

# **RB CHINA TRADING LIMITED**

## **Statement under section 172 of the Companies Act 2006**

This statement, which forms part of the Strategic Report, is intended to show how the Directors have approached and met their responsibilities under section 172 of the Companies Act 2006 during 2020. The statement has been prepared in response to the obligations as set out in the Companies (Miscellaneous Reporting) Regulations 2018.

As required by s172 of the UK Companies Act 2006, a Director of a Company must act in a way s/he considers, in good faith, would most likely promote the success of the Company for the benefit of its shareholders. In doing this, the Director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- Company's reputation for high standards of business conduct; and
- need to act fairly as between members of the

In discharging our section 172 duties we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. As a Board our aim is always to uphold the highest standards of governance and conduct, taking decisions in the interests of the long-term sustainable success of the Company, generating value for our shareholders and contributing to wider society. We recognise that our business

can only grow and prosper over the long-term by understanding the views and need of our stakeholders. Understanding our stakeholders is key to ensuring the Board can have informed discussions and factor stakeholder interests into decision making. Those factors, for example, include the interests and views of other members of our Group and our relationship with our lenders. By considering the Company's purpose and values, together with its strategic priorities and having a process in place for decision making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances. In particular:

- The strategy of the Group applies to the Company, as a member of the Group, and shapes the Company's business operations and activities. Details of the Group's long-term strategy can be found on pages 10 to 55 of the Group's 2020 Annual Report, which is available at [reckitt.com](https://www.reckitt.com).
- The Company is committed to responsible and ethical corporate behaviour. This includes high standards of business conduct in our relationships. The Company operates under documented treasury controls and policies approved by the Group, together with other Group policies, including the Group's Code of Business Conduct, Global Anti Bribery Policy and Global Anti Money Laundering Policy and processes are in place to ensure compliance
- We understand the importance of engaging with, and understanding the perspectives of, our workforce. We also recognise the benefits of personal interaction and informal discussions in learning more about the day to-day operations; the development and execution of strategy and gathering direct insight into our culture and workforce engagement.

We delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the Company's activities and



make decisions. As a part of those meetings the directors receive information on section 172 matters when making relevant decisions. We, in conjunction with our executive management team, regularly review financial and operational performance and legal and regulatory compliance. During the year the decisions taken by the Company included the approval of the audited Financial Statements for the year ended 31 December 2020, payment of an interim dividend to Class A shareholders. In making our decisions we considered a range of factors. These included the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in our business and the expectations of the Group.