

STRATEGIC IMPERATIVES:
DRIVE SUPERIOR EXECUTION



FOCUS ON: EXECUTIONAL RESILIENCE

In the face of economic, political and public health shocks in recent years we have sharpened our executional resilience. We're meeting consumer needs in fluid times as an agile, responsive and competitive business.

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SAMI NAFFAKH
CHIEF SUPPLY OFFICER

We are building a much more resilient supply chain, learning from the market disruptions that have tested us and made us stronger.



STRATEGIC IMPERATIVES CONTINUED

Proven excellence

Over the last two and a half years, we have been building a more competitive, resilient and capable Reckitt. We've been on a transformative journey, evolving our culture around a dynamic new strategy centred on Purpose. This anchors the business and adds momentum. We are more agile and responsive in a changing world.

The investments we have made have unlocked new capabilities. We have built close relationships with suppliers and customers that allow us to respond quickly and at scale when big issues change the competitive landscape.

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MATTHEW LINDSEY
CUSTOMER SERVICE DIRECTOR
NORTH AMERICA

Customer relationships are more important than ever, and our concerted efforts to strengthen them are paying off in tangible and rewarding ways.



We have lived through repeated demand surges and supply shocks over the past three years, with cost inflation and energy price rises exerting increasing pressure on margins. The pandemic distorted demand and disrupted supply for two years. In 2022, the war in Ukraine created raw material and energy shortages. In North America, a competitor shut down its largest domestic factory leaving parents facing a sudden shortage of infant formula.

Reckitt has repeatedly demonstrated the appetite and agility to meet these external challenges. Whether by sourcing alternative suppliers, reformulating our products, shifting or scaling up production or through our productivity improvement programme, we have consistently stepped up with smart solutions that meet the moment. Whenever we have faced disruption, we have not only recovered but we have emerged stronger.

Integrated supply chain management

We counter volatility in the global supply chain by planning in a holistic way, maintaining visibility across the full product lifecycle. We maximise that transparency with high-quality data and connected technologies. Our supply function engages directly with all parts of the business meaning we can adapt swiftly to shifting market dynamics and adjust our productive capacity proactively.

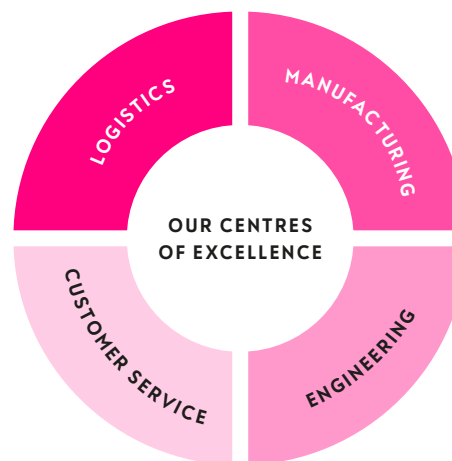
Operational excellence

We have built a more resilient supply organisation creating value for our people, our customers and our consumers by strengthening our operations, improving our ways of working and increasing efficiency.

We manage our supply globally in a highly integrated way. Connected core capabilities

leverage the strength and scale of our global network. We meet our strategic priorities through four workstreams focused on building internal capabilities and driving excellence. We underpin these capabilities with the latest technologies.

Our productivity programme has released significant resources for reinvesting in the business. We have delivered productivity improvements spanning each pillar of supply, from logistics through to customer service. Our centres of excellence are developing and sharing best practice and driving continuous improvement across the business.

**Manufacturing excellence**

Resilient, agile and efficient manufacturing is a core capability. We have implemented the Reckitt Production System (R-PS), a common set of standards, across all our manufacturing sites. We apply this system to adopt and share best practice and drive continuous improvement.

Each site monitors its performance against 11 standards, covering areas such as root cause

problem solving, maintenance and waste.

Ten KPIs track progress, with metrics on health and safety, quality, service levels, costs and people, and stretching targets for connected Overall Equipment Effectiveness (OEE) and waste. Collectively, the R-PS standards ensure employees have the knowledge and the tools to operate responsibly and efficiently whilst minimising our environmental footprint.

R-PS is now in its third year. Our focus in 2022 was on improving OEE and reducing waste in our sites. We have seen results of an up to 20% increase in efficiency at our focus sites and between 10% and 30% material waste reduction.

Customer service excellence

Coordinating how we collaborate with customers to ensure predictable access to our products is critical, particularly at times of supply and demand disruption. We have rebuilt our customer operating model to change how we communicate, enable strategic supply chain solutions and improve availability.

Our cross-business unit approach delivers agile, responsive and consistent customer service. This employs improved ways of working that integrate supply and sales via networked teams. We work in partnership with our customers across the supply chain, from manufacturing to customer service to sales, using mutually beneficial performance and growth metrics, focused on consumer needs.

Harmonising service and combining sales and supply is helping us build stronger customer relationships. It has also reduced our cost to serve. Further savings came from collaborating with retailers on order weights and increasing the number of no-touch orders. 80% of orders across our Health and Hygiene businesses are now fully automated providing seamless service.

STRATEGIC IMPERATIVES CONTINUED

