



Independent auditor's report

To: the General Meeting and the Management Board of Reckitt Benckiser Treasury Services (Nederland) B.V.

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Reckitt Benckiser Treasury Services (Nederland) B.V. as at 31 December 2021 and of its result for the then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2021 of Reckitt Benckiser Treasury Services (Nederland) B.V. (the Company) based in Amsterdam.

The financial statements comprise:

- 1 the balance sheet as December 31, 2021;
- 2 the profit and loss account for the year ended December 31, 2021; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Reckitt Benckiser Treasury Services (Nederland) B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit procedures were determined in the context of our audit of the financial statements as a whole. Our observations in respect of going concern, fraud and non-compliance with laws and regulations, and the key audit matters should be viewed in that context and not as separate opinions or conclusions.



We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit approach

Summary

Materiality

- Materiality of GBP 14 million
- 1% of total assets

Going concern and Fraud/Noclar

- Going concern: no significant going concern risks identified
- Fraud & Non-compliance with laws and regulations (Noclar): management override of controls is a presumed risk.

Key audit matters

- Recoverability of loans to related parties

Opinion

Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at GBP 14 million (2020: GBP 15 million). The materiality is determined with reference to total assets of the Company (approximately 1%).

We consider total assets as the most appropriate benchmark because the Company's third-party debt is fully utilized to fund the Reckitt Benckiser group and this funding represents a significant part of the total assets in the balance sheet of the Company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Management Board that misstatements identified during our audit in excess of GBP 700 thousand would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit response to going concern – no significant going concern risks identified

The Management Board has performed its going concern assessment, in which amongst others the Company's high dependency of the parent company's ability to fulfill its obligations towards the Company was considered. The Management Board did not identify any significant going concern risks.

Our main procedures to assess the Management Board's assessment were:

- we considered whether the Management Board's assessment of the going concern risks includes all relevant information of which we are aware as a result of our audit;
- we questioned the Management Board on the key assumptions underlying the Management Board's assessment of the going concern risks;
- we analyzed the Company's financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify significant going concern risks;
- we considered whether the outcome of our audit procedures, to determine the recoverability of the loans to related parties, as described in the key audit matter, could indicate a significant going concern risk;

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on the Management Board's going concern assessment.

Audit response to the risk of fraud and non-compliance with laws and regulations

In chapter 'Financial instruments, loans to related parties and financial liabilities' of the annual report, the Board of Directors describes its procedures in respect of risk management which includes a code of conduct.

As part of our audit, we have gained insights into the Company and its business environment, and assessed the design and implementation of the Company's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Company's implementation of Reckitt Benckiser Group Plc's code of conduct, whistle blower hotline and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with management. As part of our audit procedures, we:

- assessed other positions held by management board members special attention to procedures and governance/compliance in view of possible conflicts of interest;

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company and identified the following areas as those most likely to have a material effect on the financial statements:

- Compliance requirements for bonds listed at the London stock exchange.

We evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements



Based on the above and on the auditing standards, we assessed the presumed fraud risk on revenue recognition as irrelevant, because the revenue originates from income on related party loans with limited complexity in the calculation and without judgement. We identified the following fraud risk that is relevant to our audit, and responded as follows:

— **Management override of controls (a presumed risk)**

Risk:

- Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Response:

- We evaluated the design and the implementation of internal controls that mitigate fraud and non-compliance risks, such as processes related to journal entries.
- We performed a data analysis of high-risk journal entries related to the use of accounts that are not frequently used and duplicate amounts in the administration and evaluated judgments for bias by the Management Board. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions back to source information.
- We incorporated elements of unpredictability in our audit, by inspecting the bank ledger for the year of the company.

Our procedures to address the identified risks of fraud did not result in a key audit matter.

We communicated our risk assessment, audit responses and results to the Management Board.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material for our audit.

Our 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. We have communicated the key audit matters to the Management Board. The key audit matters are not a comprehensive reflection of all matters discussed.

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

Recoverability of loans to related parties

Description

The Company has two EUR 850 million bonds due in 2026 and 2030. The funds received from the Bonds were upon inception immediately lent to Reckitt Benckiser Treasury Services plc (the parent company). As such, the Company has an intercompany receivable with Reckitt Benckiser

Treasury Services plc for GBP 1,422 million, representing 99.6% of total assets. The Loan is guaranteed by the ultimate parent company, Reckitt Benckiser Group plc.

The Company has no substantial assets other than the loan to related parties and the Company's results are therefore highly dependent on the performance of the Reckitt Benckiser Group for its obligations to the bondholders.

We therefore consider the recoverability of the loans to related parties and the credit risk thereon, in particular the ability of the ultimate parent to fulfil its obligations to the Company, to be a key audit matter.

Our response

In order to satisfy ourselves as to the extent to which the guarantees provided by the Ultimate parent mitigate the exposure on the recoverability of the loans to related parties, our audit procedures included:

- Inspecting the loan guarantee letter from Reckitt Benckiser Group plc to the Company;
- Assessing whether Reckitt Benckiser Group plc. is able to meet its obligations toward the Company in the event that Reckitt Benckiser Treasury plc is not able to fulfill its contractual obligations;
- Inspecting the 2021 Financial Statements of Reckitt Benckiser Group plc and discussed the financial position and developments with the Reckitt Benckiser Group plc auditor;
- Assessing Reckitt Benckiser Group Plc. Ltd.'s credit ratings; and
- Assessing the adequacy of the disclosure of the guarantees in notes 3.1 and 3.12 of the financial statements.

Our observation

The results of our procedures performed were satisfactory and we consider the disclosures in notes 3.1. and 3.12 to the financial statements to be adequate.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.



By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by Management Board as auditor of Reckitt Benckiser Treasury Services (Nederland) B.V. on 25 March 2021, as of the audit for the year 2020 and have operated as statutory auditor ever since that financial year.

Description of responsibilities regarding the financial statements

Responsibilities of the Management Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Management Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and



extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in appendix to this auditor's report. This description forms part of our auditor's report.

Amstelveen, 30 May 2022

KPMG Accountants N.V.

B. Rietveld RA

Appendix:

Description of our responsibilities for the audit of the financial statements

Appendix

Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;
- concluding on the appropriateness of the Management Board'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 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We provide the Management Board 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 the Management Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. 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, not communicating the matter is in the public interest.