human rights or data protection legislation or economic sanctions within our operations or our supply chain could result in significant fines, penalties, and reputational damage. Several products are manufactured and sold in litigious jurisdictions, which increases the risk for potential class action and mass tort litigation that could result in significant legal or settlement costs and reputational damage.
Supplier Disruption Risk Trend: ⇌ No Change	Over-reliance on a limited number of suppliers, geographic concentration, or an excessive dependence on specific routes, sub-suppliers or technologies could render our supply chain vulnerable to disruption. Our business is dependent on a significant number of sole- and single-source suppliers for critical raw and pack materials.
Geopolitical Instability Risk Trend: ↑ Increasing	Geopolitical events, including threats of conflict, trade wars, economic sanctions, and political polarization, could disrupt our operations. Our presence in unstable regions and countries further increases this risk.
ESG Transition Risk Trend: ⇌ No Change	Changes in the regulatory environment and shifting stakeholder expectations emerging from the transition to a more sustainable, net zero economy could create significant uncertainty for Reckitt Benckiser (Bangladesh) PLC. There is a risk that we fail to deliver our ESG program or deliver against our sustainability ambitions.
Product Safety Risk Trend: ⇌ No Change	Across our broad consumer-facing portfolio, many of our products are ingested, have direct skin contact, are consumed by a varied range of demographics and vulnerable populations, and can contain corrosive/flammable chemicals. Failure to prevent, identify or respond to a product quality and/or safety issue may result in potential consumer harm or death, financial settlements (product liability claims), costly recalls and reputational damage.

Risks	What is the Risk?
Innovation	Our continued growth and success depend on the relevance of our brands to consumers and our ability to innovate. Failure to effectively innovate, launch and market new products could lead to adverse financial performance and loss of market share.
Risk Trend: ➡ No Change	
Reliance on Key Manufacturing Sites	
Risk Trend: ➡ No Change	We are heavily reliant on a few key manufacturing sites to produce our products. An unexpected shutdown at one of these sites or a sustained increase in demand could lead to a significant interruption to the production of a specific component or product.
Economic Volatility	
Risk Trend: ➡ No Change	Adverse economic conditions, together with high levels of volatility and unpredictability in the macroeconomic environment, could impact our ability to deliver consistent and predictable growth.

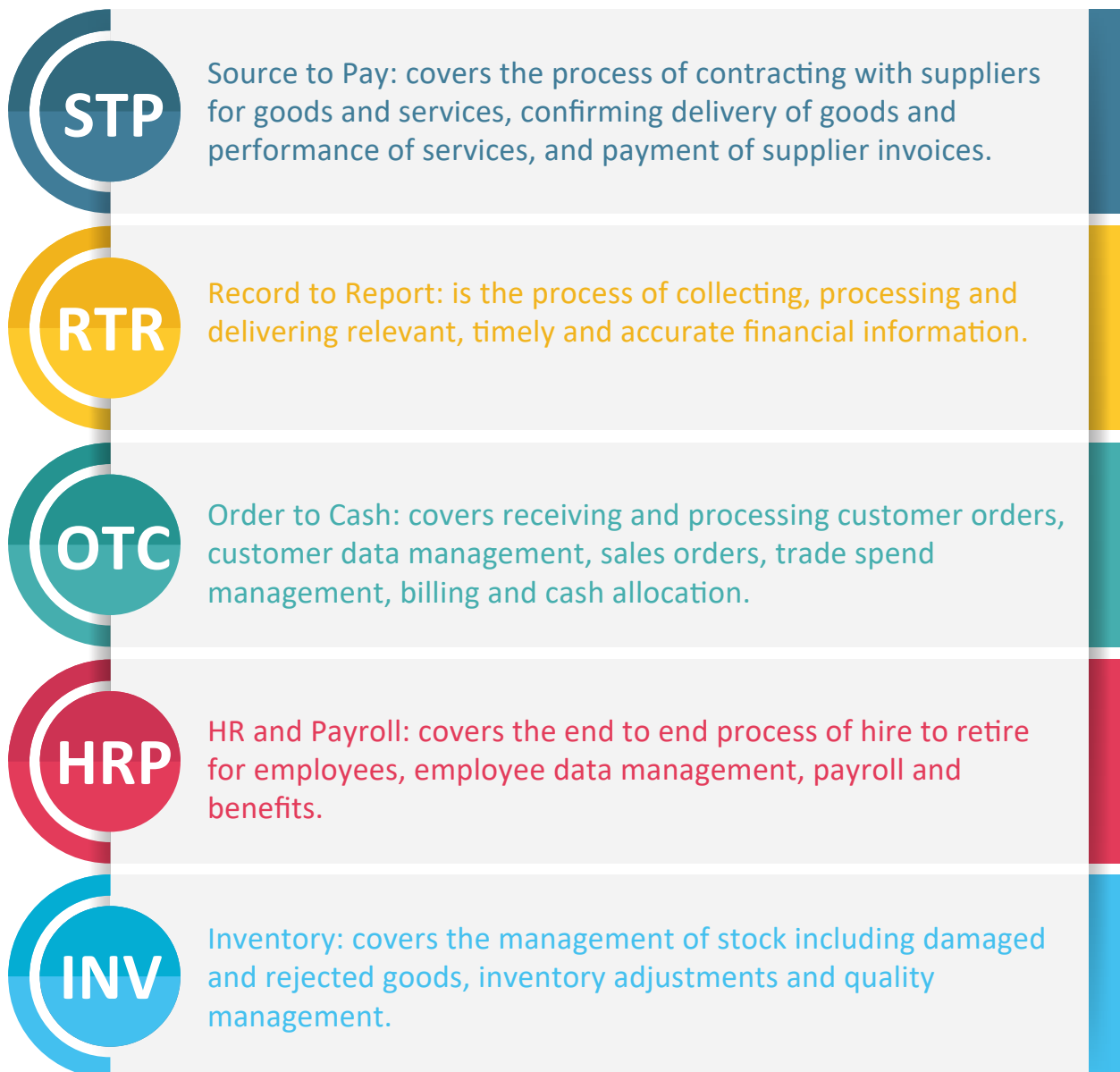
RISK MITIGATION STRATEGIES

Risks	Mitigation Strategy
Cyber Security	During the year, we have seen cyber threats continue to rise. In response, we have continued to strengthen our governance and controls through the Cyber Security program. This has included a campaign to raise awareness of cyber security across the organization and ensure business-critical systems are supported by disaster recovery plans. We have launched a multi-year program to strengthen security and resilience across our factories, including against cyber threats.
Risk Trend: ⬆ Increasing	
Changes to Product Regulations	We have consolidated our Regulatory Operating model to reduce complexity. We continue to strengthen our claims substantiation and have put in place long-term initiatives to establish corporate data standards and oversight to improve our data quality and availability.
Risk Trend: ⬆ Increasing	
Legal and Compliance	Our Code of Conduct has been updated and is supported with a refreshed code of conduct and 'Speak Up' training. We continue to evolve our Ethics and Compliance program, including additional metrics to support the ongoing monitoring of key compliance risks. Our Legal and Compliance team has been working closely with our Sustainability team to ensure that evolving ESG regulations are fully understood and to support the management of ESG Transition risk.
Risk Trend: ⬆ Increasing	
Supplier Disruption	We have continued to de-risk our sourcing of critical materials through the qualification of alternative suppliers and have reduced the total value of single-sourced spendings. We have started mapping our suppliers further up the value chain to identify any potential geographic concentration risk. An SKU simplification program has been initiated to reduce complexity across our supplier base, and our procurement teams are working more closely with our R&D teams to ensure supplier resilience is built into the early stages of new product development.
Risk Trend: ➡ No Change	
Geopolitical Instability	
Risk Trend: ⬆ Increasing	The EC provides ongoing oversight over the management of the company's geopolitical risk profile. We continue to diversify our supply chain through regionalization and onshoring to mitigate any regional instability. Ad hoc horizon scanning, and scenario planning activities are undertaken by the EC and in-country management teams.

Risks	Mitigation Strategy	COMPANY OVERVIEW
ESG Transition Risk Trend:  No Change	We have established cross-functional steering committees providing governance and oversight across key ESG transition risks and sustainable product activities We have started product carbon footprint modelling to identify and prioritise reductions in our product carbon footprint in partnership with our suppliers and innovation teams.	
Product Safety Risk Trend:  No Change	We continued our five-year Global Safety Transformation programme to elevate our global safety approach across safety culture, processes, systems, and data. We have deployed our global quality management system (Quality One) to support better control of, and visibility into, product quality and safety processes. A cross-functional Quality, Regulatory and Safety (QRS) Council has been created to enhance Reckitt's compliance program.	CORE VALUES & CODE OF CONDUCT
Innovation Risk Trend:  No Change	To ensure we are identifying and responding to changing consumer needs, we continued to make investments in our science platforms to create superior, longer-term, and differentiated products, strengthen our claims and lead with consumer-relevant solutions. We have enhanced our external partnership capability to drive co-creation of innovation through greater external orientation in key areas like sustainability.	
Reliance on Key Manufacturing Sites Risk Trend:  No Change	Short and medium-term strategies are being implemented to build redundancy into our manufacturing network. These include investment in line capacity, refocusing of manufacturing operations and dual sourcing for critical brands. We have deployed the Reckitt Production System across all our manufacturing sites to drive sustainable manufacturing performance. We continue to closely monitor the external environment and develop business continuity plans to minimize the impact of any disruption.	MANAGEMENT DISCUSSION & ANALYSIS
Economic Volatility Risk Trend:  No Change	We launched our Planning and Forecasting programme as part of our Finance for the Future Transformation programme. The programme aims to mitigate against unpredictability in the external environment and improve the accuracy of planning and forecasting activities. The programme will continue into 2024.	
		CORPORATE GOVERNANCE
		INTERNAL CONTROL AND RISK MANAGEMENT
		SUSTAINABILITY REPORTING
		INTEGRATED REPORTING
		FINANCIAL STATEMENTS

INTERNAL CONTROLS OF THE ORGANIZATION AND INTERNAL CONTROL STRUCTURE COMPONENTS

The internal controls and control structure components are presented below:



A close-up photograph of a pair of hands, likely belonging to a person of African descent, planting a small green seedling into dark, rich soil. The hands are positioned on either side of the seedling, with fingers gently holding the soil around its base. The background is blurred, showing more of the soil and the person's arms.

This Chapter Includes

- Corporate Social Responsibility
- Social initiatives and employment generation, health, education
- Environmental initiatives and climate change
- Use of technology and innovation
- Consumption of energy, water and emission and waste management
- ISO Certification

SUSTAINABILITY REPORTING

SUSTAINABILITY REPORTING 2023

Corporate Social Responsibility

Welcome to the CSR report of Reckitt Benckiser (Bangladesh) PLC. Beyond our business goals, we're deeply invested in social responsibility. In these pages, discover our initiatives that empower communities, promote sustainability, and drive positive change. From supporting education and healthcare to reducing our environmental footprint, we're committed to making a difference. Join us as we share our journey of responsibility and progress, striving for a better world for all.

Hygiene Partner at the National Bookfair 2023:

In the midst of the National Book Fair, a cherished annual celebration beloved by book enthusiasts and families alike, Reckitt Benckiser (Bangladesh) PLC brought its commitment to corporate social responsibility to life in a remarkable way.

Dettol, a household name synonymous with cleanliness and hygiene, took center stage with a mission to educate and empower. They set up handwash stations across the fairgrounds, ensuring that every visitor had access to clean hands and a fresh start. The sight of children eagerly learning about hygiene at the "Hygiene Academy" booth brought smiles to the faces of onlookers. Through interactive games and engaging activities, the young attendees not only had fun but also absorbed vital lessons on staying healthy.

But Dettol's efforts didn't stop there. Recognizing the importance of a clean environment, Reckitt Benckiser (Bangladesh) PLC placed countless dustbins throughout the fairgrounds. Dedicated cleaners worked tirelessly to maintain pristine restroom facilities, equipped with ample supplies and a commitment to cleanliness.

The impact of these initiatives didn't go unnoticed. Television channels and fair organizers alike praised Dettol and Harpic for their dedication to public health and hygiene. Yet, the true measure of success came from the millions of visitors who experienced the difference firsthand. Their appreciation for the clean surroundings and accessible hygiene facilities spoke volumes about the positive change Reckitt Benckiser (Bangladesh) PLC was bringing to their lives.

Despite the significant investment of BDT 3.2 million, the true value of Reckitt's contribution couldn't be measured in monetary terms alone. It was in the smiles of children, the gratitude of visitors, and the knowledge that, through their actions, Reckitt Benckiser (Bangladesh) PLC was making a meaningful difference in the community.



Hygiene partner at the 11th National Scout Jamboree of Bangladesh Scouts:

Reckitt Benckiser (Bangladesh) PLC embraced its role as a champion of corporate social responsibility nestled within the excitement and enthusiasm of the 11th National Scout Jamboree. With a focus on safeguarding the health of young Scouts aged between 14-18 years, Reckitt's engagement in the event was nothing short of impactful.

To champion the cause of hygiene as a fundamental right for all, we established the "Dettol Harpic Hygiene Academy," a vibrant hub of learning and discovery. Here, children immersed themselves in interactive activities and educational games, learning invaluable lessons about cleanliness and health in a fun and engaging way.

But our commitment didn't end there. Recognizing the power of knowledge, we distributed informative books to the young Scouts, carefully selected to instill essential hygiene principles. These books became catalysts for change, inspiring children to not only understand but also embrace good hygiene practices in their daily lives.

Despite the modest investment of BDT 400k, the impact of Reckitt's initiatives at the Scout Jamboree transcended monetary value. It was measured in the smiles of children empowered with knowledge, the friendships forged in the spirit of camaraderie, and the lasting impression of a company dedicated to the well-being of the next generation.



Social Initiatives and Employment Generation, Health, and Education

In today's ever-evolving world, social initiatives play a pivotal role in driving positive change and fostering inclusive growth. From empowering communities through employment generation to ensuring access to essential healthcare and education, these initiatives serve as catalysts for building a brighter future for all. Let's explore the profound impact of social initiatives in enhancing livelihoods, promoting well-being, and creating opportunities for individuals and societies alike.

SPONSORING ENVIRONMENT DEBATE ORGANIZED BY DEPARTMENT OF ENVIRONMENT (DoE)

In celebration of Environmental Week 2022, Reckitt Benckiser (Bangladesh) PLC sponsored the CUDS National Environmental Debate Competition 2022, organized by Dept. Of Environment (DoE). With the theme "Only One Earth," this event brought together 22 universities from across the country for a three-day program. The closing ceremony was graced by Regional Supply Director Mr. Pradeep Krishnamurthi, Supply Director BD-SL Cluster Mohammed Zia Uddin, Factory Manager Mohammed Wahiduzzaman, and EHS Manager BD Md. Abu Sayeed. The engaging arguments among students on pressing environmental issue symbolizes our commitment to environmental awareness and youth engagement.



Closing Ceremony



Closing Ceremony

SEMINAR ON SUSTAINABILITY & CLIMATE CHANGE AT CHITTAGONG UNIVERSITY

In 2023, Reckitt Benckiser (Bangladesh) PLC partnered with Dept. of Applied Chemical & Chemical Engineering, Chittagong University to organize an enlightening seminar titled "Are We Ready to Address Climate Risks to Secure the Next Generation's Future? ". With a participation of over 100 attendees, the seminar featured our esteemed Group Head of Sustainability, Mr. David Croft, who shared invaluable insights on combating climate change, fostering innovation, and ensuring a sustainable future.

During the seminar, Mr. Croft provided answers to thought-provoking questions from the engaged audience. We closed the ceremony by planting trees in the university premise.



Seminar on Sustainability at Chittagong University



Tree Plantation Program

PROMOTING SUSTAINABILITY INSIDE THE FACTORY

The Reckitt Sustainability Corner embodies our sustainability aspirations, showcasing our progress against targets and innovative projects aimed at achieving them. Our sustainability corner features a water fountain promoting water conservation and green living. Additionally, the hanging garden at the entrance of our factory welcomes everyone with lush greenery, symbolizing our commitment to protecting nature and creating a sustainable future.



Hanging Garden



Sustainability Corner at RB Factory

Environmental Initiatives and Climate Change

In an era defined by growing environmental concerns and the urgent need for action, environmental initiatives and addressing climate change have become paramount. Environmental initiatives encompass a wide range of efforts aimed at preserving and restoring our planet's ecosystems, reducing pollution, and mitigating the impacts of climate change. From promoting renewable energy sources to implementing sustainable practices in industries, these initiatives are crucial steps towards safeguarding our environment for future generations.

At Reckitt Benckiser (Bangladesh PLC), we hold ourselves accountable for our impact on nature and the lives of people. We are committed to fulfilling our responsibilities towards the society, recognizing that success can only be achieved through a collective effort which involves every member of society working together for a sustainable future.

ENVIRONMENT WEEK CELEBRATION 2023

During 2023, we have celebrated Environment Week from 5th to 8th of June. Reckitt Benckiser (Bangladesh) PLC had done the following activities with a view to observe this day:

- 500+ Trees were distributed.
- Conducted Environment Oath ceremony, reinforcing our commitment to environmental stewardship.
- Organized three training sessions on Reckitt Environment Standards, E-BSO, and Water Governance & compliance monitoring.
- Organized Quiz Competition to raise awareness and promote understanding of environmental issues.
- Arranged an Energy Saving Idea Generation Competition to encourage innovative solutions for energy conservation.
- Conducted Spill Response Mock Drill to ensure preparedness and effective response to environmental emergencies.



Environment Week Program Briefing

Tree Distribution

E-BSO (ENVIRONMENT BEHAVIORAL SAFETY OBSERVATION)

Since 2022, we have implemented the E-BSO program in our factory as part of our environmental monitoring system. This allows any individual to report observations that impact nature – whether it's excessive energy consumption, wasteful water usage, spillage, or improper waste disposal.

Our E-BSO program allows us to foster a culture of environmental awareness and accountability within our workforce. We regularly give awards for exemplary E-BSO submissions, recognizing and celebrating the efforts of our employees in promoting environmental awareness and sustainability.

বাধ্যতামূলক	e-BSO <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		পর্যবেক্ষক: ডিপার্টমেন্ট/আইডি:		যোগাযোগ: ডিপার্টমেন্ট/আইডি:		স্থান: তারিখ:	
	শক্তি অপব্যবহার উন্নতির সুযোগ ভাল অনুশীলন অন্যান্য		পানি অপব্যবহার উন্নতির সুযোগ ভাল অনুশীলন অন্যান্য		বর্জ্য অপব্যবহার উন্নতির সুযোগ ভাল অনুশীলন অন্যান্য		স্পিল রেসপন্স অপব্যবহার উন্নতির সুযোগ ভাল অনুশীলন অন্যান্য	
বাধ্যতামূলক	পর্যবেক্ষন:							
ঐচ্ছিক	বর্ণনা সুন বৈদ্যুতিক বাতি/এসি/অন্যান্য বৈদ্যুতিক সরঞ্জাম কি বন্ধ করা হয়, যখন ব্যবহার না হয়? সুন ব্যবহৃত বৈদ্যুতিক বাতি কর্মক্ষেত্র কি যথেষ্ট আলোকিত করে? যদি এসি চালু থাকে তখন কি জানালা খোলা থাকে?		বর্ণনা পানির কি সঠিক ব্যবহার করা হয়? কোথাও কি কোন ফুটো আছে? ট্যাপ ব্যবহার করার পর কি ট্যাপ বন্ধ করা হয়?		বর্ণনা বর্জ্য কি উৎপন্ন হওয়ার সময় আলাদা করা হয়? বর্জ্য কি নির্ধারিত জায়গায় ফালানো হয়? বিপজ্জনক বর্জ্য কি অন্যান্য বর্জ্যের সাথে মিশানো হয়?		বর্ণনা স্পিল কিট যথাযথভাবে ব্যবহার করা হয়? আনুষঙ্গিক নিয়ন্ত্রণ কি প্রদান করা হয়? স্পিল কিট কি নির্ধারিত জায়গায় নিরাপদ ভাবে নিষ্পত্তি করা হয়?	
	কাজ/পরামর্শ:							
বাধ্যতামূলক								

Environmental Monitoring System.



Seminar on Environmental Awareness and Accountability



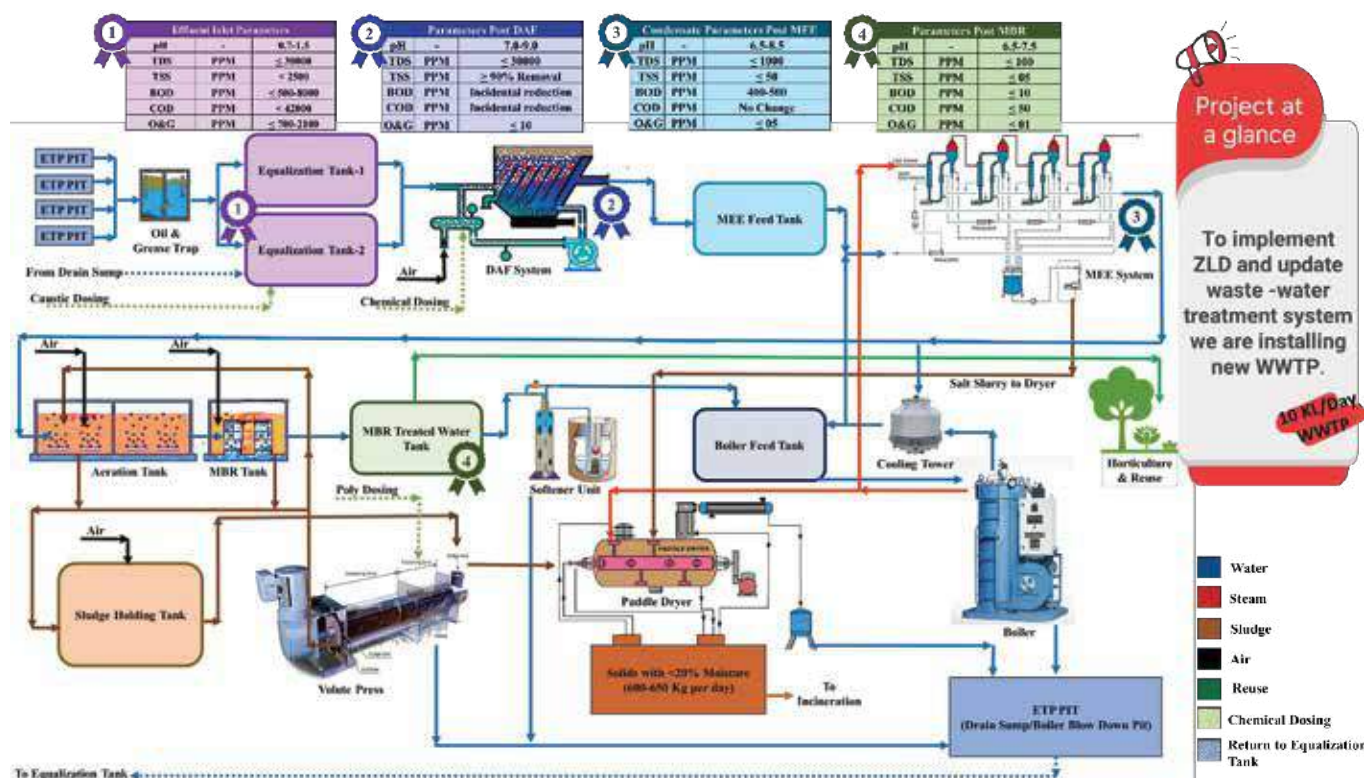
Awarding Exemplary E-BSO Submissions

Use of Technology and Innovation

Our initiatives reflect our commitment towards sustainability and our determination to drive positive change.

Completion of ZLD (Zero Liquid Discharge)

Finalize the installation of a new 10KL/Day wastewater treatment plant (WWTP), equipped with zero liquid discharge (ZLD) technology, to enhance wastewater management and reduce environmental impact.



Process of Zero Liquid Discharge

Exhaust Gas Boiler Project

Install 700Kg/Hr exhaust gas boiler to support the operation of the MEE system in WWTP, enhancing energy efficiency and reducing energy consumption by an estimated 450,000 kWh annually.



Exhaust Gas Boiler Project

Effluent Treatment Plant Project

A budget of Tk. 15.89 crore was approved by the Board of Directors for ETP project undertaken at the factory premises. Through the completion of this project, we are ambitious to meet many goals of the SDG.



We Have Saved
1000+KL/Year
by Reusing ETP Discharge Water

Reuse of ETP water

Consumption of Energy, Water and Emission, and Waste Management

In 2015, UN Member States adopted the 17 Sustainable Development Goals as part of the 2030 Agenda for Sustainable Development.

At Reckitt, we want to do all we can to help meet this challenge. We recognize the importance and interdependence of all the Global Goals. We have identified three SDGs (please see below) where we believe our impact is most significant. We are committing management time and resources to make tangible progress in each. The challenges and commitments highlighted by the SDGs are interrelated. We examine these interconnectivities and favor projects and initiatives that advance the SDG agenda, ahead of those that simply target specific SDGs.



We are clear too that advancing the sustainability agenda makes commercial sense for us. Achieving the goals supports a thriving society which benefits us all. At a specific level, our commitment to reducing the amount of energy we use or carbon we generate in our facilities or through the footprints of our products, their ingredients, packaging, use and disposal, helps tackle the impacts of climate change and support sustainable consumption. Across the board, through our brands and our business, we are improving our effectiveness by pursuing responsible practices that incorporate the SDG agenda. In doing so, we are playing our part in delivering the SDGs.



SDG 3: Good Health and Wellbeing.

This goal is closely aligned with our purpose and as the Business Avenger for SDG3, we are championing swifter progress in the private sector. Our brands play a role in promoting health and wellbeing. They include Dettol, Harpic, as well as Lizol and Mortein products.



SDG 5: Gender Equality

Promoting gender equality is in our employment policies and in our social impact programs. Our employment policies drive gender equality in our teams.



SDG 6: Clean Water and Sanitation

Our Dettol and Harpic are closely associated with programs emphasizing the importance of good sanitation and hygiene. We have launched many programs by ourselves as well as with our valuable stakeholders, such as BRAC, Bangladesh Scouts to aware people of both city and rural area on hygiene and health (please see the section on Corporate Social Responsibility).

SETTING AND MEETING AMBITIOUS GOALS

Reckitt's purpose is to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world. Our environmental sustainability goals frame our ambition to make the greatest positive impact we can on the planet. It is essential that we can visibly demonstrate not only our commitments to being better citizens but also our progress. Reckitt Benckiser (Bangladesh) PLC Chittagong Factory has set several challenging sustainability goals, and we measure our performance with clear performance metrics.

Our site-specific targets for 2023 reflect our ongoing efforts to improve energy efficiency, reduce water consumption, and minimize waste generation. With a focus on innovation and collaboration, we aimed to achieve a 3% energy savings, 2% water savings, and 1% GHG reduction compared to 2022. These targets align with our global goals and reinforces our commitment to sustainability. We drive with passion until we achieve our goal.



2023 Sustainability Target and Achievement

2023 Highlights

8.52%

Reduction of GHG gas over 2022
81.55% Reduction over 2015

4.42%

Energy Savings over 2022
70.31% Energy Savings over 2015

8.3%

Water Savings over 2022
32.63% Water Savings over 2015

CONSUMPTION OF WATER

32% Reduction in Water Use vs 2015

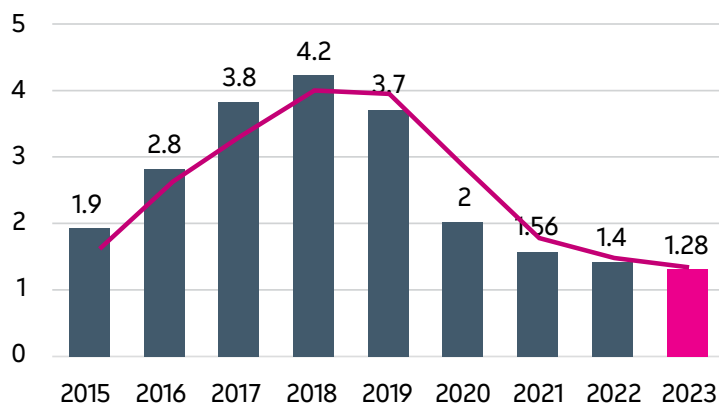
The water we use are vital measures in our overall sustainability. That's why we're looking hard at how to use less water, be more efficient with what we do use, and recycle the water we harvest on our sites.

The site has a water management plan in place and is reviewed every 3 years as a minimum. We've made wonderful progress on reusing and recycling water. We believe small initiatives can save a lot.

We did our best to reach the target during 2023:

- Reuse the ETP treated water.
- Auto closing water tap to save water.
- Environmental Behavior observation.
- Via Regular monitoring.

Water Withdrawal (m³/Ton)



Our efforts to conserve water and minimize water usage are guided by a series of strategic measures, outlining our progress and future initiatives –

- **Enhancing Capability:** It is important to identify the losses first to make other water saving initiatives successful. By relocating all underground water pipeline and incorporating several additional water flow meters across the factory we were able to act in accordance and improve our preventive maintenance practices.
- **Infrastructure Enhancements:** Investments in water-saving technologies and infrastructure upgrades, such as efficient CIP systems and self-closing water taps, contribute to significant reductions in water usage.
- **Water Tracking:** Rigorous monitoring and tracking of water usage allow us to measure our progress, identify areas for improvement, and ensure compliance with sustainability goals and regulatory requirements.
- **Long-Term Sustainability:** Our glidepath emphasizes the importance of long-term sustainability, setting ambitious targets for water reduction and fostering a culture of conservation and stewardship.
- **Water Conservation Initiatives:** We implement a range of initiatives to reduce water consumption, including reuse of RO rejection water, replacing cooling tower by auto temperature adjustable radiator, utilization of treated wastewater for curing in construction projects and toilet flushing purposes and retaining process bulk losses.

The goals we focus through these are SDG 6, SDG12, SDG 13 & SDG 14.



CONSUMPTION OF ENERGY

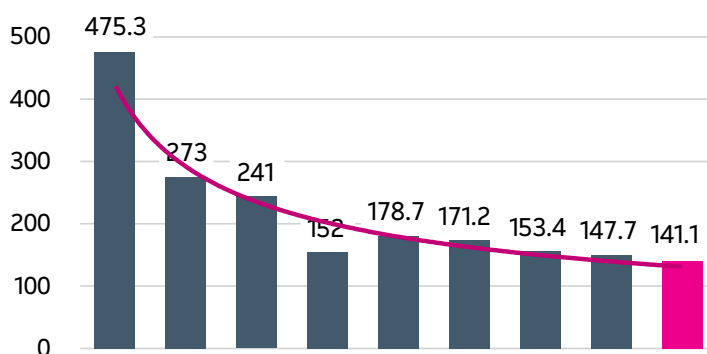
70.31% Energy Savings over 2015

Our energy monitoring and reporting system helps us continually improve how we use energy across our site. We're encouraged that we've succeeded in cutting carbon emissions directly under our control, which come mainly from our manufacturing operation. Initiatives like Improving energy efficiency, switching renewables and proper monitoring are helping towards achieving target on GHG and energy saving:

We tried our best to achieve Energy Saving target:

- Automated the air curtains.
- Using Natural light to save energy.
- Closely monitoring temperature of HVAC system & Air system.
- Insulating all heating part of machine.
- Replacing new lights and equipment with energy efficient light.
- Continuous monitoring system

Energy Consumption (KWhr/Ton)



Our journey towards energy efficiency and sustainability includes several comprehensive approaches, outlining our progress and future initiatives:

- **Energy Efficiency Improvements:** We continuously invest in energy-efficient technologies and processes, such as LED lighting and optimized manufacturing processes, and using skylight in the day, using limit switch in air curtain, to reduce energy consumption across our operations.
- **Renewable Energy Adoption:** We are committed to increasing our use of renewable energy sources, such as solar power, to reduce our carbon footprint and transition towards cleaner energy sources.
- **Monitoring and Optimization:** Regular monitoring of energy usage allows us to identify areas for improvement and optimize energy consumption, ensuring maximum efficiency and sustainability.
- **HVAC Optimization:** By optimizing HVAC systems and setting temperature levels for maximum efficiency, we aim to reduce energy consumption and minimize environmental impact.
- **Continuous Improvement:** We are dedicated to ongoing improvements in energy efficiency and sustainability, setting ambitious targets and implementing innovative solutions to drive positive change.

The goals we focus through these are SDG 7, SDG12 & SDG 13.



WASTE MANAGEMENT

Our waste management strategy focuses on circularity, ensuring minimal waste generation and maximum reuse or recycling by which we have already achieved **"Zero Waste to Landfill"** and now we're relentlessly working towards our goal for a sustainable future.

Proper Segregation and Disposal:

Effective waste management starts with proper segregation. We regularly train our housekeeping employees to ensure they are equipped with the necessary knowledge and skills for waste segregation. We have Dedicated bins for different types of waste and designated areas in our scrap yard and hazardous waste area to ensure that waste is sorted and managed efficiently.



Circular Economy:

Embracing circular economy approach, we focus on maximizing resource recovery and turning waste into product to give back to the consumers through reuse and recycling. All our plastic and metal drums are sold and reused after cleaning. All our paper, plastic, glass, metal, and canteen waste are recycled. Our ETP sludge is also processed and reused as clinker material to produce eco cement. We have a commitment to our community, our people, and our environment. That's why we want to make sure our waste is not a hazard, rather an opportunity.

To showcase our dedication, we have created an engaging display of our **Circular Economy Board** within the factory premises. This serves as a visual representation of our commitment to sustainability and encourages everyone to join us in this endeavor.



Partnerships and Collaboration:

We collaborate with partners and stakeholders to develop sustainable waste management solutions, leveraging shared expertise and resources to drive positive change.

Our Biological Waste & E-Waste are incinerated and responsibly disposed by "Chattogram Sheba Shangstha". We have agreement with Lafarge Holcim, they use our hazardous waste in their Geo-Cycle operation to produce "Eco-Cement."



We know our greatest impact is through the difference we make on people's lives and the environment. The most pressing challenges in overcoming pollution will not be met in isolation but by working together. We understand the necessity of engaging our people, training them, and encouraging them to do the right thing, always.

At Reckitt Benckiser (Bangladesh) PLC Chittagong, we believe everything matters. Pulling out small but impactful initiatives is what we are focusing on. We have introduced Sustainability corner to visualize our initiatives. We have started to use ETP outlet water in alternative ways rather than throwing out to environment. Like we say, even a small tree can make a big impact.

We are excited to be playing our part in saving our mother earth.





CERTIFICATE OF REGISTRATION

This is to certify that the management system of:

Reckitt Benckiser Group Plc

Main Site: 103-105 Bath Road,
Slough,
SL1 3UH,
United Kingdom

See appendix for additional sites and additional site scopes

has been registered by Intertek as conforming to the requirements of:

ISO 45001:2018

OHSAS 18001:2007 certified from 14 December 2018 to 26 January 2021

The management system is applicable to:

The scope of group certification covers Reckitt owned Manufacturing Supply sites (including Health, Hygiene and Nutrition products) as well as the Slough HQ Health & Safety function that coordinates the Group Health & Safety objectives and projects.

Certificate Number:

0144433

Initial Certification Date:

14 December 2018

Date of Certification Decision:

10 December 2021

Issuing Date:

10 December 2021

Valid Until:

13 December 2024



intertek



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Calin Moldovean

President, Business Assurance

Intertek Certification Limited, 10A Victory Park,
Victory Road, Derby DE24 8ZF, United Kingdom

Intertek Certification Limited is a UKAS
accredited body under schedule of
accreditation no. 014.



APPENDIX TO CERTIFICATE OF REGISTRATION

This appendix identifies the locations covered by the management system of:

Reckitt Benckiser Group Plc

This appendix is linked to the Main Certificate # 0144433 and cannot be shown nor reproduced without it.

Reckitt Benckiser Bangladesh Ltd. - Chittagong

58/59, Nasirabad Industrial Area,
Chittagong, Chittagong zila, Bangladesh

Health Wellness: The manufacture and distribution RB's Health and Personal care products



This Chapter Includes

- Responsibility for integrated report
- Business Model and Capital
- Organizational overview and external environment
- Value Creation
- Stakeholder Identification/ relationships

INTEGRATED REPORTING

INTEGRATED REPORTING 2023

Responsibility For Integrated Report

The preparation and presentation of this integrated report, encompassing both financial and non-financial performance indicators, are the responsibility of the Board of Directors of Reckitt Benckiser PLC. Our commitment to transparency and accountability underpins every aspect of our reporting process.

The Board acknowledges its duty to provide shareholders, investors, and stakeholders with a comprehensive overview of the company's performance, strategy, governance, and prospects. To achieve this, we have adhered to the framework outlined by SIX CAPITAL from the International Integrated Reporting Council (IIRC), which emphasizes the interconnectedness of the six capitals:

1. **Financial Capital:** Reflecting our financial performance, including revenue, profit, and cash flow, essential for sustaining and growing our business.
 - Reckitt generated a revenue of 5281.6 Crore BDT in 2023 in comparison to 496.9 Crore in 2022.
 - The closing balance of Equity as at 31st December, 2023 is BDT 119 Crore, which was 83.5 Crore in 2022.
2. **Manufactured Capital:** Representing the physical assets and infrastructure that support our operations, such as manufacturing facilities and distribution networks.
 - Addition of 28M BDT in Plant & Machinery, & 73M in Furniture Fixtures and Equipment to enhance the production capacity.
 - Balance of PPE increased from 1333M in 2023 from 1219M in 2022 for modernization of production process.
3. **Intellectual Capital:** Encompassing our intellectual property, brands, patents, and knowledge assets, which drive innovation, differentiation, and value creation.
 - Reckitt has a portfolio of leading brands that offer faster growth of market share and higher margins.
 - In addition to the existing brands, we have introduced 13 new products in the market with our relentless efforts.
4. **Human Capital:** Acknowledging the skills, capabilities, and well-being of our employees, fundamental to achieving our strategic objectives and fostering a culture of innovation and excellence. Reckitt has a total of 286 employees that embrace the following values:
 - Do the right thing, Always.
 - Put consumers and people first.
 - Seek out new opportunities.
 - Strive for excellence.
 - Build shared success.

Reckitt has an investment of 720M BDT in Human Resources which amounts to an investment of 2.52M BDT per employee for 2023.

5. **Social and Relationship Capital:** Highlighting our relationships with stakeholders, communities, and society at large, recognizing the importance of trust, reputation, and social license to operate. At Reckitt, we develop strong, trusted relationships with our customers, consumers, suppliers and communities. We access and develop networks and partnerships that extend our impact.
6. **Natural Capital:** Addressing the impact of our operations on the environment and our dependence on natural resources, emphasizing sustainable practices and stewardship for future generations.
 - ETP Project worth 158.9M BDT is underway for saving water usage in production process. (8.3% water savings over 2022.)
 - 8.52% reduction of GHG gas over 2022.
 - Waste management program achieved "zero waste to Landfill."
 - In collaboration with Lafarge Holcim, for disposal of hazardous waste for their "Geo-Cycle" operation of producing "Eco-Cement."

Throughout the reporting period, we have engaged with stakeholders to understand their perspectives, concerns, and expectations across these six capitals. This dialogue has informed our approach to reporting and enabled us to address material issues effectively. We recognize the importance of fostering trust and maintaining open communication with all stakeholders, and this report serves as a testament to our ongoing commitment to transparency and integrity.

The Board acknowledges the collaborative effort of management and employees in compiling the information presented in this report, ensuring alignment with the six capitals framework. Their dedication and expertise have been instrumental in ensuring the accuracy and completeness of the data disclosed. Additionally, we express gratitude to our external auditors for their independent assurance on selected sustainability metrics, enhancing the credibility and reliability of our reporting.

In conclusion, the Board of Directors reaffirms its responsibility for the integrity and quality of this integrated report, reflecting our commitment to sustainable value creation across all six capitals. We are committed to upholding the highest standards of corporate governance and reporting practices, thereby contributing to the long-term sustainability and success of Reckitt Benckiser PLC.

We are the company behind some of the world's most recognizable and trusted consumer brands in hygiene, health, and nutrition.

Our Purpose

We exist to protect, heal, and nurture in the relentless pursuit of a cleaner and healthier world.

Our Culture

We have a fight on our hands. A fight to make access to the highest quality hygiene, wellness, and nourishment a right and not a privilege.

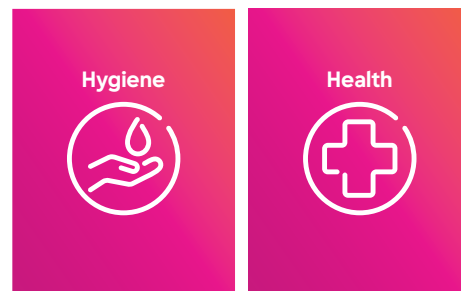
Business Model and Capital

Reckitt Benckiser (Bangladesh) PLC considers the six capitals by the International Integrated Reporting Council (IIRC) in creating value. The capitals within the IIRC framework align with our value creation pillars, encompassing the following capitals:

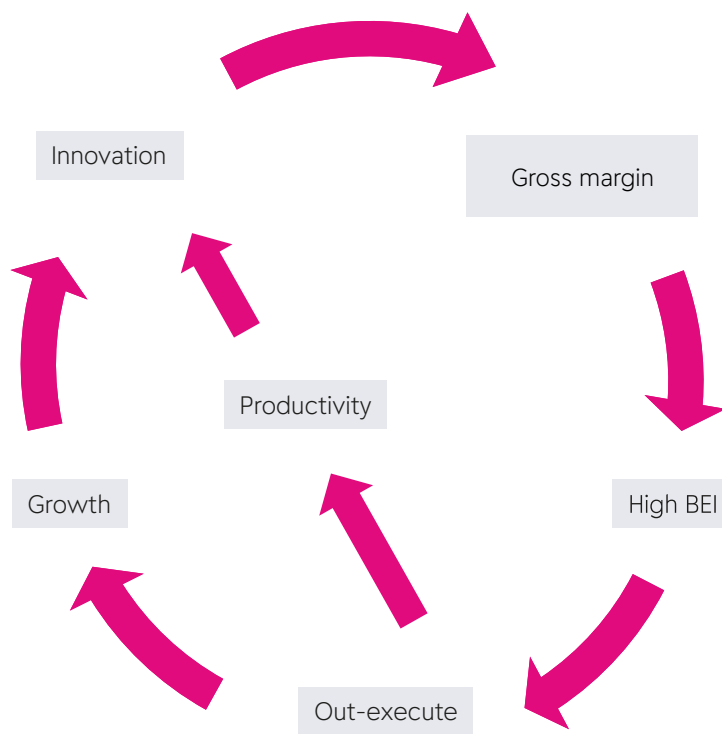
Capitals	Trade-off	Capital Impact
Human capital	We employ outstanding people who are focused on execution. They work in an unique culture, with a strong sense of shared ownership, that harness their passion and allows them to make a real difference.	Intellectual Manufactured Financial People
Intellectual capital	We have a portfolio of leading brands, offering attractive growth prospects and margins, and sustainable competitive advantages. We have deep consumer understanding and an agile organization, which gets the right products into the hands of consumers quickly.	Financial People Intellectual
Natural capital	Reckitt Benckiser PLC is committed to environmental sustainability, targeting 50% reduction in product water footprint, 100% zero waste to landfill, 65% reduction in GHG emission by 2030.	Natural Financial Social and Relationship
Social and relationship capital	We develop strong, trusted relationships with our customers, consumers, suppliers, communities, and other partners to allow us to extend our impact.	Financial Social and Relationship
Manufacturing capital	Our business is underpinned by strong manufacturing sites, centers of excellence and logistics centers, as well as digital infrastructure.	Financial Manufactured People
Financial capital	Shareholder's equity, debt and retained profit give us the financial resources to implement our strategy.	Financial Manufactured People

BUSINESS STRUCTURE

The company has two operating segments based on two strategic business divisions i.e. Health and Hygiene. Furthermore, we have categorized health in two different segments i.e. toiletries and pharmaceutical. These divisions offer different products and are managed separately as they require different technology and marketing strategies.



EARNINGS MODEL



BEI = Brand Equity Investment

OUR INFRASTRUCTURE

We are taking care of consumers health by giving easy access to our leading brands throughout the country.

At Reckitt we believe access to high quality hygiene and health should be a universal right, not a privilege. Through our products we offer a choice to our consumers to immerse in the experience of products that have found acceptance with consumer across the world over. Our business provides high quality, innovative, science-based products for our consumers. The business has built a wide range of portfolio that includes world class brands such as Dettol, Harpic, Lysol, Trix, Mr. Brasso, Veet amongst others. Our brands are enhancing healthier lives of people and happier home through basic solutions of personal hygiene and household cleaning. We are externally focused and target market share expansion via introduction of new and innovative products to cater to the demand of our consumers. Our aim is to leverage modern technology, product quality with continuous research to retain a sustainable growth.

VALUE WE CREATE

Earnings Per Share: Tk. 172.95	Energy Saving Over 2022: 4.42%
Contribution to National Exchequer: Tk. 162 Crore	Net Operating Cash Flow Per Share: Tk. 247.41
Reached: 6,000,000 people through Dettol Harpic Porichhonno Bangladesh	Contribution to WPPF: Tk. 5.48 Crore
Reduction of GHG Gas Over 2022: 8.52%	Best Partner Award: 2020, 2021, 2022, and 2023 from Bangladesh Scouts
	Water Saving Over 2022: 8.3%

Organizational Overview and External Environment

Putting "Consumers and People first" is in the heart of our culture and we design sustainable activities around it to seek out new opportunities every day. Our people work together unitedly with the purpose to protect, heal, and nurture in the relentless pursuit of a cleaner, healthier world. We also ensure whatever we are doing to achieve our purpose, we are doing this in the right way, always.

OUR HISTORY

Reckitt Benckiser (Bangladesh) PLC, a prevalent FMCG (Fast moving consumer goods) manufacturing and marketing company in the country is one of the most reliable names in the FMCG business sector of Bangladesh. The company was established in Chittagong in 1960 with the name of "Robinson's Foods (Pakistan) Ltd". Commercial production of the company was started in 1962 by setting up a new factory in the location of 58/59 Nasirabad Industrial Area, Chittagong-4209. After liberation in 1971, the company name has been changed to "Robinson's Food (Bangladesh) Limited" in 1972. In 1978 the company has launched new FMCG products in the market and changed company name to "Robinsons (Bangladesh) Limited". In 1986 further company name has been changed as "Reckitt & Colman Bangladesh Limited". In 2000 the company name changed to Reckitt Benckiser (Bangladesh) Limited as the parent company merged with a Dutch company 'Benckiser'.

In 1987 the company was converted into a Public Limited Company and there after became Publicly Listed Company by listed with Dhaka and Chittagong Stock Exchange Ltd. Since establishment, the company is committed to providing high quality products to the consumers and always taking care of consumer's safety and values. Reckitt Benckiser (Bangladesh) PLC is an ISO 14001, 45001 certified company and committed to Human safety and minimizing environmental pollutions by enabling people to do more for their Healthier Lives and Happier Homes. Reckitt Benckiser Chittagong Factory is the only manufacturing facility of Reckitt Benckiser Bangladesh PLC, which is in Nasirabad industrial area, Chittagong. This is the oldest amongst the manufacturing facilities of Reckitt Benckiser Group PLC. The total factory area is 16,310 Sq Meters whereas the plant area is 9,786 Sq meter.

THE HEART OF OUR BUSINESS

We understand the importance to apply consistent and recognizable health and safety standards. We have globally recognized safety certification, ISO 45001 in our manufacturing unit Reckitt Chittagong Factory because we believe it complements our existing health and safety internal audit programs and governance processes. We are proud of the standards we set and the care we take over the health, safety, and wellbeing of all the stakeholders of our company.

MAKING QUALITY A PRIORITY

Reckitt Benckiser (Bangladesh) PLC is a subsidiary of Reckitt Benckiser group plc., a UK-based Multinational Company and one of the most trusted and reputed manufacturing companies in health, hygiene, and home category products with some power brands in Bangladesh. Reckitt Benckiser, Chittagong Factory is one of the most modern factories in Bangladesh. The factory uses the latest technology in compliance with the 'Current Good Manufacturing Practices' standards like WHO, ISO, BSTQM etc. for the manufacture of Pharmaceutical, Cosmetics and Surface Hygiene products. It has well established Quality Management System for controlling end to end process steps of material Storage & issue, Dispensing, Manufacturing, Packaging and Distribution processes. There is a central Quality Control Lab, a

microbiology lab and production unit wise IPC test facilities. The labs are equipped with GLP compliant machineries and computerized testing equipment are 21 CFR part 11 FDA compliant with audit trail system. With quality at the core, the site is capable to deliver outstanding products for our consumers and meaningful value for our business.

OUR KEY BRANDS

Our brands provide people with access to the highest quality hygiene, wellness, and nourishment a right and not a privilege.

Our brands create opportunities in people's lives, through better health, hygiene, and nutrition. In doing so, they have an authentic social impact, fighting at the front lines to give our consumers a better life. We don't just sell products; we design solutions that meet fundamental human needs. New innovations bring greater efficacy for consumers and greater impacts for society. We are developing our brands, our business, our supply networks, and channels to consumers to maximize our positive impact on society within the growth of our business. We create impact through our brands and how we work, with an emphasis on purpose-led brands, a healthier planet, and a fairer society. Our brands are trusted by people all over the world, and we work hard to earn that trust. Consumers today know a lot more about how the world works and that affects their choices. With better information, they expect more from us and our brands. Our brands are at the heart of the social and environmental impact we create, and we focus on enabling a healthier planet and fairer society. In doing so, we help to deliver the UN's Sustainable Development Goals. Most importantly, we create social impact in the lives of people we serve, our consumers, their families, and their communities.

 <p>CREATING A WORLD WHERE EVERYONE HAS ACCESS TO A HYGIENICALLY CLEAN TOILET</p> <p>1 in 3 people don't have access to a toilet & many people around the world struggle with the facilities they do have. We will help people to embrace improved sanitation and continue to deliver superior solutions that perfectly clean & maintain all areas of your toilet & bathroom.</p>	 <p>BUILDING HEALTHY HABITS IN HOMES, SCHOOLS AND COMMUNITIES</p> <p>For more than a century, Lizol has been protecting families from illness-causing germs. We believe there is nothing more important than keeping our loved ones safe and healthy. For Lizol, just as it is for parents, protection is an instinctive act of love; an unconditional combination of strength and heart.</p>
 <p>REMOVE HAIR YOUR WAY</p> <p>A cream that simply removes hair without the hassle of shaving or having to clench your teeth through a wax, can seem too good to be true.</p>	 <p>KEEPING YOU AND YOUR LOVED ONES HEALTHY</p> <p>Dettol helps families all over the world fight germs and bacteria. From the products we make to the education we provide, our expertise in disinfection, hygiene and first aid makes a difference.</p>
 <p>BUILDING HEALTHY HABITS IN HOMES, SCHOOLS AND COMMUNITIES</p> <p>Whether dealing with a stain on clothes or on the carpet, Vanish provides amazing, effective and safe stain removal.</p>	 <p>PROTECTING YOUR FAMILY AND HOME FROM PESTS</p> <p>Mortein has been protecting people and their homes against insects since long ago. It has evolved from an insecticidal powder into a wide range of products, including sprays, baits and plug-ins.</p>
 <p>AIR WICK, BRINGING AUTHENTIC FRAGRANCES INSPIRED BY NATURE TO YOU</p> <p>A twist of grapefruit, a whiff of sweet orange, and a touch of green mandarin creates a bright and invigorating fragrance, leaving a room citrusy-fresh.</p>	 <p>FASTEST AND SHINIEST CLEAN, THAT MAKES YOUR DISHWASHING EXPERIENCE FUN</p> <p>Trix dishwashing liquid gives you the fastest and shiniest scratch-free clean. Its power-rich thick foam quickly works through the toughest of grease stains and unseen food residue bringing your dishes to their incredible best; fresh, shiny and sparkling clean.</p>
 <p>AN ALL-ROUND HOUSEHOLD CLEANER THAT KEEPS YOUR GLASS SURFACES LOOKING LIKE NEW</p> <p>To keep your windows, appliances and glass surfaces tip-top, Mr. Brasso is a must-have among your household cleaning products. Its new powerful formula effortlessly removes hard water stains, accumulated dirt and other tough stains, while also kills 99.9% germs.</p>	 <p>PROTECTING EVERY STEP FOR GENERATIONS</p> <p>With a heritage that spans over a century, Cherry Blossom is known for having always been a part of the family. We have loyal customers who have used our products on their school shoes and are now teaching their grandchildren how to clean, care and protect their shoes.</p>

OUR KNOWLEDGE AND SKILLS

We have deep consumer understanding, quality, and an agile organization, which gets products to market fast.

Our knowledge and resources can scale up their ideas. Together, we can have a lasting impact in areas that really matter to people's lives. Our leadership teams have extensive business knowledge and many years of experience in the relevant fields. The team was observed to have a good mix of skills, sector-relevant experience, knowledge was deemed appropriate. The members worked well together to achieve objectives, with a sufficient degree of support and challenge provided by the Board of Directors. With their help and guidance swift and flexible steps are taken to respond to environmental urgencies. Here people are nurtured to earn expertise on specific field.

INNOVATION

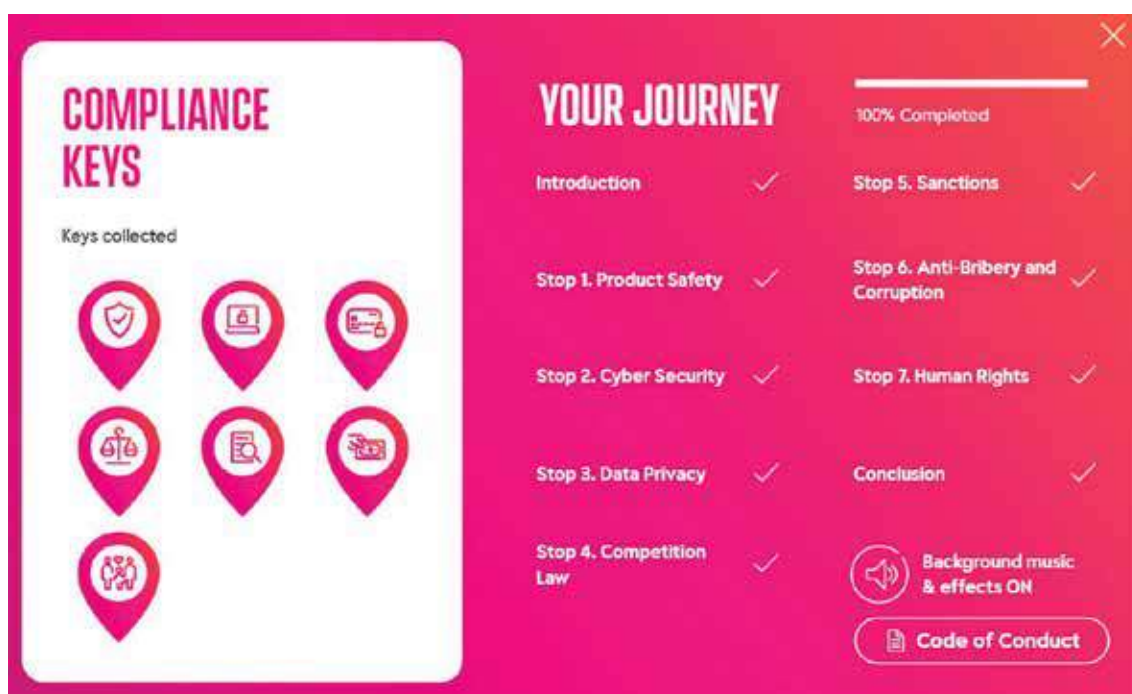
Innovation at Reckitt is delivering purpose-driven, sustainable products that protect, heal and nurture, to make a meaningful difference to people's lives. We earn the continuing loyalty and trust of our consumers with differentiated products that offer superior solutions to meet their evolving needs. We want to make a difference to the world through our brands.

CODE OF CONDUCT

At Reckitt, we own our business. This means that our employees are in the driving seat and that their decisions shape up our Company's success, day to day. It also means that we count on our employees to keep us on track and Do the Right Thing, Always.

To do things the right way, we are always aware of letting our people know about the code of conduct in which they should operate and provide necessary trainings. Each year, we provide Mandatory Compliance Training modules to all the people working in Reckitt Benckiser (Bangladesh) PLC. By completing these trainings, they become up to date regarding the latest policies and procedures we are following in all our markets alike.

Our Annual Compliance Training comprises of 7 different training modules and is designed in a way that will drive our employees to embark on a journey like never before: a journey across countries, cultures, spanning a range of compliance topics. A journey where the employees learn to spot risks, deal with ambiguity, weight up options... and ultimately, make good decisions to keep us on track.



Compliance Training

Through code of conduct, we ensure that we care for our consumers, for each of the individuals working at Reckitt, at the same time, properly performing our duties to keep the environment healthy, ensuring ethical and legal compliance.

For our business's most prized and critical areas, we also have defined Policies and SOPs for smooth-running of the processes. These structured procedures are followed every day, in every way to complete all the processes for ensuring proper compliance.

EMPLOYEES' MENTAL WELL-BEING PARTNER

We put importance on our Employees' Mental Health the same way we care about their physical health, sometimes, even to a larger extent. We provide Employee Assistance Program (EAP) service to all our employees in partnership with Psychological Health and Wellness Clinic (PHWC).

As a company, we not only care for our employees but also for their near and dear ones. The EAP services also extend to our employees' spouses and children.

PHWC provides 24/7/365 solution-based tele-counseling services to our employees, which focuses on the development of their beneficiaries by raising their confidence and supporting them to become self-motivated and self-reliant.

All services of the Employee Assistance Program are completely Confidential, and Reckitt does not receive any individual information or identity.


PHWC
ORGANISATIONAL WELLNESS PROGRAMME



In need of assistance for any psychological distress, do reach out to us on our 24/7/365 hotline number



PHWC Assistance

PROMOTING A HEALTHY LIFESTYLE

Beside mental well-being, we look after our employees' physical health as well and encourage our employees to lead a healthy lifestyle. Staying physically fit drives our employees to go for that extra mile in their activities to achieve a certain goal.

With the theme of promoting a healthy lifestyle, we have given a 10-week long fitness drive for our employees and the spirit of which has been continued throughout the year. During this time, several awareness building sessions on Nutrition, Cardiac Health, Diabetes, First Aid, Importance of Physical Activities were organized from where the employees learned about the importance of leading a healthy lifestyle and how they can do so.

Based on several set criteria, at the end of the campaign, one ultimate winner was chosen who gave the fitness drive to the fullest throughout the entire campaign period.



Fitness drive session

PERFORMANCE MANAGEMENT SYSTEM

To ensure a transparent process, we ensure our employees are fairly rated after reviewing their SMART goals through myRB- a non-biased dedicated tool for measuring employee performance. Our performance management system tracks the performance of employees in a manner that is consistent and measurable. The system relies on a combination of technologies and methodologies to ensure people across the organization are aligned with – and contributing to – the strategic objectives of the business. This process ends fruitfully with year-end career discussions with line managers aligning Performance Development Plans on myRB.

EMPLOYEE ENGAGEMENT (GLINT) SURVEY

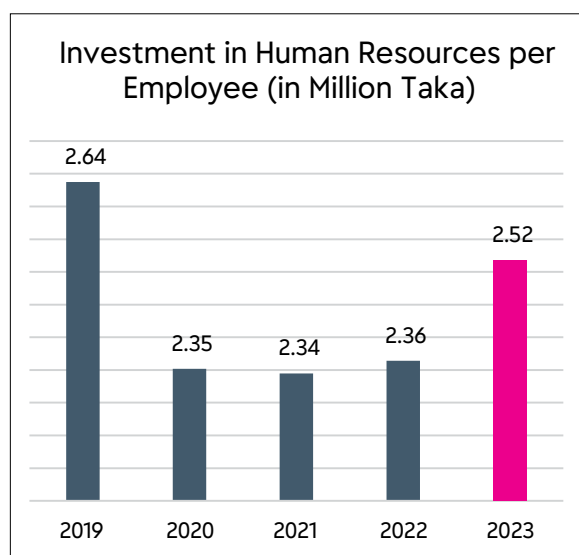
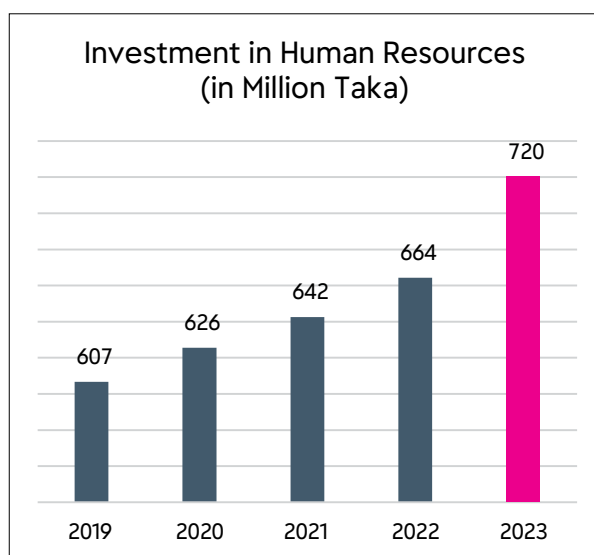
The Employee Engagement Survey (GLINT) is an annual survey which provides visibility into our employee experiences on how well we are living our Culture, and insights to focus on what's most important: our strengths and opportunities for improvement. This allows us to put the right actions in place.

In the last annual Glint Survey held in September 2023, 97% of the eligible employees responded and an overwhelming 85% of them had a favorable view of the Company.

HUMAN RESOURCE ACCOUNTING (HRA)

Human Resource Accounting is the activity of knowing the investment amount for employees towards their recruitment, training them, payment of salaries & other benefits paid and in return knowing its contribution to the organization's profitability. Below are the indices of contribution by human resource to the profitability of the company on historical cost basis. At Reckitt investment in human resource includes salaries and benefits, payment to pension funds, recruitment, and training expenditure.

*Amount in Million TK	2019	2020	2021	2022	2023
Operating Profit per Employee	3.82	4.07	4.21	3.35	4.08
Operating Expenditure per Employee	(5.96)	(7.27)	(5.64)	(4.63)	(5.07)
Revenue per Employee	17.94	20.05	18.04	17.68	18.47
Profit Before Tax per Employee	3.82	4.05	4.02	3.18	3.84
Profit After Tax per Employee	2.69	2.78	2.95	2.35	2.86
Number of Employees	230	266	274	281	286
Investment in Human Resources	607	626	642	664	720
Investment in Human Resources per Employee	2.64	2.35	2.34	2.36	2.52



RECOGNIZING OUR EMPLOYEES

Compass Award

Our Compass drives our activities and to honor the people who have represented the Reckitt Compass Values, we organized a Compass Award program for all Reckitt Bangladesh employees. This was organized with an aim to recognize the outstanding performances of our colleagues who have exemplified the Reckitt Compass Values.

Our compass comprises of five values:

- i. Do the right thing. Always.
- ii. Put consumers and people first.
- iii. Seek out new opportunities.
- iv. Strive for excellence.
- v. Build shared success.

All the employees were invited to vote for the individuals whom they thought were exceptional Reckitt Compass Value holders.

This award program has made a lot of positive impacts on the people because they felt valued and they realised that company appreciates all their efforts in representing the Reckitt Compass Values. By this award program, we expressed our mutual appreciation for each other as well.



Compass award

Long Service Recognition Award

This recognition program was organized to honor the Reckitt Heroes who have completed at least 15 years with Reckitt. These are the people who have given their heart out for the company year after year. They have played a key part in the success of Reckitt Bangladesh. We have also decorated the Hall of Fame of Reckitt Bangladesh with these flagbearers' photos to pay respect to their efforts.



Long-service recognition award

CELEBRATING WITH OUR EMPLOYEES

Reckitt Chattogram Family Day

Individuals' families are the driving forces behind their success. That's why we always value and appreciate our employees' family members. Keeping this in mind, for the Chattogram employees of Reckitt, we organized a Family Day where our people were invited with their families. The event involved a lot of teams building activities to strengthen our teams. It also had some activities for the family members that visited the event. All our employees and their family members enjoyed this day to the fullest and our people felt more valued having families around them.



Family Day 2023

Summer Fruit Festival

We organized a Summer Fruits Festival for our employees. During this occasion, we had dived into the refreshing goodness of summer as we indulged in a fruity fiesta right at our workplace. All the employees were in a festive mood during the occasion, and they also dressed colorfully to celebrate the occasion to the fullest.



Fruit Festival

Iftar

During the Holy Month of Ramadan, we organized an Iftar program for the Reckitt Bangladesh employees. Everyone got together in this event and had iftar together.



Reckitt iftaar

EMPLOYEE BRANDING ACTIVITIES IN CAMPUSES

Throughout the year, we took several employer branding initiatives across top universities around the country. The purpose of these initiatives was to enrich the leaders of tomorrow with adequate knowledge and guide them towards achieving their desired goals by corporate knowledge sharing and bridging this with their academic studies. The students also got to know about the Purpose of our company and how we drive our activities accordingly to achieve this purpose.



Employee Branding in CU campus

Despite being faced with a lot of new challenges this year; we have kept on performing. We kept on motivating our employees by arranging a lot of activities which take care of both their physical and mental health, while at the same time, providing the much-needed relaxation space to them. We drove our activities sustainably so that both our employees and their family members feel valued and rejuvenated. By following this sustainable way and ensuring continuous improvement, we can ensure that our workplace is in the best possible state to bring out the best version of our employees where they can be themselves. These activities have ultimately shaped our employees to perform, keeping the five compasses in the center of all their decision-making and actions. The compasses are:

- i. Do the right thing. Always;
- ii. Put consumers and people first;
- iii. Seek out new opportunities;
- iv. Strive for excellence;
- v. Build shared success.

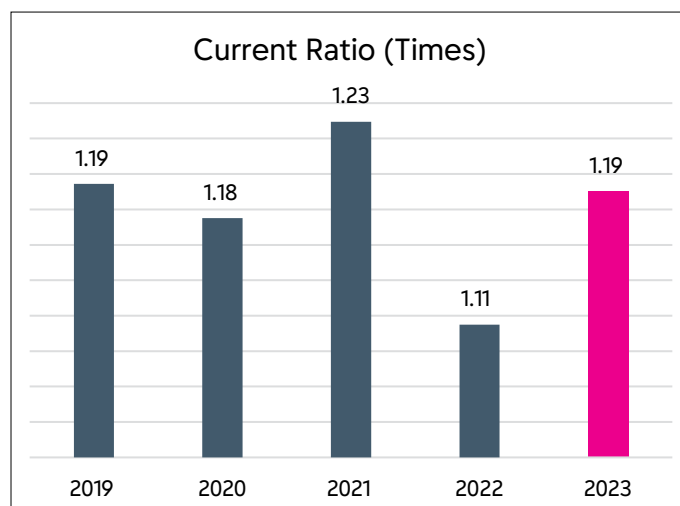
In this way, they also get the opportunity to grow both professionally and personally while being emotionally intelligent. This, in long term, will obviously have the best impact on the business as well.

Value Creation

Shareholders' equity, debt and retained profit give us the financial resources to implement our strategy. One of the reasons Reckitt was able to deliver during 2023 was our financial structure.

BALANCE SHEET & CASHFLOW

We have free cashflow of Tk. 130.68 crore at the end of the year 2023. This became 8.26% higher than last year through efficient working capital management. Our working capital is aligned with the high trend line of our revenue. Our inventory turnover in days, accounts payable turnover increased. Accounts receivable turnover in days stayed almost the same as previous year. Our current ratio reflects a comparably high liquid position. We aim to maintain this stance to combat any emergency.



Amount in Tk. Crore

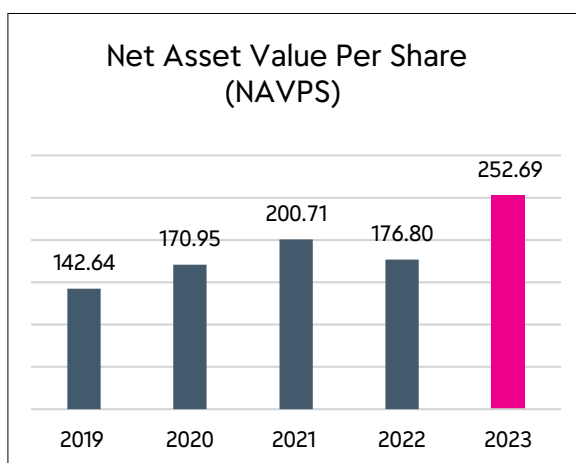
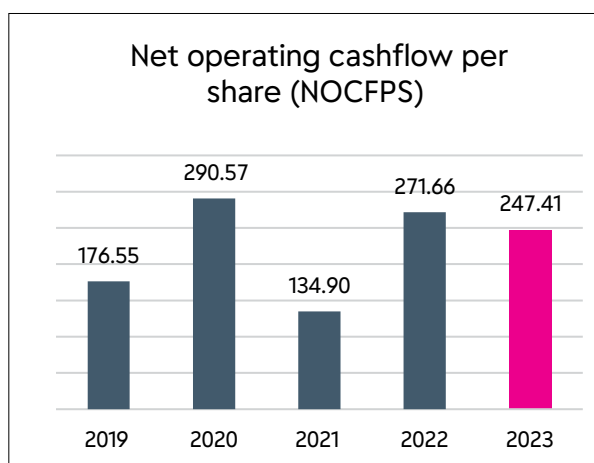
	2019	2020	2021	2022	2023
Current Asset	186.28	249.01	232.85	265.01	371.53
Current Liabilities	(155.97)	(211.57)	(189.40)	(237.71)	(312.12)
Working Capital	30.31	37.44	43.45	27.31	59.41

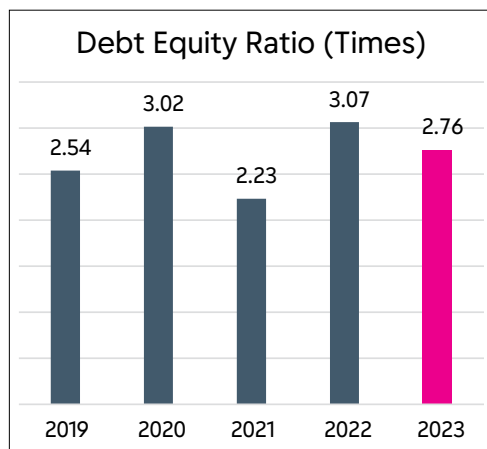
Amount in Tk. Crore

	2019	2020	2021	2022	2023
Operating Cash flow	104.26	168.36	94.14	155.04	147.36
Capex Sped	(14.09)	(36.95)	(11.44)	(13.56)	(16.67)
Free Cashflow (in Crore)	90.17	131.41	82.70	141.48	130.68

	2019	2020	2021	2022	2023
Inventory Turnover in Days					
Opening Inventory	301,129,697	451,118,392	621,618,191	584,823,587	580,077,952
Closing Inventory	451,118,392	621,618,191	584,823,587	580,077,952	590,999,610
Average Inventory	376,124,045	536,368,292	603,220,889	582,450,770	585,538,781
Cost of Sales	1,878,203,439	2,317,707,737	2,244,863,313	2,731,870,761	2,317,707,737
Average Inventory	376,124,045	536,368,292	603,220,889	582,450,770	585,538,781
Inventory Turnover Ratio	5	4	4	5	4
Accounts Payable Turnover in Days					
Opening payable (trade & other)	1,190,014,485	1,353,377,352	1,859,728,536	1,665,931,472	2,186,139,227
Closing Payable	1,353,377,352	1,859,728,536	1,665,931,472	2,186,139,227	2,479,237,884
Average payable	1,271,695,919	1,606,552,944	1,762,830,004	1,926,035,350	2,332,688,556
Purchase	1,465,819,872	1,633,500,304	1,970,044,467	2,185,264,672	2,185,264,672
Average Payable	1,271,695,919	1,606,552,944	1,762,830,004	1,926,035,350	2,332,688,556
Accounts payable turnover ratio	1.15	1.02	1.12	1.13	0.94
Accounts Receivable Turnover in Days					
Opening receivable	84,863,618	43,905,926	25,500,945	69,006,591	60,207,313
Closing receivable	43,905,926	25,500,945	69,006,591	60,207,313	135,556,087
Average receivable	64,384,772	34,703,436	47,253,768	64,606,952	97,881,700
Revenue	4,126,150,222	533,883,576	4,942,046,045	4,969,364,802	5,281,570,038
Average receivable	64,384,772	34,703,436	47,253,768	64,606,952	97,881,700
Accounts receivable turnover ratio	63	15	103	76	(1)

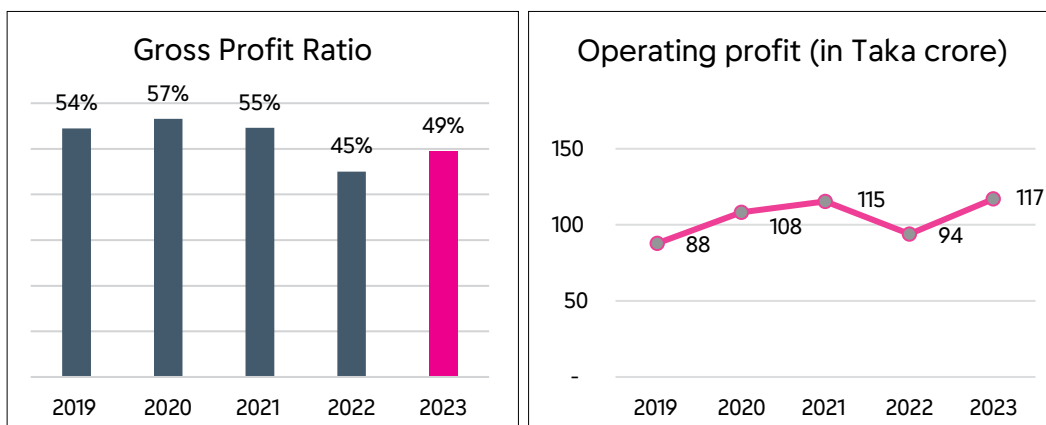
Overall, our net operating cashflow per share has decreased by 9% than last year and this year it is Tk. 247.41, indicating a stronger financial structure. On the other hand, net asset value per share increased to Tk. 252.69 this year. Our debt equity ratio decreased from 3.07x to 2.76x. The liability of Reckitt comprises of trade payable, employee benefits, lease liability, income tax payable and unclaimed dividend. Reckitt does not hold any external debt on its balance sheet.





OUTCOME IN PROFIT AND LOSS ACCOUNT

While our revenue was stable throughout the last two years, gross profit ratio had increased to 49%. As a result, company saw similar increase in operating profit to Tk. 117 crore. Reckitt will continue to invest in the right portfolio of products in response to consumer demand. In alignment of this, smooth production flow is a priority for the upcoming year.



Stakeholder Identification

Our strategy meets the needs and the concerns of our stakeholders. Our strategy delivers our purpose and our fight to make access to the highest quality hygiene, wellness, and nourishment a right, not a privilege.

Our stakeholder relationships extend our ability to deliver on our purpose. Listening to and working with consumers, customers, partners and colleagues throughout our business brings greater opportunities. Our identified stakeholders are our consumers, customers, suppliers, trusted third party resources and our employees.

CONSUMER

Our target is to reach our consumers with the best product. Our purpose-led brands are well known and trusted by consumers. They rightly expect safe, effective, and sustainable products, delivered at a fair price. New innovations bring greater efficacy for consumers and greater impacts for society. We are developing our brands, our business, our supply networks, and channels to consumers to maximize our positive impact on society within the growth of our business.

SUPPLIERS AND TRUSTED THIRD PARTIES

We seek to encourage sustainable practice across the supply chain. To do that, we make sure we source responsibly, and we collaborate with key suppliers and manufacturers to advance our purpose. We join forces to build shared success with suppliers and other third parties. Our partners share our purpose and values. Through them, we build lasting solutions with real social impact. We seek to encourage sustainable practice across the supply chain. To do that, we make sure we source responsibly, and we collaborate with key suppliers.

ENGAGING WITH CONSUMERS AND TRUSTED THIRD PARTIES

As part of CSR, we work towards our social causes. During 2023 we worked for multiple causes, however notable programs are Dettol being "Hygiene partner of National Book Fair" and Dettol-Harpic being "Hygiene partner of 11th National Scout Jamboree by Bangladesh Scouts". In the national book fair, Dettol took the challenge and put measures to ensure safety of the visitors. In the National Scout Jamboree, participants came to join a 9-day long campaign where, Dettol-Harpic ensured personal hygiene of all participants.

CUSTOMERS

We aim to foster stronger customer relationships. Our customers' knowledge brings consumer understandings to reinforce our product portfolio. We work with our customers to build and meet joint goals and to enable greater social and environmental impact. Teamwork with our customers enables combined activity that supports both our own purpose and our collective ambitions.

ENGAGING WITH CUSTOMERS

Our customers are the retail specialists, and they know what their consumers want. They have insights that can spur product growth. Depending on the profile of the customer, we coordinate our largest relationships globally, regionally, or nationally. At the operational level, we have substantially expanded our customer facing teams to provide multi-disciplinary support to our major customers. We aim to grow mutually beneficial long-term relationships by building structural partnerships.

OUR SHAREHOLDERS

Our investors, as owners of the business are a critical stakeholder group and are the providers of the financial capital that underpins our business and allows us to successfully execute our strategy. In return for this, they expect to earn good financial returns. These can be in the form of dividends, capital appreciation or interest. Open, effective communication combined with performance builds trust and confidence in our company.

ENGAGING WITH OUR SHAREHOLDERS

We engage with our investors by regularly updating our website, timely publication of price sensitive information and audited or unaudited quarterly accounts. Whilst we arrange Annual General Meeting (AGM) in the premises of our registered office, during the pandemic we had arranged our AGMs online. Our investors were open and welcoming to the idea of virtual AGM while we fostered our relationship with them through these exclusive events. More information for our shareholders is available on page 67.

OUR PEOPLE

Our success as a business is founded on our strong, distinctive culture. We want all colleagues to have a sense of belonging and take personal pride in what they do. Our approach is anchored by our purpose: the relentless pursuit of a cleaner, healthier world. The behaviors we share are guided by our compass; doing the right thing, always, is fundamental for everyone here. Our Freedom to Succeed employee value proposition aims to instill, promote, reinforce, and reward the positive behaviors and attributes that make that real. Our focus is on maintaining an open, positive, inclusive culture by promoting continuing dialogue across the company.

ENGAGING WITH OUR PEOPLE

We have EAP (Employee Assistance Program) service in partnership with Psychological Health and Wellness Clinic to address all employees of Reckitt for various engaging workshops to improve mental health and the awareness of its importance. To recognize and appreciate our people for the Compass Values that they demonstrate in their everyday work, we had also organized a recognition program "Exemplary Performance Award". In this program each head of functions nominated driven and achieving employees and after final scrutiny winners were selected for the award. The awarding system created positive impact within the motivated and energetic employees. Company also held multiple events such as "Reckitt Chattogram Family Day" and "Summer Fruit Festival" to interact with our employees in a deeper level and build trust between employees, teams, and functions.



This Chapter Includes

Auditor's Report

Statement of Financial Position

Statement of Profit and Loss and Other Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flow

Notes to the Financial Statements

Annual Report Exploration Index

Proxy Form / Attendance Slip

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Reckitt Benckiser (Bangladesh) PLC Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reckitt Benckiser (Bangladesh) PLC (the Company), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below our description of how our audit addressed the matter is provided in that context.

1. Revenue recognition See note 2.8 (B) and 16 to the financial statements	
Description of key audit matters	How the matters were addressed in our audit
<p>Revenue recognition has significant and wide influence on financial statements.</p> <p>Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Revenue from the sale of goods is recognised when the company has delivered products to customers at the shipping point and control has passed.</p> <p>During the year ended December 31, 2023, the Company has recognised sales of BDT 5,282 million (net). The sales of the Company are derived from a large number of distributors which locate over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, magnitude audit work and resources are required.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1) We read the Company's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers'. 2) We understood, evaluated and validated the key controls related to the Company's sales process and tested the operating effectiveness of key controls over sales. 3) We performed substantive testing on revenue recorded throughout the year using sampling techniques to ensure appropriateness of recording revenue by examining the relevant supporting documents including sales invoices, VAT Challans and truck challans. We also confirmed certain customers' receivable balance at the statement of financial position date, selected on sample basis by considering the amounts outstanding with those customers.

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Tax & Company Affairs Office: Ivory Krishnachura (5th Floor), 3/1-E, Purana Paltan, Dhaka-1000, Bangladesh ☎ +880-2-9551103, 9584925 ✉ aqasemtax@aqcbd.com



<p>As it is industry practice, the Company enters into numerous types of commercial arrangements with customers to offer product promotions and discounts. Revenue is measured net off estimated trade spends i.e. rebates and discounts earned on the Company's sales by customers or other parties that purchase the entity's goods.</p> <p>We focused on the proper cut off of sales to the Company customers due to the fact that the documents of confirming the acceptance of the products were provided by numerous customers based in different locations. There is a risk of differences between the timing of acceptance of the products by the Company customers and when revenue was recorded. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the proper reporting periods.</p> <p>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.</p>	<ol style="list-style-type: none"> 4) We have assessed the completeness and occurrence of trade spend by obtaining supporting documentation or calculation and reviewing the underlying assumptions of estimates approval of same by the management. 5) We selected samples of sales transactions made pre and post year end, agreed the date of transfer of control for the selected sample by testing underlying documents and 6) We have tested sales return transactions recorded throughout the year using sampling techniques to ensure the appropriateness of recording sales return by examining the related supporting documents.
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2. Existence and valuation of inventories

See note 2.8(G) and 5 to the financial statements

Description of key audit matters	How the matters were addressed in our audit
<p>Inventories represent about 13% of the total assets of the Company, inventories are thus a material item to the financial statements.</p> <p>Inventories are valued at the lower of cost or net realisable values. As such, management is required to make judgements in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required.</p> <p>Due to the value and volume of inventories being held by the company at the reporting date and the complexities involved in the accounting and presentation thereof, Inventories has been considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1) We read the Company's revenue recognition policy and assessed its compliance in terms of IAS 2 'Inventories'. 2) We understood, evaluated and validated the key controls related to the Company's inventory process and tested the operating effectiveness of key controls over inventories. 3) We observed the process of management's year-end inventory count and perform test counts for inventory held by the Company and third party. 4) We verified a sample of inventory items to ensure that costs have been appropriately recorded. 5) We tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessed the reasonableness of any resulting write down of inventory items. 6) We assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. 7) We performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period.



Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- the expenditure incurred was for the purposes of the Company's business.

A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202



Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950

DVC: 2403300950AS677895

Dhaka, 28 March 2024

Reckitt Benckiser (Bangladesh) PLC

Statement of financial position

<i>In Taka</i>	<i>Note</i>	31 December 2023	31 December 2022
Assets			
Property, plant and equipment	3	607,330,849	577,879,851
Right-of-use assets (ROU)	4(A)(i)	142,737,635	167,880,361
Deferred tax assets	23(D)	26,760,604	-
Non-current assets		776,829,088	745,760,212
Inventories	5	590,999,610	580,077,952
Trade and other receivables	6	135,556,087	60,207,313
Advances, deposits and prepayments	7	69,270,707	31,620,751
Cash and cash equivalents	8	2,919,490,457	1,978,229,020
Current assets		3,715,316,861	2,650,135,036
Total assets		4,492,145,949	3,395,895,248
Equity			
Share capital	9	47,250,000	47,250,000
Retained earnings		1,146,708,259	788,140,470
Total equity		1,193,958,259	835,390,470
Liabilities			
Employee benefits	10	44,341,842	31,329,682
Lease liabilities	4(A)(ii)	132,646,034	150,407,504
Deferred tax Liability	23(D)	-	1,699,732
Non-current liabilities		176,987,876	183,436,918
Trade and other payables	11	2,479,237,884	2,186,139,227
Employee benefits	10	5,274,184	2,925,382
Lease liabilities	4(A)(ii)	37,696,760	36,940,131
Current tax liabilities	12	176,835,135	143,751,375
UPAS loan	13	30,990,689	-
Dividend Payable	14B	384,151,964	-
Unclaimed dividend	14	7,013,198	7,311,745
Current liabilities		3,121,199,814	2,377,067,860
Total liabilities		3,298,187,690	2,560,504,778
Total equity and liabilities		4,492,145,949	3,395,895,248

The annexed notes are an integral part of these financial statements.

As per our report of same date.

A. Qasem & Co.

Chartered Accountants

RJSC Registration No.: 2-PC7202



Istiaque Ahmad

Director



Aritra Banerjee

Director & Chief Financial Officer



Mohammad Motaleb Hossain FCA

Partner

Enrolment Number: 0950



Vishal Gupta

Managing Director



Md. Nazmul Arefin

Company Secretary

DVC: 2403300950AS677895

Dhaka, 28 March 2024

Reckitt Benckiser (Bangladesh) PLC

Statement of profit or loss and other comprehensive income

For the year ended 31 December

	Note	2023	2022
<i>In Taka</i>			
Revenue	16	5,281,570,038	4,969,364,802
Cost of sales	17	(2,671,228,513)	(2,684,530,874)
Gross profit		2,610,341,525	2,284,833,928
Other income	18	7,433,914	2,428,159
Operating expenses	19	(1,446,784,683)	(1,299,727,566)
Impairment (loss)/gain reversal on trade receivables	6(A)(i)	(623,915)	(18,724)
Operating profit		1,170,366,841	987,515,797
Finance income	20	27,245,742	10,554,502
Finance costs	21	(41,614,445)	(60,566,692)
Profit before contribution to WPPF		1,155,998,138	937,503,607
Contribution to WPPF	22	(55,047,530)	(44,643,029)
Profit before tax		1,100,950,608	892,860,578
Income tax expense	23(A)	(280,452,819)	(233,720,971)
Profit for the year		820,497,789	659,139,607
Other comprehensive income			
Remeasurement gain/(loss) of defined benefit plan	10(A)	1,400,000	10,090,000
Related tax	23(D)	(280,000)	(2,270,250)
Other comprehensive income/(loss) for the year, net of tax		1,120,000	7,819,750
Total comprehensive income for the year		821,617,789	666,959,357
Earnings per share			
Basic earnings per share (Taka)	24(A)	173.65	139.50

The annexed notes are an integral part of these financial statements.

As per our report of same date.

A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202



Istiaque Ahmad
Director



Aritra Banerjee
Director & Chief Financial Officer



Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950



Vishal Gupta
Managing Director



Md. Nazmul Arefin
Company Secretary

DVC: 2403300950AS677895

Dhaka, 28 March 2024

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Reckitt Benckiser (Bangladesh) PLC

Statement of changes in equity

For the year ended 31 December 2023

<i>In Taka</i>	<i>Note</i>	Share capital	Retained earnings	Total
Balance at 1 January 2022		47,250,000	900,806,113	948,056,113
Total comprehensive income for the year				
Profit for the year 2022		-	659,139,607	659,139,607
Other comprehensive income/(loss) for the year		-	7,819,750	7,819,750
Total comprehensive income for the year		-	666,959,357	666,959,357
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2021	9(C)	-	(779,625,000)	(779,625,000)
Total transactions with owners of the Company		-	(779,625,000)	(779,625,000)
Balance at 31 December 2022		47,250,000	788,140,470	835,390,470
Balance at 1 January 2023		47,250,000	788,140,470	835,390,470
Total comprehensive income for the year				
Profit for the year 2023		-	820,497,789	820,497,789
Other comprehensive income/(loss) for the year		-	1,120,000	1,120,000
Total comprehensive income for the year		-	821,617,789	821,617,789
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2022	9(C)	-	(463,050,000)	(463,050,000)
Total transactions with owners of the Company		-	(463,050,000)	(463,050,000)
Balance at 31 December 2023		47,250,000	1,146,708,259	1,193,958,259

The annexed notes are an integral part of these financial statements.

Reckitt Benckiser (Bangladesh) PLC

Statement of cash flows

For the year ended 31 December

<i>In Taka</i>	<i>Note</i>	2023	2022
Cash flows from operating activities			
Receipts from customers		6,182,592,980	5,944,305,812
Payment to suppliers, employees and others		(4,709,034,793)	(4,351,948,826)
Cash generated from operating activities		1,473,558,187	1,592,356,986
Income tax paid	12	(276,109,395)	(266,860,619)
Finance Cost		(28,420,981)	(41,909,244)
Net cash from operating activities	29	1,169,027,811	1,283,587,123
Cash flows from investing activities			
Acquisition of property, plant and equipment		(166,735,863)	(135,633,308)
Proceeds from sale of property, plant and equipment	18	6,932,777	4,191,723
Income from investment during the year		23,839,117	8,996,252
Net cash used in investing activities		(135,963,969)	(122,445,333)
Cash flows from financing activities			
Dividends paid	14	(79,426,526)	(775,345,911)
Payment of lease liabilities	4(A)	(43,366,568)	(36,633,173)
Bank Overdraft		30,990,689	-
Net cash used in financing activities		(91,802,405)	(811,979,084)
Net increase in cash and cash equivalents		941,261,437	349,162,706
Cash and cash equivalents at 1 January		1,978,229,020	1,629,066,314
Effect of exchange rate changes in cash and cash equivalents		-	-
Cash and cash equivalents at 31 December		2,919,490,457	1,978,229,020

The annexed notes are an integral part of these financial statements.

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Reckitt Benckiser (Bangladesh) PLC

Notes to the financial statements

1. Reporting entity

Reckitt Benckiser (Bangladesh) PLC ("the Company") was incorporated on 15 April 1961 in erstwhile East Pakistan (became independent in 1971 as Bangladesh) under the Companies Act 1913 (as amended in 1994) as "Robinson's Foods (Pakistan) Limited". The name of the Company was changed to "Robinson's Foods (Bangladesh) Limited" under a special resolution on 24 August 1972. In 20 March 1986 in an extra-ordinary general meeting the name of the Company was again changed to Reckitt & Colman Bangladesh Limited. Finally, after the merger with Benckiser, in accordance with parent company, the name of the Company was again changed to Reckitt Benckiser (Bangladesh) Limited, under an extra-ordinary general meeting held on 9 November 2000. The name of the company was further changed to Reckitt Benckiser (Bangladesh) PLC as per requirement of the Companies Act 1994 as amended in 2020 which had been granted by RJSC based on the application submitted on 29th September 2021. It is a public limited company and its shares are listed on Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.

The address of the Company's registered office is 58/59 Nasirabad Industrial Area, Chittagong and the corporate office is The Glass House, 9th & 10th floor, Plot # 02, Block # SE (B), 38, Gulshan Avenue, Dhaka-1212.

The Company is engaged in manufacturing and marketing of household, toiletries and pharmaceuticals products.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable rules and regulations. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

2.2 Components of the financial statements

The financial statements comprise of the following:

- i. Statement of Financial Position, as at 31 December 2023
- ii. Statement of Profit and Loss and Other Comprehensive Income, for the year ended 31 December 2023
- iii. Statement of changes in equity, for the year ended 31 December 2023
- iv. Statement of cash flows, for the year ended 31 December 2023
- v. Notes to the financial statements

2.3 Date of authorisation

This financial statements is authorised for issue by the Company's board of directors on 28 March 2024.

2.4 Functional and presentational currency

These financial statements are presented in Taka/Tk./BDT, which is the Company's functional currency. All amounts have been rounded to the nearest taka, unless otherwise indicated.

2.5 Use of judgements and estimates

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 results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Lease term: whether the Company is reasonably certain to exercise extension options.
- Provision for inventory obsolescence and impairment loss reversal on trade receivable
- Gratuity
- Useful life of depreciable assets

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 16 and Note 11 – revenue recognition: estimate of expected returns;
- Note 10 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 23(D) – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 05 – provision for inventory obsolescence;
- Note 12 – current tax liabilities; and
- Note 2.8 (H) – useful life of property, plant and equipment.
- Note 6 (A)- Impairment loss/gain on trade receivable .

2.6 Basis of measurement

The financial statements of the Company have been prepared on historical cost basis except for net defined benefit (asset)/ liability for which the measurement basis is the fair value of plan assets less the present value of the defined benefit obligation, as explained in Note 2.8(C).

2.7 Going concern

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern.

Notes to the financial statements (continued)

2.8 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

	Page ref.
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B. Revenue recognition	151
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A. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year which is adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on retranslation are recognised in the profit or loss.

B. Revenue recognition

The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, the Company follows the five-step model as below:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods is considered as transfer when (or as) the customer obtains control of that goods. Then the Company recognises the net revenue from sale of goods in its financial statements.

Net Revenue is defined as the amount invoiced to external customers during the year and comprises, as required by IFRS 15, gross sales net of trade spend, customer allowances for credit notes, returns and consumer coupons. The methodology and assumptions used to estimate credit notes, returns and consumer coupons are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Value-added tax and other sales taxes are also excluded from revenue.

C. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans (provident fund)

The Company operates a recognised provident fund in which employees contribute 10% of their basic salary and the company also contributes same. The Company has no legal or constructive obligation to pay further amounts. Obligations for contributions to the recognised provident fund are recognised in profit or loss in the period during which related services are rendered by employees.

iii. Defined benefit plans (gratuity)

The company operates a funded gratuity scheme which has been approved by the National Board of Revenue as a recognized gratuity fund with effect from 04 April 2021. Employees are entitled to gratuity benefit after completion of five years of service with the company. The company expense related to gratuity is estimated on a yearly basis and the amount is transferred to the fund and charge to expense of the company.

Notes to the financial statements (continued)

2.8 Significant accounting policies (continued)

C. Employee benefits (continued)

iii. Defined benefit plans (gratuity) (continued)

The calculation of defined benefit obligation was performed this year by a qualified actuarial firm using the Projected Unit Credit (PUC) method to assess the Plan's liabilities. All actuarial gains and losses are recognized immediately in the retained earnings through an account known as the Other Comprehensive Income and Expenses. The actuarial calculations was performed according to IAS 19 - *Employee benefits*. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset) taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

iv. Workers' Profit Participation Fund

Workers' Profit Participation Fund (the "WPPF") also qualifies as defined contribution plan. The Company is required to provide 5% of net profit before tax after charging such expense in accordance with Bangladesh Labour Act 2006 (amended in 2013), if any.

D. Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss using the effective interest method.

E. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for current tax expenses has been made on the basis of Income Tax Act 2023 (as amended up to date). Currently, the applicable tax rate is 20% on taxable profit.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority.

Notes to the financial statements (continued)

2.8 Significant accounting policies (continued)

E. Income tax (continued)

ii. Deferred tax (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

F. Share capital

Only ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings.

G. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the above and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost to completion and selling expenses.

Inventory in transit represents the cost incurred for the items that were not received up to the date of statement of financial position.

H. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner. Cost also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

ii. Subsequent costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of the property, plant and equipment are recognised in profit or loss as incurred.

Notes to the financial statements (continued)

2.8 Significant accounting policies (continued)

H. Property, plant and equipment (continued)

iii. Depreciation

Items of property, plant and equipment are depreciated from the month they are available for use while no depreciation is charged for the month in which an asset is disposed off.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated except for leasehold land.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Particulars of Property, plant and equipment	Estimated Useful Life
Leasehold land	The lower of 50 years or the life of the lease
Buildings	5-45 years
Plant and machinery	3-8 years
Furniture, fixtures and equipment	1-5 years
Computers	3 years
Vehicles	4-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property, plant and equipment with a cost of minimum BDT 50,000 are capitalized. Property, plant and equipment with a cost price below BDT 50,000 are fully depreciated in the year of acquisition and charged in the administrative expenses.

I. Asset under construction

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use. Capital work-in-progress is recorded at cost to the extent of expenditure incurred to date of statement of financial position. The amount of capital work-in-progress is transferred to appropriate asset category and depreciated when the asset is completed and commissioned.

J. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes to the financial statements (continued)

2.8 Significant accounting policies (continued)

J. Financial instruments (continued)

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Notes to the financial statements (continued)

2.8 Significant accounting policies (continued)

J. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets includes cash and cash equivalents, trade and other receivables, investment.

Notes to the financial statements (continued)

2.8 Significant accounting policies (continued)

J. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Financial liability

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include trade and other payables etc.

(a) Trade and other payables

The Company recognises a trade and inter-company payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

K. Impairment

i. Non-derivative financial assets

The Company recognises loss allowances for Expected Credit Loss (ECL) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Notes to the financial statements (continued)

2.8 Significant accounting policies (continued)

K. Impairment (continued)

ii. Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

L. Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

M. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Notes to the financial statements (continued)

2.8 Significant accounting policies (continued)

M. Leases (continued)

i. As a lessee (continued)

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

ii. Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the financial statements (continued)

2.8 Significant accounting policies (continued)

N. Contingencies

i. Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

ii. Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

O. Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

Related disclosure of earnings per share has been provided in Note 23.

P. Related party disclosure

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related disclosures have been provided in note 25.

Q. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Company's management committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assesses its performance, and for which discrete financial information is available.

R. Reporting period

The financial period of the Company covers 12 months period from 1 January to 31 December.

S. Events after the reporting date

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the Note 35.

2.9 Status of Compliance to Accounting Standards

The following accounting standards have been applied in preparing this financial statements

Standard Title	Standard No.	Status
Presentation of Financial Statements	IAS 1	Applied
Inventories	IAS 2	Applied
Statement of Cash Flows	IAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied
Property, Plant, and Equipment	IAS 16	Applied
Employee Benefits	IAS 19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS 20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Costs	IAS 23	Not applicable
Related Party Disclosures	IAS 24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS 26	Not applicable
Separate Financial Statements	IAS 27	Not applicable
Investments in Associates and Joint Ventures	IAS 28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS 29	Not applicable
Earnings per Share	IAS 33	Applied
Interim Financial Reporting	IAS 34	Applied
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities, and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	Not applicable
Investment Property	IAS 40	Not applicable
Agriculture	IAS 41	Not applicable
Share-based Payment	IFRS 2	Not applicable
Business Combinations	IFRS 3	Not applicable
Insurance Contracts	IFRS 4	Not applicable
Non-current Assets Held for Sale and Discontinue Operations	IFRS 5	Not applicable
Exploration and Evaluation of Mineral Resources	IFRS 6	Not applicable
Financial Instruments: Disclosures	IFRS 7	Applied
Operating Segments	IFRS 8	Applied
Financial Instruments	IFRS 9	Applied
Consolidated Financial Statements	IFRS 10	Not applicable
Joint Arrangements	IFRS 11	Not applicable
Disclosure of Interests in Other Entities	IFRS 12	Not applicable
Fair Value Measurement	IFRS 13	Applied
Revenue from Contracts with Customers	IFRS 15	Applied
Leases	IFRS 16	Applied
Insurance Contracts	IFRS 17	Not applicable

Notes to the financial statements (continued)

3. Property, plant and equipment See accounting policy in Note 2.8 (H)

	In Taka	2023	2022
i. Cost			
Balance at 1 January		1,219,951,220	1,118,773,375
Additions		200,370,394	162,989,205
Transfers/capitalised		(32,939,714)	(21,561,514)
Disposal/adjustment		(53,483,981)	(40,249,845)
Balance at 31 December		1,333,897,919	1,219,951,220
ii. Accumulated depreciation			
Balance at 1 January		642,071,369	547,589,095
Depreciation for the year		137,967,239	130,968,511
Impairment Loss		-	1,881,804
Disposal/adjustment		(53,471,538)	(38,368,041)
Balance at 31 December		726,567,070	642,071,369
Carrying amounts (i-ii)		607,330,849	577,879,851

A Reconciliation of carrying amounts is provided in the following note.

Notes to the financial statements (continued)

3. Property, plant and equipment (continued)

A. Reconciliation of carrying amount

<i>In Taka</i>	Leasehold land	Buildings	Plant and machinery	Furniture fixtures and equipment	Computers	Vehicles	Under construction	Total
Cost								
Balance at 1 January 2022	209,490	286,412,559	391,461,675	245,220,928	41,900,222	57,031,072	96,537,429	1,118,773,375
Additions	-	18,386,298	93,850,335	32,972,973	1,866,530	15,913,069	-	162,989,205
Transfers/capitalised	-	-	-	-	-	-	(21,561,514)	(21,561,514)
Disposal/adjustment	-	(448,589)	(18,179,243)	(5,871,197)	(5,605,785)	(10,145,032)	-	(40,249,845)
Balance at 31 December 2022	209,490	304,350,268	467,132,767	272,322,704	38,160,967	62,799,109	74,975,915	1,219,951,220
Balance at 1 January 2023	209,490	304,350,268	467,132,767	272,322,704	38,160,967	62,799,109	74,975,915	1,219,951,220
Additions	-	9,383,637	14,233,850	13,459,111	8,348,512	25,747,532	129,197,752	200,370,394
Transfers/capitalised	-	-	-	-	-	-	(32,939,714)	(32,939,714)
Disposal/adjustment	-	(18,011,450)	(5,906,664)	(6,150,099)	-	(23,415,768)	-	(53,483,981)
Balance at 31 December 2023	209,490	295,722,455	475,459,953	279,631,716	46,509,479	65,130,873	171,233,953	1,333,897,919
Accumulated depreciation								
Balance at 1 January 2022	209,490	135,880,905	206,228,641	124,532,496	28,321,574	52,415,989	-	547,589,095
Depreciation for the year	-	23,164,656	62,303,535	34,878,743	8,454,845	2,166,733	-	130,968,511
Impairment Loss	-	2	1,830,374	25,539	21,889	4,000	-	1,881,804
Disposal/adjustment	-	(448,587)	(16,348,869)	(5,845,658)	(5,583,896)	(10,141,032)	-	(38,368,041)
Balance at 31 December 2022	209,490	158,596,976	254,013,681	153,591,120	31,214,412	44,445,690	-	642,071,369
Balance at 1 January 2023	209,490	158,596,976	254,013,681	153,591,120	31,214,412	44,445,690	-	642,071,369
Depreciation for the year	-	24,078,019	65,693,295	35,391,687	7,210,665	5,593,572	-	137,967,239
Impairment Loss	-	-	-	-	-	-	-	-
Disposal/adjustment	-	(17,926,998)	(6,004,566)	(6,129,206)	-	(23,410,768)	-	(53,471,538)
Balance at 31 December 2023	209,490	164,747,997	313,702,410	182,853,601	38,425,078	26,628,494	-	726,567,070
Carrying amounts								
At 31 December 2022	-	145,753,292	213,119,086	118,731,584	6,946,555	18,353,419	74,975,915	577,879,851
At 31 December 2023	-	130,974,457	161,757,543	96,778,115	8,084,401	38,502,379	171,233,953	607,330,849

B. Allocation of depreciation and impairment losses

<i>In Taka</i>	2023			2022		
	Depreciation on RoU Assets	Depreciation on PPE	Total Depreciation	Depreciation on RoU Assets	Depreciation on PPE	Total Depreciation
Cost of sales	462,000	122,989,737	123,451,737	462,000	122,989,737	118,626,317
Selling and distribution expenses	27,081,965	5,100,276	32,182,241	27,081,965	5,100,276	28,848,050
Administrative expenses	15,707,176	9,877,226	25,584,402	15,707,176	9,877,226	24,111,419
	43,251,140	137,967,239	181,218,379	43,251,140	137,967,239	171,585,786

Notes to the financial statements (continued)

3. Property, plant and equipment (continued)

C. Under construction

See accounting policy in Note 2.8 (I)

<i>In Taka</i>	Furniture fixtures and equipment	Buildings	Plant and machinery	Computers	Total
Cost					
Balance at 1 January 2022	14,109,099	6,725,423	75,702,907	-	96,537,429
Additions	81,179,563	19,805,508	13,081,653	-	114,066,724
Transfers/capitalised	(32,972,973)	(18,386,298)	(84,268,967)	-	(135,628,238)
Balance at 31 December 2022	62,315,689	8,144,633	4,515,593	-	74,975,915
Balance at 1 January 2023	62,315,689	8,144,633	4,515,593	-	74,975,915
Additions	73,996,428	26,305,636	28,895,689	-	129,197,752
Transfers/capitalised	(11,539,842)	(9,383,637)	(12,016,236)	-	(32,939,714)
Balance at 31 December 2023	124,772,274	25,066,633	21,395,046	-	171,233,953

4. Leases

See accounting policy in Note 2.8 (M)

A. Leases as lessee (IFRS 16)

The Company leases distribution centers and head-office. The leases for distribution centers run for a period of 2 - 3 years and head office for a period of 10 years, with an option to renew the lease after that date.

The Company leases sales offices with contract terms of one year. These leases are short-term and leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Company is a lessee is presented below.

i. Right-of-use assets (ROU)

<i>In Taka</i>	2023	2022
Balance at 1 January	249,630,048	243,596,945
Accumulated Depreciation	(118,243,258)	(81,749,687)
Additions to right-of-use assets	18,108,414	53,071,342
Disposal/adjustment	(6,757,568)	(47,038,239)
Balance at 31 December	142,737,635	167,880,361

Notes to the financial statements (continued)

4. Leases (continued)

A. Leases as lessee (IFRS 16) (continued)

i. Right-of-use assets (ROU) (continued)

Reconciliation of carrying amount

<i>In Taka</i>	Corporate Office	Depot	Other	Total
Cost				
Balance at 1 January 2022	169,873,170	68,686,059	5,037,716	243,596,945
Additions		53,071,342	-	53,071,342
Disposal/adjustment		(47,038,239)		(47,038,239)
Balance at 31 December 2022	169,873,170	74,719,162	5,037,716	249,630,048
Balance at 1 January 2023	169,873,170	74,719,162	5,037,716	249,630,048
Additions	1,197,696	15,519,500	1,391,218	18,108,414
Disposal/adjustment		(5,661,324)	(1,096,244)	(6,757,568)
Balance at 31 December 2023	171,070,866	84,577,338	5,332,690	260,980,894
Accumulated depreciation				
Balance at 1 January 2022	34,442,068	51,908,775	1,819,809	88,170,651
Depreciation for the year	14,241,684	25,142,276	1,233,315	40,617,275
Disposal/adjustment		(47,038,239)		(47,038,239)
Balance at 31 December 2022	48,683,752	30,012,812	3,053,124	81,749,687
Balance at 1 January 2023	48,683,752	30,012,812	3,053,124	81,749,688
Depreciation for the year	18,319,003	22,371,564	2,560,571	43,251,138
Disposal/adjustment		(5,661,324)	(1,096,244)	(6,757,568)
Balance at 31 December 2023	67,002,755	46,723,052	4,517,451	118,243,258
Carrying amounts				
At 31 December 2022	121,189,418	44,706,351	1,984,592	167,880,361
At 31 December 2023	104,068,111	37,854,286	815,238	142,737,635

ii. Lease Liability

<i>In Taka</i>	2023	2022
Current portion of lease liabilities	37,696,760	36,940,131
Non-current portion of lease liabilities	132,646,034	150,407,504
	170,342,794	187,347,635

iii. Amounts recognised in profit or loss

<i>In Taka</i>	2023	2022
Leases under IFRS 16		
Interest on lease liabilities	12,484,730	13,226,805
	12,484,730	13,226,805

Notes to the financial statements (continued)

4. Leases (continued)

A. Leases as lessee (IFRS 16) (continued)

iv. Amounts recognised in statement of cash flows

<i>In Taka</i>	2023	2022
Total cash outflow for leases	43,366,568	36,633,172

v. Extension options

Some property leases contain extension options exercisable by the Company. However, There is no extension option for Head-office lease. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

B. Leases as lessor

The Company does not provide any lease facility to other entity.

5. Inventories

See accounting policy in Note 2.8(G)

<i>In Taka</i>	Note	2023	2022
Raw and packing materials	5.(A)	272,023,992	282,729,714
Provision for inventory obsolescence		(7,702,673)	(7,336,528)
Net raw and packing materials		264,321,319	275,393,186
Finished goods	5(B)	313,571,715	240,649,529
Provision for inventory obsolescence		(2,197,005)	(5,238,328)
Net finished goods		311,374,710	235,411,201
Work-in-progress		2,420,588	2,191,345
Inventory in transit	5(C)	12,882,993	67,082,221
		15,303,581	69,273,566
		590,999,610	580,077,952

A. Raw and packing materials

Raw materials	217,809,498	225,342,608
Packing materials	54,214,494	57,387,106
	272,023,992	282,729,714

B. Finished goods

i. Operational allocation of finished goods

Manufacturing unit	123,713,411	135,272,240
Trading unit	189,858,304	105,377,289
	313,571,715	240,649,529

Notes to the financial statements (continued)

5. Inventories (continued)

B. Finished goods (continued)

ii. Business line-wise allocation of finished goods

Business line	Unit of measurement	2023		2022	
		Quantity Unit	Amount Taka	Quantity Unit	Amount Taka
Household and toiletries	Metric Ton	734	182,209,702	801	104,149,286
	Thousand Litre	721	111,040,530	744	118,959,742
	Million No.				
			293,250,232		223,109,028
Pharmaceuticals	Thousand Litre	39	12,824,487	33	9,550,781
	Million No.	12	5,299,991	1	2,751,392
			18,124,478		12,302,173
			311,374,710		235,411,201

C. Inventory in transit

In Taka	2023	2022
Raw and packing materials	9,692,463	9,246,328
Finished goods	3,190,530	57,835,893
	12,882,993	67,082,221

6. Trade and other receivables

In Taka	Note	2023	2022
Trade receivables	6(A)	129,232,075	57,672,823
Other receivables	6(B)	6,324,012	2,534,490
		135,556,087	60,207,313

A. Trade receivables

Trade receivables		130,100,412	57,917,245
Allowance for impairment of trade receivables	6(A)(i)	(868,337)	(244,422)
		129,232,075	57,672,823

i. Allowance for impairment of trade receivables

Balance at 1 January	244,422	225,698
Provision made during the year	623,915	18,724
Balance at 31 December	868,337	244,422

B. Other receivables

Interest receivables	5,822,875	2,416,250
Forfeited amount receivable from Provident Fund	501,137	118,240
	6,324,012	2,534,490

Notes to the financial statements (continued)

7. Advances, deposits and prepayments

<i>In Taka</i>	2023	2022
Advances		
Advance to suppliers	36,217,855	7,693,959
Advance to employees	19,000	2,292,075
	36,236,855	9,986,034
Deposits		
Security deposit	16,473,742	7,646,295
	16,473,742	7,646,295
Prepayments		
Prepaid insurance	2,845,087	2,412,539
Prepaid others	12,484,944	-
Prepaid government fees	369,646	862,629
Prepaid rent	860,433	10,713,255
	16,560,110	13,988,422
	69,270,707	31,620,751

8. Cash and cash equivalents

<i>In Taka</i>	Note	2023	2022
Cash at bank	8(A)	2,919,490,457	1,978,229,020
		2,919,490,457	1,978,229,020

A. Cash at bank

Hong Kong and Shanghai Banking Corporation Limited	111,306,753	554,312,707
Standard Chartered Bank	588,183,704	523,916,313
Short term deposits*	2,220,000,000	900,000,000
	2,919,490,457	1,978,229,020

*As at 31 December 2023, the company had eleven short term deposits with HSBC with maturity of less than three months.

Notes to the financial statements (continued)

9. Share capital

See accounting policy in Note 2.8(F)

<i>In Taka</i>	2023	2022
130,000 ordinary shares of Taka 10 each fully paid up in cash	1,300,000	1,300,000
20,000 ordinary shares of Taka 10 each fully paid up in other than cash	200,000	200,000
4,575,000 ordinary shares of Taka 10 each fully paid bonus share	45,750,000	45,750,000
In issue at 31 December - fully paid	47,250,000	47,250,000
Authorised		
25,000,000 ordinary shares of Taka 10 each	250,000,000	250,000,000

A. Position of shareholding

<i>Name of the shareholders</i>	Number of shares Unit	At 31 December 2023		At 31 December 2022	
		Face value Taka	Percentage of holding %	Face value Taka	Percentage of holding %
Parent company					
Reckitt Benckiser Limited, UK	3,919,918	39,199,180	82.96	39,199,180	82.96
Bangladeshi shareholders:					
ICB Unit Fund	3,700	37,000	0.08	37,000	0.08
Investment Corporation of Bangladesh (ICB)	15,774	157,740	0.33	157,740	0.33
ICB Mutual Funds	50	500	0.00	500	0.00
Individuals	276,751	2,767,510	5.86	2,810,510	5.95
Government of Bangladesh	178,339	1,783,390	3.77	1,783,390	3.77
Sadharan Bima Corporation (SBC)	79,059	790,590	1.67	790,590	1.67
Other institutions	251,409	2,514,090	5.32	2,471,090	5.23
	4,725,000	47,250,000	100.00	47,250,000	100.00

B. Classification of shareholders by holdings

<i>Holdings</i>	At 31 December 2023		At 31 December 2022	
	Number of holders	Percentage of holdings	Number of holders	Percentage of holdings
Less than 500 shares	2,244	2.00	2,352	2.10
500 to 5,000 shares	66	1.97	73	2.14
5,001 to 10,000 shares	5	0.83	5	0.82
10,001 to 20,000 shares	7	2.13	6	1.87
20,001 to 30,000 shares	1	0.56	1	0.56
30,001 to 40,000 shares	-	-	-	-
40,001 to 50,000 shares	-	-	-	-
50,001 to 100,000 shares	2	3.00	2	3.00
100,001 to 1,000,000 shares	2	6.55	2	6.55
Over 1,000,000 shares	1	82.96	1	82.96
	2,328	100.00	2,442	100.00

Notes to the financial statements (continued)

C. Dividends

Dividend Approved

The following final dividends were approved by the Company for the year.

<i>In Taka</i>	2023	2022
BDT 98 per qualifying ordinary share (2022: BDT 165)	463,050,000	779,625,000
	463,050,000	779,625,000

Proposed dividend

After the reporting date, the following final dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences. See Note 36.

<i>In Taka</i>	2023	2022
BDT 55 per qualifying ordinary share (2022: BDT 98)	259,875,000	463,050,000
	259,875,000	463,050,000

10. Employee benefits

See accounting policy in Note 2.8(C)

The Company introduced planned asset in the defined benefit scheme during 2023. Gratuity fund is administered by a Board of Trustees and Company contributions are invested separately from company assets. The Company is contributing to the fund as prescribed by actuarial valuation report.

<i>In Taka</i>	2023	2022
Fair value of plan assets	200,996,413	205,866,413
Defined benefit obligation	(250,612,439)	(240,121,477)
Net Defined benefit (obligation)/asset	(49,616,026)	(34,255,064)

A. Movement in net defined benefit asset and liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components.

<i>In Taka</i>	Defined benefit obligation		Fair value of plan assets		Net defined (asset)/liability	
	2023	2022	2023	2022	2023	2022
Balance at 1 January	240,121,477	232,301,477	205,866,413	134,123,713	34,255,064	98,177,764
Included in profit or loss						
Current service cost	15,230,000	30,290,000	-	-	15,230,000	30,290,000
Past service costs	-	-	-	-	-	-
Interest cost/(income)	17,570,000	15,790,000	16,040,000	9,670,000	1,530,000	6,120,000
	32,800,000	46,080,000	16,040,000	9,670,000	16,760,000	36,410,000
Included in OCI						
Actuarial (gain)/loss arising from:						
Return on plan assets	-	-	(15,720,000)	(9,800,000)	15,720,000	9,800,000
Financial assumption	-	-	-	-	-	-
Experience adjustment	(17,120,000)	(19,890,000)	-	-	(17,120,000)	(19,890,000)
	(17,120,000)	(19,890,000)	(15,720,000)	(9,800,000)	(1,400,000)	(10,090,000)
Other						
Contribution paid by the employer	-	-	-	89,962,700	-	(89,962,700)
Benefits paid	(5,189,038)	(18,370,000)	(5,190,000)	(18,090,000)	962	(280,000)
	(5,189,038)	(18,370,000)	(5,190,000)	71,872,700	962	(90,242,700)
Balance at 31 December	250,612,439	240,121,477	200,996,413	205,866,413	49,616,026	34,255,064

<i>In Taka</i>	2023	2022
Current portion	5,274,184	2,925,382
Non Current portion	44,341,842	31,329,682
	49,616,026	34,255,064

B. Fair Value of Plan Asset

Plan asset is comprised of the following

	2023	2022
Cash and Cash Equivalents	200,996,413	205,866,413
Debt Instrument		
Total	200,996,413	205,866,413

Notes to the financial statements (continued)

10. Employee benefits (continued)

C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	2023	2022
Financial assumptions:		
Discount rate	10.00%	8.00%
Salary escalation rate	8.50%	8.50%
Demographic assumptions:		
Withdrawal rate	20%- 10%	20%- 10%

Assumptions regarding future mortality have been used based on published statistics and mortality tables. As there is no published mortality table in Bangladesh and hence the Indian Assured Life Mortality rate (2006-08) ultimate based on the mortality experience of assured lives in India is being used as a reasonable approximation. The current longevity underlying the values of the defined obligations at the reporting date was adopted from Indian Life Mortality table.

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 December 2023		31 December 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	15,340,000	(13,700,000)	15,340,000	(13,700,000)
Future salary growth (1% movement)	15,040,000	(13,690,000)	15,040,000	(13,690,000)

Although the analysis does not take of full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of the assumptions shown.

E. Significant characteristics of plan

Plan sponsor	: Reckitt Benckiser (Bangladesh) PLC
Nature of benefits	: Final salary defined benefit plan
Risks associated with the plan	: Plan sponsor bears all the risks associated with the plan
Vesting criteria	: 5 years; not applicable in case of death or disability, while in service; more than 6 months service is considered as a complete year of service
Applicable salary	: Last drawn monthly basic salary
Maximum limit of benefit paid	: No upper limit on benefit
Basis of gratuity	: Accrued benefit
Normal retirement age	: 60 years
Benefit calculation	
Service up to ten years	: 1 x Salary x (Number of completed years of service)
Service beyond ten years	: 1.50 x Salary x (Number of completed years of service)

Notes to the financial statements (continued)

11. Trade and other payables

<i>In Taka</i>	<i>Note</i>	2023	2022
Trade payables	11(A)	307,564,946	397,645,541
Other payables	11(B)	2,171,672,939	1,788,493,686
		2,479,237,884	2,186,139,227

A. Trade payables

Inter-company trade payables	11(A)(i)	29,368,300	20,541,270
Third party trade payables		278,196,646	377,104,271
		307,564,946	397,645,541

i. Inter-company trade payables

Reckitt Benckiser (India) Private Ltd.		29,368,300	20,541,270
Reckitt Benckiser Chartres, France		-	-
		29,368,300	20,541,270

B. Other payables

Third party other payables	11(B)(i)	1,061,457,662	934,086,421
Inter-company other payables	11(B)(ii)	1,110,215,277	854,407,265
		2,171,672,939	1,788,493,686

i. Third party other payables

Various payables and provisions		909,153,682	647,557,335
Advance from customers		54,899,685	55,506,563
Advance from third parties		1,099,996	1,099,996
Withholding tax and VAT payables		19,512,613	110,596,147
Worker's profit participation fund	11(B)(i)(a)	14,777,261	44,643,029
Payable for capital expenditure		3,508,072	3,345,351
Return provision		58,506,353	71,338,000
		1,061,457,662	934,086,421

a. Worker's profit participation fund

<i>In taka</i>	2023	2022
Opening payable	44,643,029	11,961,390
Charge for the year	55,047,530	44,643,029
Payment during the year	(84,913,298)	(11,961,390)
Closing payable	14,777,261	44,643,029

Notes to the financial statements (continued)

11. Trade and other payables (continued)

B. Other payables (continued)

ii. Inter-company other payables

<i>In Taka</i>	<i>Note</i>	2023	2022
Payable for technical services fees			
Reckitt and Colman (Overseas) Limited, UK	11(B)(ii)(a)	-	-
		-	-
Payable for royalties			
Reckitt Benckiser Health Limited, UK (Agreement dated 01 April 2019)	11(B)(ii)(a)	756,188,690	588,618,824
Reckitt Benckiser (ENA) B.V., Netherlands (Agreement dated 01 April 2019)	11(B)(ii)(b)	354,026,587	265,788,441
		1,110,215,277	854,407,265
		1,110,215,277	854,407,265

b. Payable for royalties - Reckitt Benckiser Health Limited, UK for the Brand Dettol, Veet, Gaviscon

Balance at 1 January	588,618,824	402,929,750
Charge for the year	194,736,766	185,689,074
	783,355,590	588,618,824
Paid to Reckitt Benckiser Health Limited, UK	-	-
Write back of Over provision	(299,607)	
Write back of unclaimed royalty	(26,867,293)	-
AIT on royalty	-	-
Balance at 31 December	756,188,690	588,618,824

Notes to the financial statements (continued)

11. Trade and other payables (continued)

B. Other payables (continued)

Year	Total Revenue as per Financial Statements (A)	Revenue generated from the Brand owned by Reckitt Benckiser Health Limited, UK (B)	Royalty Amount (C)	Write Back of Over calculated Royalty (D)	Royalty Amount after adjustment over provision (E=C-D)	Royalty Claimed by brand owner and Payable (F)	Royalty Write Back (G=C-D-F)
2020	5,333,883,576	3,581,185,839	215,116,784	245,634	214,871,150	197,452,668	17,418,482
2021	4,942,046,045	3,129,316,542	187,812,966	53,973	187,758,993	178,401,041	9,357,952
2022	4,969,364,802	3,094,817,905	185,689,074		185,689,074	185,598,215	90,859
2023	5,281,570,038	3,245,612,762	194,736,765		194,736,765	194,736,765	-
	20,526,864,461	13,050,933,048	783,355,589	299,607	783,055,982	756,188,689	26,867,293

c. Payable for royalties - Reckitt Benckiser (ENA) B.V., Netherlands for the Brand Harpic, Airwick, Cherry, Lizol, Brasso, Mortein, Trix, Vanish, Airwick.

Balance at 1 January	265,788,441	174,393,657
Charge for the year	98,664,424	91,394,784
	364,452,865	265,788,441
Paid to Reckitt Benckiser (ENA) B.V., Netherlands	-	-
Write back of unclaimed royalty	(10,426,278)	-
AIT on royalty	-	-
Balance at 31 December	354,026,587	265,788,441

Year	Total Revenue as per Financial Statements (A)	Revenue generated from the Brand owned by Reckitt Benckiser (ENA) B.V., Netherlands (B)	Royalty Amount (C)	Write Back of Over calculated Royalty (D)	Royalty Amount after adjustment over provision (E=C-D)	Royalty Claimed by brand owner and Payable (F)	Royalty Write Back (G=C-D-F)
2020	5,333,883,576	1,752,697,737	85,687,710	-	85,687,710	79,968,668	5,719,042
2021	4,942,046,045	1,812,729,503	88,705,955	-	88,705,955	83,936,502	4,769,453
2022	4,969,364,802	1,874,546,897	91,394,784	-	91,394,784	91,453,623	(58,839)
2023	5,281,570,038	2,035,957,277	98,664,416	-	98,664,416	98,667,794	(3,378)
	20,526,864,461	7,475,931,414	364,452,865	-	364,452,865	354,026,587	10,426,278

iii. Royalty Expense charged during the year

Reckitt Benckiser Health Limited, UK (Agreement dated 01 April 2019)	194,736,766	185,689,074
Write back of Over provision	(299,607)	
Write back of unclaimed royalty	(26,867,293)	-
Reckitt Benckiser (ENA) B.V., Netherlands (Agreement dated 01 April 2019)	98,664,424	91,394,784
Write back of unclaimed royalty	(10,426,278)	-
	255,808,012	277,083,859

Notes to the financial statements (continued)

12. Current tax liabilities

<i>In Taka</i>	<i>Note</i>	2023	2022
Balance at 1 January		143,751,375	187,205,959
Provision made during the year	23(A)	309,193,155	223,406,035
		452,944,530	410,611,994
Payment made under sections 155 and 173		(199,008,881)	(194,686,798)
Withholding tax		(77,100,514)	(72,173,821)
Payment made during the year		(276,109,395)	(266,860,619)
Balance at 31 December		176,835,135	143,751,375

13. UPAS loan

<i>In Taka</i>	2023	2022
Balance at 1 January	-	-
Addition during the year	30,990,689	-
	30,990,689	-

14. Unclaimed dividend

<i>In Taka</i>		2023	2022
Balance at 1 January	14(a)	7,311,745	3,032,656
Addition during the year		1,775,795	5,750,359
		9,087,540	8,783,015
Paid during the year		2,074,342	1,471,271
Closing as at 31 December		7,013,198	7,311,745

A. Unclaimed dividend

<i>In taka</i>	2023	2022
Final 2022	1,545,852	-
Final 2021	3,280,490	3,347,108
Final 2020	2,186,856	2,192,806
Final 2019	-	1,771,831
	7,013,198	7,311,745

B. Dividend Payable

<i>In Taka</i>	2023	2022
Balance at 1 January	-	-
Declared Dividend	463,050,000	779,625,000
Transferred to Unclaimed Dividend	1,545,852	3,347,108
Dividend Paid During the Year	77,352,184	776,277,892
Closing as at 31 December	384,151,964	-

Notes to the financial statements (continued)

14. Unclaimed dividend (continued)

C. Dividend paid during the year

<i>In taka</i>	2023	2022
Reckitt Benckiser Limited, UK	-	646,786,470
Foreign shareholders	-	646,786,470
ICB Unit Fund	362,600	610,500
Investment Corporation of Bangladesh (ICB)	1,545,852	2,602,710
Mutual Funds	4,900	140,250
Individuals	28,030,283	45,743,049
Government of Bangladesh	17,477,222	29,425,935
Sadharan Bima Corporation (SBC)	7,718,382	12,995,235
Institutions	22,212,945	37,973,743
Bangladeshi shareholders	77,352,184	129,491,422
Dividend paid in the year	77,352,184	776,277,892

D. Payment during the year from unclaimed dividend

<i>In taka</i>	2023	2022
Payment during the year from unclaimed dividend		
Capital Market stabilization fund 2019	1,755,894	
Capital Market stabilization fund 2018 & 2019	37,825	
Capital Market stabilization fund 2011-2017 & 2018	-	1,196,279
2021 Final	56,100	-
2020 Final	107,147	-
2019 Final	80,963	108,528
2018 Final	36,414	109,225
2017 Final	-	57,239
	2,074,342	1,471,271
Payment during the year	79,426,526	777,749,163

Notes to the financial statements (continued)

15. Operating segments

A. Basis for segmentation

The Company has following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Household and toiletries	Manufacturing and trading of hygiene and home care products.
Pharmaceuticals	Manufacturing and Trading of health care products.

These two reportable segments are the strategic business units of the company and are managed separately based on the Company's management and internal reporting structure. For each of the strategic business units, the management committee reviews internal management report on at least a monthly basis. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Company's Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

2023	Reportable segments			Total
	Hygiene	Health		
In Taka	Household	Household	Pharmaceuticals	
Revenue	2,035,957,277	3,051,062,639	194,550,122	5,281,570,038
Cost of sales	(976,681,739)	(1,520,946,928)	(173,599,846)	(2,671,228,513)
Gross profit	1,059,275,538	1,530,115,712	20,950,276	2,610,341,525
Operating expenses				
Administrative expenses	(164,453,365)	(132,588,396)	(30,376,627)	(327,418,388)
Marketing expenses	(225,707,065)	(181,973,399)	(41,690,964)	(449,371,428)
Selling and distribution expenses	(208,034,810)	(167,725,372)	(38,426,674)	(414,186,856)
Impairment loss reversal on trade receivables	(313,376)	(252,655)	(57,884)	(623,915)
	(598,508,615)	(482,539,823)	(110,552,149)	(1,191,600,586)
Profit from operation	460,766,923	1,047,575,889	(89,601,873)	1,418,740,939

2022	Reportable segments			Total
	Hygiene	Health		
In Taka	Household	Household	Pharmaceuticals	
Revenue	1,876,290,817	2,943,553,658	149,520,327	4,969,364,802
Cost of sales	(978,064,393)	(1,598,700,112)	(155,106,256)	(2,731,870,761)
Gross profit	898,226,425	1,344,853,546	(5,585,929)	2,237,494,041
Operating expenses				
Administrative expenses	(140,612,362)	(143,807,073)	(19,750,038)	(304,169,473)
Marketing expenses	(167,196,217)	(170,994,912)	(23,483,935)	(361,675,065)
Selling and distribution expenses	(164,942,174)	(168,689,657)	(23,167,339)	(356,799,170)
Impairment loss reversal on trade receivables	(8,656)	(8,852)	(1,216)	(18,724)
	(472,759,409)	(483,500,495)	(66,402,528)	(1,022,662,431)
Profit from operation	425,467,016	861,353,051	(71,988,457)	1,214,831,610

Notes to the financial statements (continued)

15. Operating segments (continued)

C. Reconciliation of information on reportable segments to IFRS measures

<i>In Taka</i>	<i>Note</i>	2023	2022
i. Revenues			
Total revenue for reportable segments	15(B)	5,281,570,038	4,969,364,802
Total revenue		5,281,570,038	4,969,364,802
ii. Profit before tax			
Total profit before tax for reportable segments	15(B)	1,418,740,939	1,214,831,610
Amount not related to reported segments	14(C)(iii)	(317,790,331)	(321,971,032)
Total profit before tax		1,100,950,608	892,860,578
iii. Amount not related to reportable segments			
Other income	18	7,433,914	2,428,159
Royalty	19	(255,808,012)	(277,083,859)
Finance income	20	27,245,742	10,554,502
Finance costs	21	(41,614,445)	(13,226,805)
Contribution to Workers' Profit Participation Fund	22	(55,047,530)	(44,643,029)
		(317,790,331)	(321,971,032)

Considering the current size and operations of the Company, segmental assets and liabilities are not considered to be critical for regular review by the management.

Accordingly no disclosure is made regarding the segmental assets and liabilities.

Notes to the financial statements (continued)

16. Revenue

See accounting policy in Note 2.8(B)

<i>In Taka</i>	Note	2023	2022
Revenue including VAT		6,216,238,155	5,846,960,950
VAT		(934,668,117)	(877,596,148)
	16(A)	5,281,570,038	4,969,364,802

A. Disaggregation of revenue

<i>In Taka</i>	Unit of measurement	2023		2022	
		Quantity	Amount	Quantity	Amount
Health – Household	Cases	679,491	3,051,062,639	783,702	2,943,553,658
Health – Pharmaceuticals	Cases	86,592	194,550,122	92,311	149,520,327
Hygiene	Cases	1,552,554	2,035,957,277	1,579,532	1,876,290,817
		2,318,638	5,281,570,038	2,455,545	4,969,364,802

17. Cost of sales

<i>In Taka</i>	Note	2023	2022
Manufacturing unit			
Opening balance of raw and packing materials		275,393,186	272,630,865
Purchases during the year		1,914,703,974	1,973,357,352
Closing balance of raw and packing materials	5	(264,321,319)	(275,393,186)
Materials consumed		1,925,775,841	1,970,595,031
Salaries, wages and welfare expenses		177,100,105	175,236,327
Outsourced manpower		67,054,541	69,027,718
Product testing and laboratory expenses		2,991,436	1,003,269
Realized exchange (gain)/loss		-	-
Unrealized exchange (gain)/loss		-	-
Travelling and conveyance		10,798,962	6,331,060
Power, fuel and utilities		28,252,977	18,417,144
Vehicle expenses		423,825	239,774
Repairs, maintenance and others		54,867,449	46,166,951
Rent, rates and taxes		6,770,945	4,516,963
Printing, stationery and office supplies		988,743	231,872
Insurance		7,888,661	6,840,853
Office expenses		5,430,162	3,950,676
Safety, health and environment		18,576,130	11,293,956
Staff recruitment, training and development expenses		1,209,810	652,068
Legal and professional charges		15,253	1,460,169
Mobile, telephone and internet		1,420,952	1,458,258
Courier expenses		137,153	178,780
Depreciation	3(B)	123,451,737	118,626,317
Bank Charge		265,667	41,679
Manufacturing overhead		507,644,507	465,673,834
Opening stock of work-in-progress		2,191,345	1,207,236
Closing stock of work-in-progress	5	(2,420,588)	(2,191,345)
		(229,243)	(984,109)
Cost of production		2,433,191,105	2,435,284,756
Opening stock of own manufactured finished goods		130,033,912	186,293,149
Closing stock of own manufactured finished goods	5(B)(i)	(126,884,519)	(130,033,912)
		3,149,392	56,259,237
Cost of sales - manufacturing unit		2,436,340,497	2,491,543,994
Trading unit			
Opening stock of finished goods		105,377,289	92,061,805
Purchase of finished goods	17(A)	314,000,917	206,302,364
Closing stock of finished goods	5(B)(i)	(184,490,191)	(105,377,289)
Cost of sales - trading unit		234,888,015	192,986,880
Total cost of sales		2,671,228,513	2,684,530,874

Notes to the financial statements (continued)

17. Cost of sales (continued)

A. Cost of sales - trading unit

In Taka	Unit of measurement	Opening Stock		Purchase		Closing Stock		Cost of Sales - Trading Unit	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Household and toiletries	Metric Ton Thousand Litre Million No.	99.22 52.81 0.66	77,333,380 25,292,517 2,751,392	198 70	255,925,584 49,623,493	121 55.18	134,636,057 44,554,143	176.41 67.59 0.66	198,622,907 30,361,867 2,751,392
Pharmaceuticals	Million No.	-	-	15	8,451,840	12	5,299,991	3.27	3,151,849
Total for the year 2023			105,377,289		314,000,917		184,490,191	-	234,888,015
Household and toiletries	Metric Ton Thousand Litre Million No.	93.63 18.10 0.39	65,109,891 22,496,530 2,404,458	127.72 56.79 1.56	155,782,563 46,475,933 4,043,868	99.22 52.81 0.66	77,333,380 25,292,517 2,751,392	122.12 22.08 1.30	143,559,074 43,679,946 3,696,934
Pharmaceuticals	Million No.	5.95	2,050,926	-	-	-	-	5.95	2,050,926
Total for the year 2022		-	92,061,805		206,302,364		105,377,289	-	192,986,880

B. Raw and packing materials consumed

In Taka	Unit of measurement	Opening stock		Purchase		Closing stock		Consumption	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Various raw material	Metric Ton	1,017.29	221,660,664	11,717.11	1,377,343,152	1,136.72	197,666,044	11,597.68	1,401,337,772
Blow moulding and injection	Thousand Pcs	3,476.11	21,747,674	68,018.10	287,023,298	5,197.54	24,790,291	66,296.66	283,980,681
Boxes solid board and corrugated	Thousand Pcs	6,832.96	15,998,871	49,721.86	166,885,149	5,227.19	19,695,765	51,327.63	163,188,255
Others		13,130.67	15,985,977	50,478.14	83,452,376	9,633.89	22,169,219	53,974.92	77,269,134
Total for the year 2023			275,393,186		1,914,703,974		264,321,319		1,925,775,841
Various raw material	Metric Ton	1,164.78	213,323,208	12,069.26	1,439,491,885	1,017.29	221,660,664	12,216.75	1,431,154,429
Blow moulding and injection	Thousand Pcs	5,807.28	22,018,305	59,253.04	273,704,930	3,476.11	21,747,674	61,584.22	273,975,561
Boxes solid board and corrugated	Thousand Pcs	5,683.04	13,124,617	60,345.61	169,594,852	6,832.96	15,998,871	59,195.69	166,720,598
Others		13,258.18	24,164,735	55,870.65	90,565,685	13,130.67	15,985,977	55,998.15	98,744,443
Total for the year 2022			272,630,865		1,973,357,352		275,393,186		1,970,595,031

C. Percentage of raw materials and packing materials consumed -

In Taka		2023		2022	
		Note	%	Amount	Amount
Raw materials		17(D)	73%	1,401,337,772	1,431,154,429
Packing materials		17(D)	27%	524,438,068	539,440,602
			100%	1,925,775,841	1,970,595,031
Local materials consumed			29%	552,125,791	552,125,791
Imported materials consumed			71%	1,373,650,050	1,418,469,240
			100%	1,925,775,841	1,970,595,031

Notes to the financial statements (continued)

17. Cost of sales (continued)

D. Analysis of material consumed

<i>In Taka</i>	<i>Note</i>	2023	2022
Raw material			
soap noodles		813,317,977	1,004,336,240
Bis/2 hydroxy ethyl oleylamine*		-	14,225,047
Pine oil 85%min bp		38,952,717	53,168,066
Pcmx		34,281,455	33,518,073
Hydrochloric acid		37,299,021	35,224,325
Snowfresh 228093 d		14,135,248	14,555,686
Labsa		32,784,021	20,655,495
Color pigment yellow		6,027,616	6,937,321
Granular soday dyed		8,521,543	7,279,831
Galaxy mw 257		10,598,889	10,563,541
Texapon als is t		12,739,624	14,362,009
Isopropyl alcohol		14,156,952	10,330,643
Na lauryl ether		12,476,539	12,405,356
Castor oil		7,502,069	4,667,395
Perfume jasmina		-	-
Challenge 157708 b		845,639	3,741,233
Lemon grass oil		8,788,782	6,125,891
Dolomite bd for harpic total		18,392,586	12,167,846
Alkyl trimethyl amonium.chlord		-	8,448,864
Citrusgrove 14mpc rta-001863 1*		-	3,909,853
Benzalkonium chloride soln.80%*		10,892,159	9,371,081
Alkylamine Ethoxylate/Ta 20		75,817,405	69,247,239
Alkyl Trimeth Ammon Chlor/Ttac		43,506,247	39,105,072
Arcticool+ Mod2 Bs Tth 1966037		4,427,199	8,231,310
Propylene Glycol Codex		9,710,287	8,459,240
PINE OIL 50%**		18,012,950	-
CITRUSGROVE 20M1 MPC T15146063**		10,060,361	-
SODA ASH LIGHT BD**		9,494,589	-
GLYCERINE-PHARMA**		9,326,638	-
CHLOROXYLENOL (PCMX)/Brown**		8,267,972	-
FRESHNESS MATTERS 94**		7,082,514	-
COCO AMIDO PROPYL BETAINE**		5,485,289	-
DYE ACID BLUE 93**		4,802,785	-
DEEP GREEN SPELLS TSG14-07765**		4,604,049	-
Others		109,026,650	20,117,772
		1,401,337,772	1,431,154,429

* This Item has been discontinued

** New Formula has been introduced

Packing material

Skillet	79,281,324	93,332,724
Outer and cartons	90,761,546	94,070,721
Plastic container	233,557,959	230,022,091
Label	41,270,533	38,214,310
Polybag /HDPE	29,740,976	29,336,797
Cap	36,267,939	32,016,543
Others	13,557,790	22,447,417
	524,438,068	539,440,602
	1,925,775,841	1,970,595,031

Notes to the financial statements (continued)

17. Cost of sales (continued)

E. Statement of production

Own manufacture

Line of business	Unit of measurement	Installed capacity shift single basis	Multiple shifts as		Percentage increase/ (decrease)
			2023	2022	
Household & toiletries	Thousand Litre	15,935	37,306	37,306	0%
	Metric Ton	5,439	16,316	16,316	0%
Pharmaceuticals	Million Tablets	-	-	-	0%
	Thousand Litre	604	1,806	1,806	0%
Total	Metric Ton	5,439	16,316	16,316	0%
	Thousand Litre	16,539	39,111	39,111	0%

ii. Imports for re-sale

Total business	Million No.	15	9	75%
	Metric Ton	198	207	-4%
	Thousand Litre	70	70	-0%

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Notes to the financial statements (continued)

18. Other income

<i>In Taka</i>	<i>Note</i>	2023	2022
Profit/(loss) on sale of property, plant and equipment		6,932,777	2,309,919
Other income-Forfeited amount Provident Fund		501,137	118,240
Operational loss-Forfeited amount not recovered PF Fund		-	-
		7,433,914	2,428,159

19. Operating expenses

<i>In Taka</i>		2023	2022
Selling and distribution expenses	19(A)	414,186,856	356,799,170
Administrative expenses	19(B)	327,418,388	304,169,473
Royalties	11(B)(iii)	255,808,012	277,083,859
Marketing expenses	19(C)	449,371,428	361,675,065
		1,446,784,683	1,299,727,566

A. Selling and distribution expenses

Salaries, wages and welfare expenses		212,398,014	174,349,272
Outsourced manpower		32,196,061	15,797,801
Carriage outwards		68,582,912	63,225,821
Depot expenses		23,063,127	29,945,279
Vehicle expenses		3,246,305	3,077,943
Printing, stationery and office supplies		804,594	311,157
Conveyance, staff meal, travel accommodation		22,389,416	24,632,278
Power, fuel and utilities		3,465,629	4,166,437
Sales office rent and expenses		1,692,143	1,298,919
Insurance		9,912,310	6,764,498
Depreciation	3(B)	32,182,241	28,848,050
Staff recruitment, training and development expenses		-	157,663
Repairs, maintenance and others		5,404	16,667
Mobile, telephone and internet		2,913,485	2,973,851
Courier expenses		1,175,388	623,410
Safety, health and environment		-	159,830
Others		159,828	450,295
		414,186,856	356,799,170

B. Administrative expenses

Salaries, wages and welfare expenses		221,538,544	211,024,950
Outsourced manpower		12,556,578	8,707,910
Non-executive directors fee		476,668	573,331
Mobile, telephone and internet		5,667,395	2,727,886
Courier expenses		3,339,033	1,148,239
Vehicle expenses		375,345	219,230
Conveyance, staff meal, travel accommodation		6,471,710	3,354,574
Power, fuel and utilities		2,856,891	2,370,635
Corporate office expenses		9,144,857	17,668,819
Repairs, maintenance and others		3,413,267	1,505,170
Legal and professional charges	19(B)(i)	10,281,018	12,523,813
Printing, stationery and office supplies		4,827,380	3,833,243
Subscriptions		439,467	437,300
Staff recruitment, training and development expenses		1,213,715	1,187,605
Entertainment		-	119,791
AGM expenses		109,081	292,667
Bank charge		788,873	1,666,388
Insurance		3,606,644	2,725,700
Depreciation	3(B)	25,584,402	24,111,419
Corporate Social Responsibility		3,501,243	6,771,028
Safety, health and environment		-	-
Others		11,226,276	1,199,775
		327,418,388	304,169,473

Notes to the financial statements (continued)

19. Net operating expenses (continued)

B. Administrative expenses (continued)

i. Legal and professional charges

452,872,281

<i>In Taka</i>	Note	2023	2022
Audit fee		1,445,858	1,327,562
Tax services		-	490,553
Legal consultancy		4,732,512	7,157,116
Other consulting fees		4,102,648	3,548,582
		10,281,018	12,523,813

C. Marketing expenses

<i>In Taka</i>	2023	2022
Media and advertisement	364,140,502	280,983,207
Consumer marketing	44,482,142	71,611,378
Market research	40,748,783	9,080,480
Trade marketing	-	-
	449,371,428	361,675,065

20. Finance income

<i>In Taka</i>	2023	2022
Interest income	27,245,742	10,554,502
	27,245,742	10,554,502

21. Finance costs

<i>In Taka</i>	2023	2022
Interest expense on lease liabilities	12,484,730	13,226,805
Interest on UPAS loan	7,774,954	-
Realized exchange (gain)/loss	20,646,027	41,909,244
Unrealized exchange (gain)/loss	708,735	5,430,643
	41,614,445	60,566,692

22. Contribution to WPPF

<i>In Taka</i>	2023	2022
Profit before contribution to WPPF	1,155,998,138	937,503,607
Applicable contribution rate	5%	5%
	55,047,530	44,643,029

The Company contributes 5% of the profit before tax after charging such expense as contribution to WPPF. See Note 2.8(C)(iv)

Notes to the financial statements (continued)

23. Income tax expense

See accounting policy in Note 2.8(E)

A. Amounts recognised in profit or loss

<i>In Taka</i>	<i>Note</i>	2023	2022
Current tax expense			
Current year		309,193,155	223,406,035
		309,193,155	223,406,035
Deferred tax (income)/expense			
Origination/(reversal) of temporary differences	23(D)	(28,740,336)	10,314,936
		(28,740,336)	10,314,936
Tax expense on continuing operations		280,452,819	233,720,971

B. Amounts recognised in OCI

<i>In Taka</i>	2023			2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit plan	1,400,000	(280,000)	1,120,000	10,090,000	(2,270,250)	7,819,750
	1,400,000	(280,000)	1,120,000	10,090,000	(2,270,250)	7,819,750

C. Reconciliation of effective tax rate

<i>In Taka</i>	2023		2022	
Profit before tax		1,100,950,608		892,860,578
Tax using the Company's tax rate	20.00%	220,190,122	22.50%	200,893,630
Factors affecting the tax charge for current period:				
Excess/(deficit) of accounting depreciation over fiscal depreciation	1.38%	15,192,391	0.73%	6,487,640
Excess/(deficit) of rental payment over expenses under IFRS-16	-0.00%	(42,333)	0.43%	3,872,454
Under provision considered for earlier year	2.33%	25,639,055	-3.10%	(27,689,850)
Provision for stock obsolescence and Impairment (loss)/gain reversal on trade receivables	-0.08%	(854,663)	0.09%	804,329
Inadmissible expenses as per income tax act 2023	1.39%	15,261,870	0.79%	7,083,040
Excess of gratuity provision over payment of gratuity	-0.30%	(3,352,000)	-1.60%	(14,319,608)
Excess of technical services fee over payment of technical services fee/royalty	3.38%	37,158,713	5.18%	46,274,398
Movement of temporary differences: as above	-2.61%	(28,740,336)	1.16%	10,314,936
	25.47%	280,452,819	26.18%	233,720,971

Notes to the financial statements (continued)

23. Income tax expense (continued)

D. Movement in deferred tax balances

2023	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance as at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
<i>In Taka</i>						
Property, plant and equipment	(16,671,596)	25,834,359	-	9,162,763	9,162,763	
Employee benefits	7,707,389	2,495,816	(280,000)	9,923,205	9,923,205	-
Trade and other receivables	54,995	118,672	-	173,667	173,667	-
Inventories	2,829,343	(849,407)	-	1,979,936	1,979,936	-
RoU assets- Impact of IFRS 16	(37,773,081)	9,225,554	-	(28,547,527)	-	(28,547,527)
Lease liabilities- Impact of IFRS 16	42,153,217	(8,084,658)	-	34,068,559	34,068,559	-
Net deferred tax	(1,699,733)	28,740,336	(280,000)	26,760,604	55,308,130	(28,547,527)

2022	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance as at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
<i>In Taka</i>						
Property, plant and equipment	(15,123,319)	(1,548,277)	-	(16,671,596)	-	(16,671,596)
Employee benefits	22,089,997	(12,112,358)	(2,270,250)	7,707,389	7,707,389	-
Trade and other receivables	50,782	4,213	-	54,995	54,995	-
Inventories	2,020,801	808,542	-	2,829,343	2,829,343	-
RoU assets- Impact of IFRS 16	(34,970,916)	(2,802,165)	-	(37,773,081)	-	(37,773,081)
Lease liabilities- Impact of IFRS 16	36,818,109	5,335,109	-	42,153,218	42,153,218	-
Net deferred tax assets (liabilities)	10,885,454	(10,314,936)	(2,270,250)	(1,699,732)	52,744,945	(54,444,677)

24. Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

<i>In Taka</i>	Note	2023	2022
Net profit after tax for the year, attributable to the owners of the company		820,497,789	659,139,607
Profit/(loss) attributable to ordinary shareholders		820,497,789	659,139,607

ii. Weighted-average number of ordinary shares (basic)

Issued ordinary shares at 31 December	9(A)	4,725,000	4,725,000
Weighted-average number of ordinary shares at 31 December		4,725,000	4,725,000
Basic earnings per share (EPS)		173.65	139.50

Weighted average number of ordinary shares was not changed during the current and prior year.

B. Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during these years.

Notes to the financial statements (continued)

25. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Further, for the current year the fair value disclosure of lease liabilities is also not required.

In Taka	Carrying amount							Total
	Fair value- hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities		
31 December 2023								
Financial assets not measured at fair value								
Trade and other receivables	6	-	-	-	135,556,087	-	135,556,087	
Cash and cash equivalents	8	-	-	-	2,919,490,457	-	2,919,490,457	
		-	-	-	3,055,046,544	-	3,055,046,544	
Financial liabilities not measured at fair value								
Trade and other payables	11	-	-	-	-	(2,479,237,884)	(2,479,237,884)	
		-	-	-	-	(2,479,237,884)	(2,479,237,884)	
31 December 2022								
Financial assets not measured at fair value								
Trade and other receivables	6	-	-	-	60,207,313	-	60,207,313	
Cash and cash equivalents	8	-	-	-	1,978,229,020	-	1,978,229,020	
		-	-	-	2,038,436,333	-	2,038,436,333	
Financial liabilities not measured at fair value								
Trade and other payables	11	-	-	-	-	(2,186,139,227)	(2,186,139,227)	
		-	-	-	-	(2,186,139,227)	(2,186,139,227)	

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, and trade and other payables because their carrying amounts are a reasonable approximation of fair values.

Notes to the financial statements (continued)

25. Financial instruments - Fair values and risk management (continued)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Risk management framework ((see (B)(i));
- Credit risk (see (B)(ii));
- Liquidity risk (see (B)(iii)); and
- Market risk (see (B)(iv)).

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ii. Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, aging profile etc. Trade and other receivables are mainly related to the interest receivables and other fees.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<i>In Taka</i>	<i>Note</i>	2023	2022
Trade and other receivables	6	135,556,087	60,207,313
Cash and cash equivalents	8	2,919,490,457	1,978,229,020
		3,055,046,544	2,038,436,333

Notes to the financial statements (continued)

25. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

(a.1) Trade and other receivables

The exposure to credit risk for Trade and other receivables at the end of the reporting year by external and intercompany was:

<i>In Taka</i>	<i>Note</i>	2023	2022
Trade receivables	6	130,100,412	57,917,245
Interest receivables	6(B)	5,822,875	2,416,250
Inter-company receivables	6(B)(i)	-	-
		135,923,287	60,333,495

The aging of trade receivables at 31 December

Past due 1-30 days	116,326,153	57,927,909
Past due 31-60 days	13,076,187	181,434
Past due 61-90 days	361,653	-
Past due 91-180 days	336,420	-
Past due over 180 days	-	-
	130,100,412	58,109,343

The aging of interest receivables at 31 December

Past due 1-30 days	5,822,875	2,416,250
Past due 31-60 days	-	-
Past due 61-90 days	-	-
Past due 91-180 days	-	-
Past due over 180 days	-	-
	5,822,875	2,416,250

(a.2) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents at the end of the reporting year was:

<i>In Taka</i>	<i>Note</i>	2023	2022
Cash in hand	8	-	-
Cash at bank	8(A)	2,919,490,457	1,978,229,020
		2,919,490,457	1,978,229,020

Cash at bank are held with HSBC and SCB which are rated ST-1 & AAA based on ratings by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL) respectively.

Notes to the financial statements (continued)

25. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. Moreover, the Company may also get support from the parent in the form of shareholder's loan/capital contribution to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

In Taka	Note	Carrying amount	Total	Contractual cash flows				
				6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 December 2023								
Non-derivative financial liabilities								
Third party trade payables	11(A)	278,196,646	(278,196,646)	(278,196,646)	-	-	-	-
Inter-company trade payables	11(A)	29,368,300	(29,368,300)	(29,368,300)	-	-	-	-
Third party other payables	11(B)	1,061,457,662	(1,061,457,662)	(1,054,145,917)	(7,311,745)	-	-	-
Inter-company other payables	11(B)	1,110,215,277	(1,110,215,277)	-	(1,110,215,277)	-	-	-
Lease liabilities	4(A)	170,342,794	(170,342,794)	17,899,104	19,797,656	22,807,192	82,682,753	27,156,088
		2,649,580,678	(2,649,580,678)	(1,343,811,758)	(1,097,729,366)	22,807,192	82,682,753	27,156,088
31 December 2022								
Non-derivative financial liabilities								
Third party trade payables	11(A)	377,104,271	(377,104,271)	(377,104,271)	-	-	-	-
Inter-company trade payables	11(A)	20,541,270	(20,541,270)	(20,541,270)	-	-	-	-
Third party other payables	11(B)	934,086,421	(934,086,421)	(931,053,765)	(3,032,656)	-	-	-
Inter-company other payables	11(B)	854,407,265	(854,407,265)	-	(854,407,265)	-	-	-
Lease liabilities	4(A)	187,347,635	(187,347,635)	(19,246,711)	(17,693,420)	(36,259,001)	(61,681,795)	(52,466,708)
		2,373,486,862	(2,373,486,862)	(1,347,946,017)	(875,133,341)	(36,259,001)	(61,681,795)	(52,466,708)

Notes to the financial statements (continued)

25. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings incurred in foreign currencies. The Company's foreign currency transactions are denominated in USD, EUR and GBP.

(b) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

	31 December 2023				31 December 2022			
	BDT	USD	EUR	GBP	BDT	USD	EUR	GBP
Foreign currency denominated assets								
Receivables due from related parties	-	-	-	-	-	-	-	-
Total assets	-	-	-	-	-	-	-	-
Foreign currency denominated liabilities								
Trade payables due to related parties	(29,368,300)	(268,045)	-	-	(21,026,203)	(203,603)	-	-
Total liabilities	(29,368,300)	(268,045)	-	-	(21,026,203)	(203,603)	-	-
Net exposure	(29,368,300)	(268,045)	-	-	(21,026,203)	(203,603)	-	-

(c) The following significant exchange rates have been applied during the year

	2023	2022
Average rate		
USD	107.96	93.24
EUR	116.78	98.28
GBP	134.30	115.30
Year end spot rate		
USD	109.56	103.27
EUR	120.93	110.48
GBP	139.49	124.78

(d) Market risk-interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Other than UPAS loan, all payables of the company are interest free. Therefore no interest rate risk arises for the company as at 31 December 2023.

26. Related parties

A. Parent and ultimate controlling party

Reckitt Benckiser Limited, UK has 82.96% shareholding of the Company. As a result, the parent and ultimate controlling party of the Company is Reckitt Benckiser Limited, UK.

B. Transactions with key management personnel

i. Key management personnel compensation

Key management personnel compensation comprised the following.

In Taka	2023		2022	
	Managing Director	Directors and management	Managing Director	Directors and management
Remuneration, bonus and other benefits	82,863,784	438,987,842	55,509,625	380,698,067
Housing rental	-	75,163,523	-	76,874,148
Leave passage	-	11,336,207	-	13,286,328
Medical	-	19,317,285	-	17,877,284
Short-term employee benefits	82,863,784	544,804,857	55,509,625	488,735,828
Gratuity provision	-	21,506,268	-	37,331,903
Provident fund	-	21,108,772	-	19,529,048
Post-employment benefits	-	42,615,039	-	56,860,951
	82,863,784	587,419,896	55,509,625	545,596,778
Number	1	207	1	202

Compensation for Reckitt's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan and provident fund. These expenses are included in operating expenses.

Managing director and certain managers are provided with Company's car, subject to certain limit.

Notes to the financial statements (continued)

26. Related parties (continued)

C. Other related party transactions

In Taka	Nature of Relationship	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
		2023	2022	2023	2022
Parent of the Company					
Dividend paid					
Reckitt Benckiser Limited, UK	14(B)	Reckitt Benckiser Parent Company	-	646,786,470	-
Fellow subsidiaries of the Company					
Import of finished goods					
Reckitt Benckiser (India) private Ltd.		Reckitt Benckiser Group Company	88,749,662	47,712,105	29,853,233
Reckitt Benckiser Healthcare (UK) Ltd.		Reckitt Benckiser Group Company	2,316,728	1,719,003	-
Reckitt Benckiser Bahrain WLL		Reckitt Benckiser Group Company	-	3,609,411	-
Reckitt Benckiser Chartres, France		Reckitt Benckiser Group Company	-	3,300,654	-
Royalties					
Reckitt Benckiser Health Limited, UK		Reckitt Benckiser Group Company	194,736,766	185,689,074	756,188,690
Reckitt Benckiser (ENA) B.V., Netherlands		Reckitt Benckiser Group Company	98,664,424	91,394,784	354,026,587
Systems support services					
Reckitt Benckiser Corporate Services Limited, UK		Reckitt Benckiser Group Company	-	1,768,300	-

D. Significant contract where the Company is party and wherein Directors have interest

No such transactions/contact has occurred during the year.

Notes to the financial statements (continued)

COMPANY
OVERVIEW

27. Net asset value per share

CORE VALUES &
CODE OF CONDUCT

<i>In Taka</i>	2023	2022
Net Asset	1,193,958,259	835,390,470
Weighted average number of ordinary shares outstanding during the year	4,725,000	4,725,000
Net asset value per share	252.69	176.80

28. Net operating cash flow per share

MANAGEMENT
DISCUSSION & ANALYSIS

<i>In Taka</i>	2023	2022
Net operating cash flow	1,169,027,811	1,283,587,123
Weighted average number of ordinary shares outstanding during the year	4,725,000	4,725,000
Net operating cash flow per share	247.41	271.66**

** Previous Year Numbers have been rearranged to give appropriate visibility of the operations.

CORPORATE
GOVERNANCE

29. Reconciliation of net operating cash flow

INTERNAL CONTROL AND
RISK MANAGEMENT

<i>In Taka</i>	Note	2023	2022
Profit before tax		1,100,950,608	892,860,578
Adjustment for:			
- Depreciation and impairment loss	3(B)	181,218,379	173,467,590
- (Gain)/Loss on sale of property, plant and equipment	18	(7,433,914)	(2,428,159)
- Impairment loss reversal on trade receivables	6	623,915	18,724
- Finance costs	21	40,905,711	55,136,050
- Finance income	20	(27,245,742)	(10,554,502)
		1,289,018,957	1,108,500,281
Changes in:			
- Inventories		(10,921,658)	4,745,635
- Trade and other receivables		(75,348,775)	8,799,279
- Advances, deposits and prepayments		(37,649,955)	14,026,737
- Trade and other payables		293,098,657	520,207,755
- Employee benefits		15,360,962	(63,922,700)
Cash generated from operating activities		1,473,558,187	1,592,356,986
Income tax paid	12	(276,109,395)	(266,860,619)
Finance Cost		(28,420,981)	(41,909,244)
Net cash generated by operating activities		1,169,027,811	1,283,587,123

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Notes to the financial statements (continued)

30. Commitments

At 31 December, there were some outstanding purchase orders for the company for capital expenditures.

A. Capital expenditure commitment

<i>In Taka</i>	2023	2022
Financial expenditures - outstanding purchase orders	68,211,659	123,143,415
	68,211,659	123,143,415

31. Contingent liabilities

There are contingent liabilities of Taka 14,064,559 (2022: Taka 39,495,729) on account of bank guarantees, acceptance trust receipt under letter of credit and Taka 563,782,231.7 (2022: Taka 603,297,693) on account of ordinary letter of credit issued by Standard Chartered Bank and HSBC in favour of the Company.

Out of Taka 14,064,559, Taka 860,659.5 for shipping guarantees (2022: Taka 31,519,979) and Taka 13,203,899.93 for guarantees (2022: Taka 7,975,750) on behalf of Reckitt Benckiser (Bangladesh) PLC.

Import bills/bills receivable Taka 13,165,412 (2022: Taka 140,067,712) have been issued by SCB and HSBC on behalf of Reckitt Benckiser (Bangladesh) PLC.

<i>In Taka</i>	2023	2022
Guarantees issued by the Company's scheduled bankers to third parties on counter - indemnities given by the Company	13,203,900	7,975,750
Irrevocable letter of credit opened by the scheduled banks net of on account payment	194,336,712	376,738,381
	207,540,612	384,714,131

32. Number of employees

The company employed 286 (2022: 281) permanent employees and a varying number of casual and temporary employees as required. All permanent employees receive total remuneration in excess of Taka 36,000 per annum.

Notes to the financial statements (continued)

33. Remittance made in foreign currency (FC)

Currency	2023		2022	
	FC	Taka	FC	Taka
Reckitt Benckiser Health Limited,Uk (GBP)	-	-	-	-
Reckitt Benckiser (ENA) B.V., The Netherland (GBP)	-	-	-	-
Reckitt Benckiser Limited,Uk (GBP)	-	-	4,729,124	582,107,823
Mobisy Technologies Private Limited (USD)	14,704	1,543,657	22,055	2,069,532
Willis Tower Wattson India Private Limited (USD)	1,800	192,672	1,800	156,150
Total	16,504	1,736,329	4,752,979	584,333,505

34. Receipt in foreign currency (FC)

Currency	Nature of receipt	2023		2022	
		FC	Taka	FC	Taka
Reckitt Benckiser Corporate Services Ltd. (USD)	System Support Service	-	-	19,504	1,768,300
Reckitt Benckiser Corporate Services Ltd.(GBP)	System Support Service	-	-	-	-
Total		-	-	19,504	1,768,300

35. Production capacity

Line of business	Unit of measurement	Installed capacity for the year 2023	Production for the year 2022
Household & toiletries	Thousand Litre	37,306	37,306
	Metric Ton	16,316	16,316
Pharmaceuticals	Thousand Litre	1,806	1,806
Total	Thousand Litre	39,112	39,112
	Metric Ton	16,316	16,316

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Notes to the financial statements (continued)

36. Events after the reporting date

For the year 2023, the Board of Directors recommended a final dividend of Taka 55 per share amounting to Taka 259,875,000 at the board meeting held on 28 March 2024.

Above recommended dividend represents 31.67% of net profit after tax of the Company for the income year ended 31 December 2023. As a result, the Company shall not be attracted any tax liability as per section 22 of Income Tax Act 2023.

There is no any other significant events after balance sheet date that may affect financial statements of the Company for the year ended 31 December 2023

37. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; the Company has not early adopted the new or amended standards in preparing these financial statements. However, this has no financial impact on the financial position of the Company during the year.

Part A: New standards

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

The objective of IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

These sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

An entity shall apply this Standard for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

IFRS S2 Climate-related Disclosures

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

These climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

An entity shall apply this Standard for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The Company's commitment to sustainability and climate stewardship is reflected in the notable achievements outlined in the 2023 report. We are proud to report a substantial 4.42% increase in energy savings compared to the previous year, consolidating a remarkable 70.31% improvement since 2015. Furthermore, our efforts in water conservation have yielded an impressive 8.3% reduction from 2022 levels, contributing to a cumulative 32.63% decrease since 2015. Additionally, our proactive measures have led to an 8.52% reduction in greenhouse gas emissions compared to 2022, marking a significant 81.55% reduction from 2015 levels. These milestones underscore our unwavering dedication to mitigating environmental impact, advancing sustainability initiatives, and creating awareness, demonstrating the Company's role as a responsible corporate citizen committed to a greener future.

Part B: Standard effective annual reporting periods beginning on or after 1 January 2023.

IFRS 17 Insurance Contracts

An entity shall apply IFRS 17 for annual reporting periods beginning on or after 1 January 2023. If an entity applies IFRS 17 earlier, it shall disclose that fact.

It is anticipated that this new standard will not materially affect the Company's financial statements or performance.

Part C: The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- Amendments to IFRS 17
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — Application of the exception and disclosure of that fact
- Non-current Liabilities with Covenants (Amendments to IAS 1)

38. Comparative information

To enable comparison, certain relevant balances concerning to the previous year have been rearranged and reclassified whenever considered necessary to correspond to current year's presentation.



RECKITT BENCKISER (BANGLADESH) PLC

Registered Office: 58/59 Nasirabad Industrial Area, Chittagong - 4209

Corporate Office: The Glass House, 9th & 10th Floors, Plot-2, Block- SE (B), 38 Gulshan Avenue, Dhaka-1212

PROXY FORM

I/we, the undersigned being a Member of the above named Company appoint

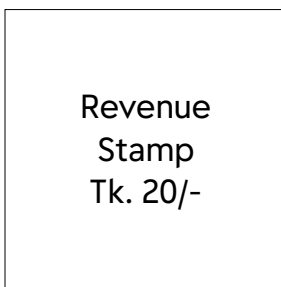
Mr./Mrs./Miss _____
of _____

(Folio no./BO ID no. _____) as my / our proxy to vote and act for me/us, and on my/our behalf, at the 63rd Annual General Meeting of the Company to be held using Digital Platform (in pursuance with BSEC order BSEC/ICAD/SRIC/2024/318/87 dated March 27, 2024) on Tuesday, 28th May, 2024 at 11.00 A.M. and at any adjournment thereof.

Dated this _____ day of _____ 2024.

Signature of the Proxy

Signature of the Witness



Signature of the Shareholder (s)

Name of the Shareholder (s)

Folio no. /BO ID no. _____

Note:

According to the Articles of Association of the Company, Proxy can only be given to a person who is a Member (shareholder) of the Company, The Proxy Form, duly stamped, must reach the Registered Office / Corporate Office of the Company not less than 72 hours before the time fixed for the meeting.

According to the notification issued by Bangladesh Securities and Exchange Commission (BSEC), all the respected members are requested to send the scan copy of fully completed proxy form to the email addresses: nazmul.arefin@reckitt.com; anisur.rahman2@reckitt.com.

RECKITT BENCKISER (BANGLADESH) PLC

Registered Office: 58/59 Nasirabad Industrial Area, Chittagong - 4209

Corporate Office: The Glass House, 9th & 10th Floors, Plot-2, Block- SE (B), 38 Gulshan Avenue, Dhaka-1212

ATTENDANCE SLIP

"Not applicable, as AGM will be conducted through digital platform"



Reckitt Benckiser (Bangladesh) PLC



COMPANY OFFICES

REGISTERED OFFICE

58/59 Nasirabad Industrial Area
Chittagong - 4209
Bangladesh

CORPORATE OFFICE

The Glass House,
9th and 10th Floors, Block-SE (B),
38 Gulshan Avenue, Dhaka-1212,
Bangladesh.

FACTORY

58/59 Nasirabad Industrial Area
Chittagong - 4209
Bangladesh

NARAYANGONJ DEPOT

R.S Plot No-415 & 455, Moza-Khadun,
Tarabo Pourasava, Ward No. 5,
Rupgonj, Rupshi-1460,
Narayanganj

CHITTAGONG DEPOT

Ruby Gate, 1123 Nasirabad Industrial
Area, P.s-Baizid, Chittagong

SALES OFFICE, KHULNA

Plot No:30,
Muigunni Main Road
Sonadanga, Khulna

SALES OFFICE, BOGRA

House No.17, Nishindara
Upashahar Housing State
Main Road, Bogra

SALES OFFICE, BARISHAL

803, Rosarium
West College Avenue
C&B Road, Word 21,
Barisal

SALES OFFICE, RAJSHAHI

House No.483
Block B, Sector 1
Upashahar Housing Estate
Rajshahi

SALES OFFICE, COMILLA

Shaplin, House No - 6,
Block - K, Section - 1,
Housing Estate, Comilla

SALES OFFICE, SYLHET

House 18, Lotif Housing,
Mehendibag,
Sylhet-3100

SALES OFFICE, NARAYANGONJ

Lutfu Tower (9th Floor)
Chasharamore,
Narayanganj

SALES OFFICE, GAZIPUR

House No. 126/2,
Lalmatia, Uttar Sayabithy
Joydevpur, Gazipur