

## 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 2022 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 2022, there were no major changes in the principal activity of the Company. Reckitt continued manufacturing and marketing of Household, Toiletries and Pharmaceutical products. Your company also continued to invest in major brands to drive business growth.

According to the instruction of Companies Act (section Ka of 11Ka, second Amendment) 2020, we had approached to Register of Joint Stock Company (RJSC) to change the name from Reckitt Benckiser Bangladesh Limited to Reckitt Benckiser Bangladesh PLC and accordingly on it had been approved by RJSC on September 2021 and by NBR on March 2022.

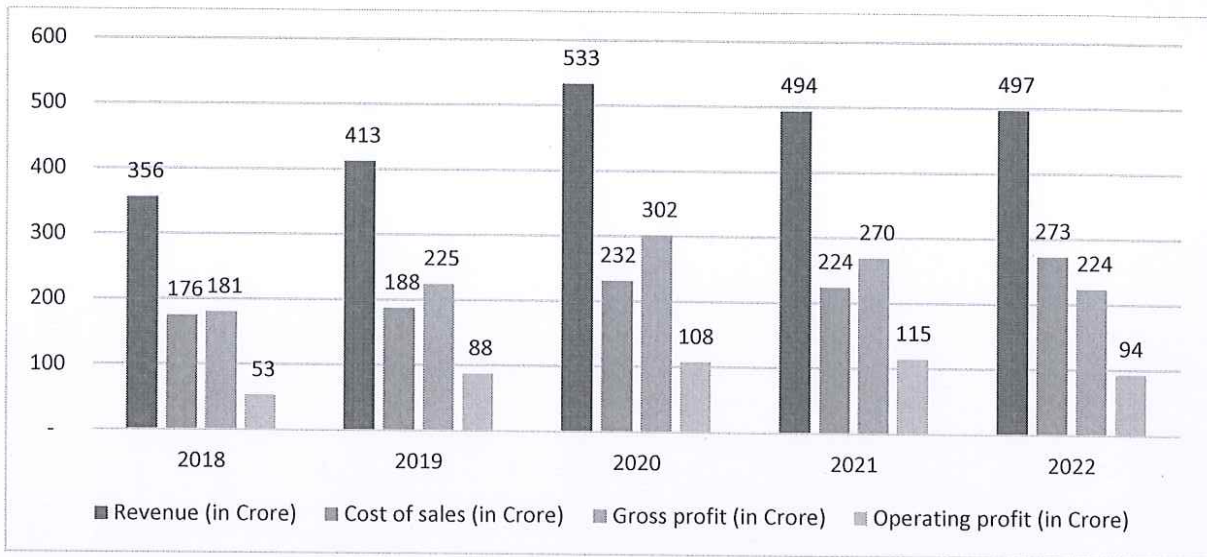
### ECONOMIC HIGHLIGHT

During 2022, world and country's economy have seen dramatic changes throughout the year. We have seen unprecedented inflation, taka value depreciated against dollar, country's foreign currency reserve saw a significant reduction. This resulted in imposition of barrier in import through letter of credit. Daily necessity's price has increased significantly.

### BUSINESS HIGHLIGHTS

During 2022, your company's maintained steady performance throughout the year even with the challenges of the volatile economy. Your company worked hard and proactively to preserve the profitability in the face of the growing impediments of the economy. The resulting turnover at the end of the year has seen slight increase compared to last year

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Five years' Business Performance

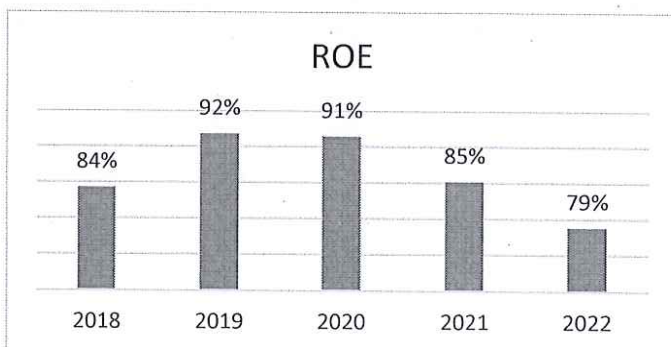
### COST OF GOOD SOLD, GROSS PROFIT MARGIN, NET PROFIT MARGIN

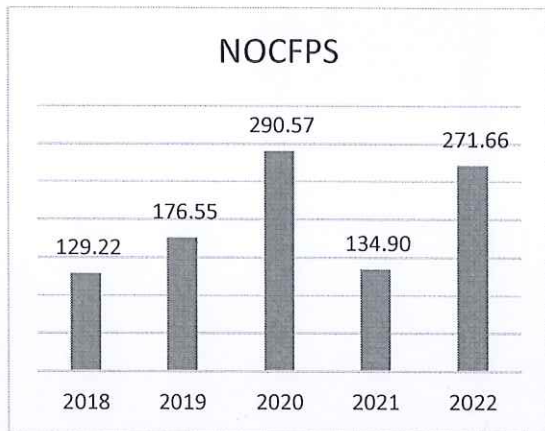
This year gross profit margin was adversely impacted due to around 20% plus inflation. As a result, cost of goods sold has been increased by 21.69% compared to last year. However, to combat the inflation we had taken price adjustment in the topline and managed to arrest the decrease of gross profit by 17.04% and net profit by 18.44%.

### NET ASSET, LIABILITY AND EQUITY AND NET OPERATING CASHFLOW

Despite huge pressure on COGS, we maintained 79%+ ROE for the year.

Doing better negotiation with our suppliers and buyers we have increased our Net Operating Cash flow per share increased from Tk. 134.90 to Tk. 271.66 per share.



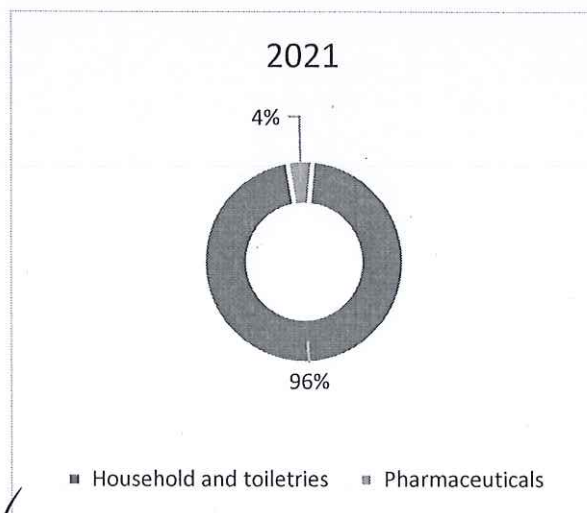



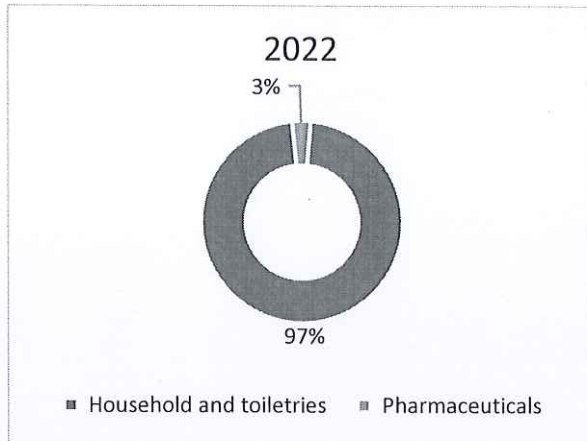
### SEGMENT WISE PERFORMANCE

The company has two reportable segments based on two strategic business divisions i.e. Household & toiletries and Pharmaceuticals. These divisions offer different products and are managed separately because they require different technology and marketing strategies. These are:

Reportable segments	Operations
Household and toiletries	Manufacturing and trading of hygiene and home care products.
Pharmaceuticals	Manufacturing 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 pharmaceutical products approval is acquired from the Directorate General of Drug Administration. For the year 2022, 2.96% of the total turnover came from pharmaceutical products compared to 4% of the preceding year, as Dettol antiseptic liquid did not do well like last year when to combat against the pandemic Dettol antiseptic liquid used to be consumed.



Detail information reportable for each segment has been demonstrated in note no. 14 of the Notes to the Financial Statements.

In operation, company also monitor its business in two categories – health and hygiene. The composition of turnover on the two categories are 62% and 38% for health and hygiene respectively for the year 2022.

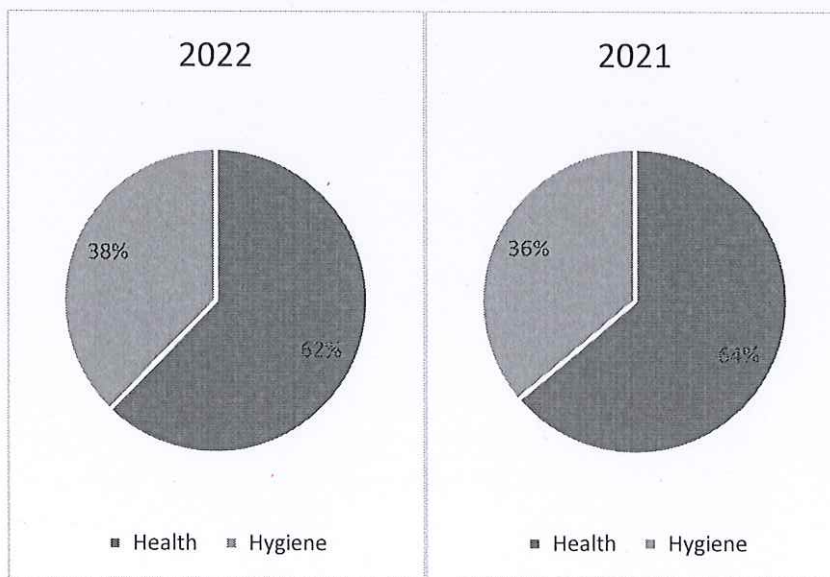


Figure: composition of health and hygiene on turnover



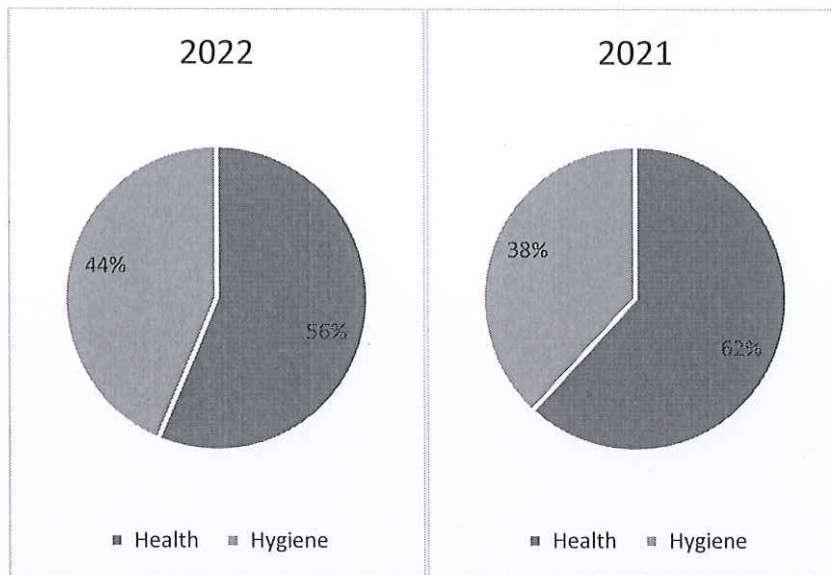


Figure: composition of health and hygiene on operating profit

#### 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 mainly for salaries & benefits, dividend and technical services fees, royalty, import of finished goods and support services.

The detail statement on transaction, nature and amount are presented in note no. 25 of the Notes to the Financial Statements.

#### EXTRAORDINARY GAIN OR LOSS

During the year 2022 there was no significant extraordinary gain or losses incurred to the business.

#### SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL PERFORMANCE

During the year quarterly revenue was steady. But cost of sales in quarter 2 and 3 was higher compared to other two quarters mainly for extraordinary hit in our key raw material price led by Russia-Ukraine war. On the other hand to deliver profit we had cut down our operating expense mainly in the marketing spend. Result is that, we have achieved quarter on quarter progressive EPS.



Amount in Thousand Taka	Total	Q4	Q3	Q2	Q1
Revenue	4,969,365	1,200,488	1,257,159	1,236,836	1,274,882
Cost of sales	2,731,871	639,302	750,385	692,532	649,652
Operating and other expenses	1,344,633	254,164	259,383	336,734	494,352
Tax expenses	233,721	75,584	59,141	59,078	39,918
Profit for the year	659,140	231,438	188,250	148,492	90,960

Basic earnings per share (Taka)	139.50	48.98	39.84	31.43	19.25
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## SUMMARY OF FINANCIALS

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

Particulars	2022	2021
	Taka	
Profit before taxation (including other comprehensive income/items)	900,680,328	1,095,216,232
Less: Taxation	(233,720,971)	(293,379,967)
Profit after taxation (including other comprehensive income/items)	666,959,357	801,836,265
Add: Un-appropriated profit from previous year	900,806,113	760,469,848
Profit available for appropriation	1,567,765,470	1,562,306,113
Less: Final cash dividend paid @ Tk.165 (i.e. 1650%) per share for 2021	(779,625,000)	(661,500,000)
Total profit available for appropriation	788,140,470	900,806,113
<b>Appropriation:</b>		
Proposed Final dividend	(463,050,000)	(779,625,000)
Un-appropriated profit *	325,090,470	121,181,113

\*after recognition of dividend in the period of appropriation

## DIVIDEND

The Board is pleased to recommend final cash dividend of Tk.98/= (980%) per share amounting to Tk.463.05 million for the year 2022, (2021: Tk.165 per share i.e. amounting to Tk.779.625 Million), this is fully out of the profit from current year of 2022.

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 2022 on page ----- (Will be addressed in Published Annual Reports 2022).

### EARNINGS PER SHARE

The earnings per share numbers are provided on pages \_\_\_\_, \_\_\_\_ & \_\_\_\_ (Will be addressed in Published Annual Reports 2022).

### SUSTAINABILITY

We continued our sustainability effort towards the environment and society. Trust originates from our safe and effective brands and 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 passionate 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 5 years.


Additionally in 2022, we have partnered with Amar Ekushey Boimela as hygiene partner for COVID protection to provide hygiene support to 3.4 million people. DHPB also partnered with Scout for their campaign “3rd National Disaster Management Scout Camp”. In addition to this we have come up with 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’re combating climate change with ambitious plans to reduce our own carbon footprint, by reducing energy use, reducing water usage and reducing waste generation. We’re taking steps to improve the environmental performance of our products, factories and suppliers. And all of 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 2022 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:

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1. Third prize from ICAB for Best Presented Annual Report 2021
  2. Third prize from SAFA for Best Presented Annual Report 2021

3. Second prize from ICMAB for Best Corporate Award 2021
4. Best Partner/Associate Award from Bangladesh Scouts for the years 2020-22
5. Our brands received multiple accolades from COMMWARD by Bangladesh Brand Forum for 2021

## 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 \_\_\_\_\_ (Will be addressed in Published Annual Reports 2022).
- j) During the year six Board meetings were held and the attendance by each director is given on page \_\_\_\_\_ (Will be addressed in Published Annual Reports 2022).
- k) The pattern of shareholding is provided on pages \_\_\_\_\_ & \_\_\_\_\_ (Will be addressed in Published Annual Reports 2022).
- 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 \_\_\_\_\_ (Will be addressed in Published Annual Reports 2022).
- 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 \_\_\_\_\_ (Will be addressed in Published Annual Reports 2022).





- 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 \_\_\_\_\_ (Will be addressed in Published Annual Reports 2022).
- 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 2022:

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 & CFO
7.	Mr. Sheikh Faezul Amin	Government Nominated Director (Appointed on 27 April 2022)
8.	Mr. Rajesh Kumar Jha	Director (appointed on 29 December 2022)

Mr. Sheikh Faezul Amin has been appointed as Government nominated director in place of Md. Golam Yahia with effect from 27 April 2022 and require to the approval in the 62nd Annual General Meeting.

Mr. Rajesh Kumar Jha has been appointed as Nominated Director of Reckitt Benckiser Limited, UK in place of Ms. Afreen Huda with effect from 29 December 2022 and require to the approval in the 62nd Annual General Meeting.

Mr. C.Q.K. Mustaq Ahmed, Independent Director has retired from his 2nd tenure period from the Board on 28 October 2022 and in place of him Mr. Istiaque Ahmad has been selected as Independent Director by the Board. To comply with the BSEC notification no. BSEC/CFD/ID/2021/17/Admin dated 13th January 2022 we have filed the application for appointment of Mr. Istiaque Ahmad before Bangladesh Securities and Exchange Commission (BSEC). We are still awaiting on the approval from BSEC on the appointment of the Independent Director.

The brief resume of directors, expertise, and directorship to other Company (If any) provided on page \_\_\_\_\_ (Will be addressed in Published Annual Reports 2022).

## ELECTION OF DIRECTORS

As per Article 118A of the Articles of Association of the Company, Mr. Sourav Mitra, Mr. Tanmay Gupta and Mr. Pradeep Krishnamurthi 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 62nd Annual General Meeting.



## AUDITORS

The retiring auditors of the Company, A Qasem & Co., Chartered Accountants (Member firm of ECOVIS International) have expressed their willingness to continue in office and being eligible, offer themselves for reappointment, subject to shareholders' approval in the 62nd Annual General Meeting.

## CERTIFICATION UNDER COMPLIANCE OF CORPORATE GOVERNANCE CODE

During the year 2022, M/s. Rahman Anis & Co., Chartered accountants, have certified the Compliance of the Company under corporate Governance code of BSEC and expressed their willingness to continue in office offer themselves for reappointment, subject to shareholders' approval in the 62nd Annual General Meeting.


## INDEPENDENT SCRUTINIZER FOR THE AGM


The Board has appointed M/S MOHAMMAD SANAULLAH & ASSOCIATES, Chartered Secretaries, as Independent Scrutinizer for 62nd 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.

  
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Sheikh Faezul Amin  
Director

  
\_\_\_\_\_  
Nazimuddin Chowdhury  
Independent Director

  
\_\_\_\_\_  
Tanmay Gupta  
Director

  
\_\_\_\_\_  
Vishal Gupta  
Managing Director

