

## Risk Management continued

Key

Sustainable mid-single-digit growth

High gross margin business

Brand Investments

Adjusted operating profit growth ahead of net revenue growth

Strong cash flow and healthy balance sheet

Capital Allocation Framework

Risk	What is the risk?	Examples of how we are managing the risk	Mitigation progress this year
<b>6 ESG Transition</b>  Link to strategy:  Risk trend: <b>No change</b>  Oversight Committee: <b>CRSEC Committee</b>	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. There is a risk that we fail to deliver our ESG programme or deliver against our sustainability ambitions.	<ul style="list-style-type: none"> <li>– A Group ESG reporting function is in place and responsible for identifying, assessing and implementing emerging ESG regulation</li> <li>– Tools have been developed to support delivery against our sustainability ambitions, including the SIC. This has been implemented across our innovation pipeline to quantify sustainability improvements across carbon, water, plastics and packaging, ingredients and overall Extended Producer Responsibility (EPR) risk</li> <li>– Performance against our Sustainability Ambitions is centrally coordinated, monitored, and reported</li> <li>– A DE&amp;I Board is in place to provide oversight across diversity and gender balance</li> </ul>	<ul style="list-style-type: none"> <li>– We have established cross-functional steering committees providing governance and oversight across key ESG transition risks and sustainable product activities</li> <li>– A taskforce to respond to the Corporate Sustainability Reporting Directive (CSRD) has been established, which is focused on preparing the business to meet its incoming requirements</li> <li>– 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</li> </ul>
<b>7 Product Safety</b>  Link to strategy:  Risk trend: <b>No change</b>  Oversight Committee: <b>CRSEC Committee</b>	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.	<ul style="list-style-type: none"> <li>– Our Consumer Safety and Vigilance team partners with each of our GBUs, embedding product safety into operations and providing oversight and assurance services</li> <li>– A robust quality management system is in place underpinned by clear policies and supporting systems, and is subject to regular independent audits</li> <li>– Our manufacturing facilities adhere to Quality Manufacturing Systems and our adverse and critical events process and our dedicated Vigilance team allows us to monitor and respond to any product quality or safety issues</li> <li>– Role-based mandatory Product Safety training is in place, with all employees required to complete Adverse Events training</li> </ul>	<ul style="list-style-type: none"> <li>– We continued our five-year Global Safety Transformation programme to elevate our global safety approach across safety culture, processes, systems and data</li> <li>– We have deployed our global quality management system (Quality One) to support better control of, and visibility into, product quality and safety processes</li> <li>– A cross-functional Quality, Regulatory and Safety (QRS) Council has been created to enhance Reckitt's compliance programmes</li> </ul>

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<b>8 Innovation</b>  Link to strategy:   <hr/> Risk trend: <b>No change</b> <hr/> Oversight Committee: <b>Main Board</b>	Our continued growth and success depends 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.	<ul style="list-style-type: none"> <li>– Consumer trends, behaviour and needs are analysed through our Demand Centered Growth process based on targeted consumer segments</li> <li>– Innovation projects follow a standardised operating model, which includes defined stage gates and cross-functional approvals, with oversight from our Category and R&amp;D teams</li> <li>– Enhanced reporting provides greater visibility over our innovation pipeline</li> </ul>	<ul style="list-style-type: none"> <li>– 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</li> <li>– We have enhanced our external partnership capability to drive co-creation of innovation through greater external orientation in key areas like sustainability</li> </ul>
<b>9 Reliance on Key Manufacturing Sites</b>  Link to strategy:   <hr/> Risk trend: <b>No change</b> <hr/> Oversight Committee: <b>Main Board</b>	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.	<ul style="list-style-type: none"> <li>– Each of our manufacturing sites is classified through a three-tier system based on revenue dependency or criticality to market. This drives our site inspection programme with Tier 1 sites being subject to more regular inspections</li> <li>– We operate a Global asset protection programme through our insurers, which includes a rotational review of sites</li> <li>– Our Global Health and Safety and Corporate Security teams maintain a framework of standards and complete a global audit compliance programme</li> </ul>	<ul style="list-style-type: none"> <li>– 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</li> <li>– We have deployed the Reckitt Production System across all our manufacturing sites to drive sustainable manufacturing performance</li> <li>– We continue to closely monitor the external environment and develop business continuity plans to minimise the impact of any disruption</li> </ul>
<b>10 Economic Volatility</b>  Link to strategy:   <hr/> Risk trend: <b>No change</b> <hr/> Oversight Committee: <b>Main Board</b>	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.	<ul style="list-style-type: none"> <li>– Price volatility is managed through our CRM process, which determines the optimal price management strategies for energy and other key commodities</li> <li>– Our Treasury function oversees the Group's risks relating to foreign exchange and interest rate risk management through several controls, including policies, oversight of market and GBU activities, monitoring and reporting</li> </ul>	<ul style="list-style-type: none"> <li>– 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</li> </ul>

## Our Viability Statement

# THE ASSESSMENT PROCESS AND KEY ASSUMPTIONS

The Board's Viability Review is based on the Group's strategy, its long-term financial plan and its principal risks.

A financial forecast covering a five-year period was prepared (the base case). This period was selected as it is the period covered in the Group's 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 a number of key assumptions aligned to the Group's growth strategy, planned capital spending and capital allocation policy. The assessment of viability takes into account 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 crystallisation of the Group's principal risks (see pages 57-60, including how we are managing the risk). Principal risks have the potential to create adverse circumstances for the Group and can occur individually or in combination with each other. The assessment of viability considered the implications of crystallisation 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) crystallisation of principal risks deemed to have the most relevant potential impact on viability; and (ii) crystallisation 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, as set out in the Taskforce on Climate-related Financial Disclosures (TCFD) statement on page 218. 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. On the basis of 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 Group 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 Group's 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 the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period covered in the Viability Review.

The Strategic Report, as set out on pages 2 to 61, has been approved by the Board.

**Catheryn O'Rourke**  
Company Secretary  
Reckitt Benckiser Group plc

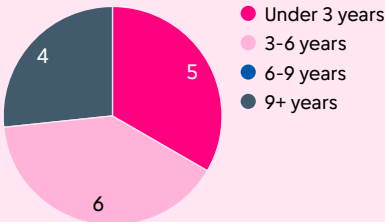
21 March 2024

Corporate Governance Report

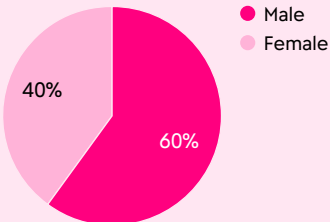
AT A GLANCE

DIVERSE LEADERSHIP

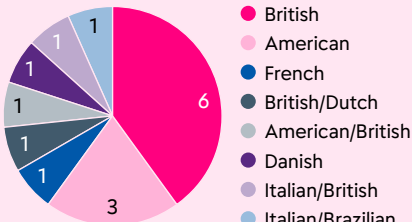
Tenure<sup>1,3</sup>



Gender<sup>1</sup>



Nationality<sup>1</sup>



Board members skills overview<sup>2</sup>

● Core skill

Financial Expertise



Consumer Goods & Retail



Leadership



Strategy & Transformation



Healthcare & Pharmaceuticals



Digital & Marketing



➔ See pages 65-68

for details of Board members who served during the year and as at the date of this Report.

1. As at close of business on 31 December 2023  
2. Board skills as at 15 March 2024  
3. Board members who have served over nine years as at the date of this Report will retire at the 2024 AGM, with the exception of Mary Harris, who will remain on the Board for a fixed term until the 2025 AGM to support a smooth Remuneration Committee Chair succession (see page 64)

UK Corporate Governance Code: 2018 Statement of Compliance

For the year ended 31 December 2023, the Company complied with all the provisions of the Code and the Disclosure Guidance and Transparency Rules requirements to provide a corporate governance statement.

How we comply with the Code

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Group Executive Committee	69-70 ➔
Reckitt's approach to governance	71-73 ➔
Board activities during 2023	74-75 ➔
Market Context, Our Strategy and Our Business Model	07-12 ➔
CRSEC Committee Report	96-99 ➔
2. Division of responsibilities	
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5. Remuneration	
Remuneration Committee Report	100-132 ➔

## Corporate Governance Report continued

# CHAIR'S INTRODUCTION TO GOVERNANCE



Our Board is committed to upholding the highest standards of governance in the long term interests of our shareholders and stakeholders."

**Chris Sinclair**  
Chair

Dear shareholder,

On behalf of the Board, I am pleased to present Reckitt's Corporate Governance Report for the financial year ended 31 December 2023. The Board is responsible for the effective leadership of the Group and for promoting its long-term sustainable success.

The Board provides leadership by setting the Company's Purpose, strategy and values, overseeing implementation of the strategy by management and monitoring culture to ensure its alignment with our Purpose and values. The Board ensures there are appropriate processes in place to manage risk and monitors the Company's financial and operational performance against objectives.

## Evolution of the Board and Executive Team

Since I have now completed nine years on the Board, a process was undertaken during the year to identify my successor as Chair. This exercise was undertaken by the Nomination Committee (excluding me) and led by Andrew Bonfield. Further information on the process is described on page 86. It was successful, and I am delighted to be succeeded by Sir Jeremy Darroch who will take over as Chair of the Board with effect from the conclusion of the AGM.

Sir Jeremy joined the Board as Senior Independent Director in November 2022. He is an outstanding leader with considerable expertise, a proven track record of performance and a unique insight into what motivates consumers as well as a passion for responsible and sustainable business.

Our evolution as a Company has also been accompanied by a transition in our executive leadership team. On behalf of the Board, I'd like to thank Nicandro Durante for the exceptional job he has done as CEO, helping to oversee the selection of a permanent CEO and a new CFO, and for working with Kris Licht to ensure a seamless transition for all our stakeholders. The Board came into this process knowing we had a strong bench of leadership talent and Kris Licht was identified as the outstanding candidate to be CEO. Kris has been instrumental in Reckitt's transformation through his role as Chief Transformation Officer and his strong operational leadership of our Health GBU. He has a deep understanding of Reckitt's business, customers, brands and culture.

During the year, Jeff Carr, our Chief Financial Officer (CFO) notified the Board of his intention to retire in March 2024. Following a thorough search, Shannon Eisenhardt was appointed as CFO Designate on 17 October and will succeed Jeff as CFO in March 2024.

Shannon brings extensive experience across the consumer goods and retail sectors, having worked with some of the most globally recognised brands. Shannon is a proven strategic and operational leader with a track record of building highly successful teams and delivering strong and consistent performance.

## Corporate Governance Report continued

Following Kris's appointment as CEO Designate in May, there were also changes to our Group Executive Committee (GEC) membership. Pat Sly was appointed as President Health having previously led Reckitt's Global Nutrition business since 2021. Pat was succeeded as President Nutrition by Susan Sholtis, who rejoined Reckitt on 1 July 2023. Susan has a deep knowledge of the Nutrition business, having previously worked for more than 11 years at both Mead Johnson and Reckitt in general management and global marketing roles.

On 12 January 2024, we announced the appointment of Marybeth Hays as a Non-Executive Director, with effect from 1 February 2024. Marybeth has over 25 years of experience in the retail, healthcare and consumer goods sectors and we are delighted Marybeth has agreed to join the Board. More details on Marybeth's appointment can be found on page 84.

In February 2024, we were also delighted to confirm the appointment of Fiona Dawson as a Non-Executive Director and as Chair Designate of the Remuneration Committee from 1 June. Fiona brings extensive consumer goods experience and is passionate about sustainability, health and wellbeing – particularly women's entrepreneurship and human rights.

On the same day, we announced that Alan Stewart, currently Non-Executive Director and Chair of the Remuneration Committee, had notified the Board of his intention to retire from the Board following the AGM in May.

To ensure continuity in relation to the Remuneration Committee, Mary Harris, former Chair of the Remuneration Committee and the current Designated Non-Executive Director for Engagement with the Company's Workforce, will be reappointed as Chair of the Remuneration Committee upon conclusion of this year's AGM, for a fixed term until our next AGM in May 2025.

Although Mary has now served nine years as a Non-Executive Director of the Company, the Board unanimously agreed that Mary is uniquely positioned to undertake the role of Remuneration Committee Chair during this interim period due to her extensive knowledge of the business, her in-depth understanding of investor and other stakeholder expectations and previous Remuneration Committee Chair experience. Mary is considered to continue to retain an independence of mind and to be an effective and valued contributor to the Board.

Elane Stock will take on the role of Designated Non-Executive Director for Engagement with the Company's Workforce from Mary Harris, with effect from the conclusion of this year's AGM.

At the conclusion of the 2025 AGM, Fiona will take on the role of Remuneration Committee Chair.

### Board performance review

The Board undertakes an annual review of its own and its Committees' performance and effectiveness. The Board performance review was facilitated by Lintstock Ltd (Lintstock), as part of its ongoing Board Development Programme. Details of this year's Board performance review, together with our progress against the outcomes from our 2022 Board performance, can be found on page 82.

### Our people and culture

Our culture and values define the way that Reckitt does business and this starts with our employees. We aim to create the space and opportunities to help our employees make a difference and do the right thing, always. It is our collective responsibility to build inclusion into everything we do, whilst ensuring we represent the people we are and the global community we serve. 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 are enhanced by our Purpose and Compass.

We are evolving a vibrant, inclusive and collaborative culture to deliver on our Purpose. In embedding inclusivity, all colleagues should feel free to participate fully, bring their authentic self to work and realise their full potential. Internally, we are strengthening our inclusive culture by focusing on leadership, people and policy. Externally, our inclusive approach to procurement, brands and partnerships aligns what we do with who we are.

Further details on our people, culture and inclusion can be found on pages 19 to 21 and page 51.

### Engaging with our stakeholders

Effective engagement with our shareholders, our employees and wider stakeholders is key to Reckitt's sustainable success. We, as directors, must act in a way that we consider, in good faith, would be likely to promote the success of the Company for the benefit of its shareholders as a whole. In our decision-making, the Board also considers wider stakeholder interests.

Our key stakeholders include our employees, shareholders, customers, consumers, partners, and the communities in which we operate and the environment. Our Section 172 Statement, which explains how the Directors have discharged their responsibilities during the year under review, can be found on pages 76 to 77.

For further information on our Sustainability Ambitions, please see pages 14 and 47 to 54. Our Climate-related Financial Disclosures can be found on pages 218 to 222.

I am extremely proud of the Board and all our Reckitt employees for their continued commitment to our Purpose, Compass and the stewardship of our business, on behalf of all our stakeholders.

### Chris Sinclair

#### Chair

Reckitt Benckiser Group plc

21 March 2024



Board Leadership and Company Purpose

OUR BOARD

The Board of Reckitt: experienced, diverse and balanced

Biographical details of the Directors as at 31 December 2023.



Chris Sinclair (73)  
Chair of the Board



Kris Licht (47)  
Chief Executive Officer



Sir Jeremy Darroch (61)  
Senior Independent Director



Nationality American

Appointment

Appointed as a Non-Executive Director in February 2015 and as Chair of the Board and Nomination Committee in May 2018. Chris will retire as Chair and from the Board following the Company's Annual General Meeting in May 2024.

Skills and competencies

Chris brings strong leadership skills and valuable strategic insight to the Board, through his experience as CEO and Chair of other large companies. He also has a strong understanding of international consumer-focused businesses. He is the former Chair and CEO of Mattel, Inc. and previously served as CEO for various companies including Caribiner International, Quality Food Centers, Pepsi-Cola Co. and PepsiCo Foods and Beverages.

Nationality Danish

Appointment

Appointed as Chief Executive Officer (CEO) Designate on 1 May 2023, an Executive Director on 1 June 2023 and became CEO on 1 October 2023.

Skills and competencies

Kris has strong leadership and transformation experience with a proven track record in delivering growth and driving performance. He has in-depth knowledge of the consumer goods sector. Kris joined Reckitt in November 2019 as Chief Transformation Officer and in July 2020 became President Health & Chief Customer Officer. Prior to Reckitt, he has held a number of senior strategic and operational positions at PepsiCo and was a Partner at McKinsey & Company working in the consumer, health and retail practices.

Current external appointments

Board member of the Consumer Brands Association

Nationality British

Appointment

Appointed as Senior Independent Director and a member of the Remuneration and Nomination Committees in November 2022. Sir Jeremy will become Chair of the Board following the Company's Annual General Meeting in May 2024.

Skills and competencies

Jeremy is an outstanding leader with considerable expertise in the consumer retail environment. He has a proven track record of driving business performance and a unique insight into what motivates consumers. He is the former Executive Chairman and Group CEO of Sky and prior to that was Group Finance Director of DSG International plc. He has also held board positions with Burberry Group plc and Marks and Spencer Group plc.

Current external appointments

Director of The Walt Disney Company  
Chair, National Oceanography Centre  
WWF Ambassador  
Non-Executive Director of Ahren Acquisition Corp

Detailed Board members biographies can be found at [reckitt.com/our-company/our-leadership/](https://reckitt.com/our-company/our-leadership/).

Committee Key

- Chair
- Remuneration
- Nomination
- Audit
- Corporate Responsibility, Sustainability, Ethics and Compliance

## Board Leadership and Company Purpose continued



**Jeff Carr (62)**  
Chief Financial Officer

### Nationality

British

### Appointment

Appointed as Chief Financial Officer (CFO) in April 2020. Jeff will step down as CFO in March 2024 and will retire as an Executive Director on 31 March 2024.

### Skills and competencies

Jeff brings extensive experience across consumer and retail companies. He has a record of transformational, strategic and operational leadership, consistent performance delivery and strong capital allocation discipline. Prior to Reckitt, he was the CFO and Management Board member at Ahold Delhaize, CFO of First Group plc and easyJet plc and held senior finance roles at Associated British Foods plc.

### Current external appointments

Chair of the Audit Committee and Non-Executive Director of Kingfisher plc



**Shannon Eisenhardt (49)**  
Chief Financial Officer Designate

### Nationality

American

### Appointment

Appointed as CFO Designate on 17 October 2023 and will become CFO in March 2024.

### Skills and competencies

Shannon brings extensive experience across the consumer and retail sectors, having worked with some of the most globally recognised brands. Shannon held multiple senior management roles at NIKE, Inc., including as CFO of the NIKE Consumer, Marketplace and Brand segment. Prior to that, Shannon had spent almost two decades at Procter & Gamble in a range of finance roles. Shannon is a proven strategic and operational leader with a track record of building highly successful teams and delivering strong and consistent performance.

### Current external appointments

None



**Andrew Bonfield (61)**  
Non-Executive Director



### Nationality

British

### Appointment

Appointed as a Non-Executive Director in July 2018 and as Chair of the Audit Committee in January 2019. Andrew will become Senior Independent Director following the Company's Annual General Meeting in May 2024.

### Skills and competencies

Andrew brings more than three decades of financial expertise to the Board. He is a strong leader, with experience gained in large, complex organisations and has a history of driving strong financial performance in the UK and globally. These skills are valuable to the Board and to his role as Chair of the Audit Committee. He is CFO of Caterpillar Inc., was Group CFO of National Grid plc, CFO of Cadbury plc and Executive Vice President and CFO at Bristol Myers Squibb.

### Current external appointments

Chief Financial Officer of Caterpillar Inc.



**Pam Kirby (70)**  
Non-Executive Director



### Nationality

British

### Appointment

Appointed as a Non-Executive Director in February 2015 and as Chair of the CRSEC Committee in July 2016. Pam will retire from the Board following the Company's Annual General Meeting in May 2024.

### Skills and competencies

Pam brings to the Board extensive knowledge of the healthcare sector and a wealth of international business and pharmaceutical experience. These skills are highly valuable to her role as Chair of the CRSEC Committee. She has served as Chair of SCYNEXIS, Inc., CEO of Quintiles Transnational Corporation and held senior positions in the international healthcare industry at AstraZeneca plc and Hoffman-LaRoche.

### Current external appointments

Non-Executive Director of Bunzl plc

Member of the Supervisory Board of AkzoNobel N.V.



## Board Leadership and Company Purpose continued



**Alan Stewart (63)**  
Non-Executive Director



### Nationality

British

### Appointment

Appointed as a Non-Executive Director in February 2022 and as Chair of the Remuneration Committee in May 2022. Alan will retire from the Board following the Company's AGM in May 2024.

### Skills and competencies

Alan brings to the Board significant corporate finance and accounting experience from a variety of industries, including retail, banking and travel, as well as executive leadership experience within a listed company environment. He was CFO of Tesco PLC where he played a key role in the turnaround of Tesco. Prior to this he was also CFO of Marks and Spencer Group plc, CFO of AWAS, Group Finance Director of WH Smith PLC and CEO and CFO of Thomas Cook Holdings.

### Current external appointments

Non-Executive Director of Diageo plc

Non-Executive Director of Burberry Group plc



**Olivier Bohuon (65)**  
Non-Executive Director



### Nationality

French

### Appointment

Appointed as a Non-Executive Director in January 2021.

### Skills and competencies

Olivier is a successful leader, with many years' experience as CEO of a large, global company. Olivier has a wealth of experience in healthcare products and markets and brings great insight to the Board. He was the CEO of Smith & Nephew plc and of healthcare, cosmetology and pharmaceutical company Laboratoires Pierre Fabre, and Corporate Executive Vice President of Abbott Laboratories and President of their pharmaceutical products division.

### Current external appointments

Chairman of Majorelle

External Director of Takeda Pharmaceutical Company Limited

Co-Founder and Board member of AlgoTherapeutix SAS



**Margherita Della Valle (58)**  
Non-Executive Director



### Nationality

Italian/British

### Appointment

Appointed as a Non-Executive Director in July 2020.

### Skills and competencies

Margherita has extensive experience of financial markets and digital technologies. She is an experienced leader in business in both developed and developing markets. Margherita is Chief Executive Officer of Vodafone Group plc and prior to that held numerous senior finance roles within the business including as Chief Financial Officer. These skills, together with her strong leadership background, are valuable to the Board and her membership of the Audit Committee.

### Current external appointments

Chief Executive Officer of Vodafone Group Plc



**Mary Harris (57)**  
Designated Non-Executive Director for  
Engagement with Company's Workforce



### Nationality

British/Dutch

### Appointment

Appointed as a Non-Executive Director in February 2015. Mary was Chair of the Remuneration Committee from November 2017 to May 2022, and will resume that role following the Company's AGM in May 2024. Mary has been the Designated NED for Engagement with the Company's Workforce since July 2019.

### Skills and competencies

Mary has substantial experience in consumer and retail businesses across China, Southeast Asia and Europe. She brings to the Board a top-level strategic outlook, with an international and consumer focus. Her previous experience in other Non-Executive Director roles, and as Chair of other Remuneration Committees, is invaluable to the Board and the Remuneration Committee.

### Current external appointments

Non-Executive Director of Coca-Cola Europacific Partners plc

Supervisory Director of HAL Holding N.V.

## Board Leadership and Company Purpose continued



**Tamara Ingram, OBE (61)**  
Non-Executive Director



**Nationality** British

### Appointment

Appointed as a Non-Executive Director in February 2023.

### Skills and competencies

Tamara has had an extensive career in advertising, marketing and digital communications and has a deep understanding of consumer brands and digital strategy. She was Global Chair of Wunderman Thompson and also held various leadership roles at WPP plc. She also served as CEO of McCann Worldgroup and Saatchi & Saatchi in London.

### Current external appointments

Non-Executive Director of Marks and Spencer Group plc

Non-Executive Director of Intertek Group plc

Non-Executive Director of Marsh & McLennan Companies, Inc.



**Mehmood Khan (65)**  
Non-Executive Director



**Nationality** American/British

### Appointment

Appointed as a Non-Executive Director in July 2018.

### Skills and competencies

Mehmood is a highly skilled medical practitioner and researcher. Mehmood has been Chief Executive Officer of Hevolution Foundation since October 2020. He was previously CEO of Life Biosciences Inc., and before that served as Vice Chairman and Chief Scientific Officer, Global Research and Development at PepsiCo Inc. He has extensive experience in both developing and developed markets, adding value to the CRSEC Committee through his knowledge of creating sustainable initiatives and past experiences of leading research and development efforts to create breakthrough innovations.

### Current external appointments

Chief Executive Officer of Hevolution Foundation

Executive Chairman of Life Biosciences Inc.

Chairman of VCAT, US National Institute of Standards and Technology



**Elane Stock (59)**  
Non-Executive Director



**Nationality** American

### Appointment

Appointed as a Non-Executive Director in September 2018.

### Skills and competencies

Elane has held various senior leadership positions including Chief Executive Officer of ServiceMaster Brands, Group President at Kimberly-Clark International and Kimberly-Clark Professional and as a director and member of the Audit Committee of Yum Brands! and Equifax. Elane brings great sector-relevant experience and insight of consumer goods products to the Board, particularly in personal care and wellness. She also brings key knowledge of emerging markets and the changing channels of trade and consumer preferences.

### Current external appointments

None

### Other Directors who served during the year

Nicandro Durante, Non-Executive Director from December 2013, was appointed as Chief Executive Officer from October 2022 until October 2023 and stayed on as Executive Director until his departure in December 2023.



**Marybeth Hays (55)**  
Non-Executive Director

**Nationality** American

### Appointment

Appointed as a Non-Executive Director in February 2024.

### Skills and competencies

Marybeth has over 25 years of experience in the retail, healthcare and consumer goods sectors. She has held various senior roles at Walmart, including as Executive Vice President of Consumables and Health & Wellness for Walmart U.S. and as Chief Merchandising, Marketing and Supply Chain Officer for Walmart China. Marybeth was previously Vice President of Marketing at HanesBrands, Inc.

### Current external appointments

Director and member of Audit Committee of JOANN Stores, Inc.

Board member of Decowraps

Fiona Dawson CBE will join the Board as a Non-Executive Director and as Chair Designate to the Remuneration Committee effective 1 June 2024. Fiona's full biography will be available on our website upon her appointment.

## Board Leadership and Company Purpose continued

## GROUP EXECUTIVE COMMITTEE

**Kris Licht (47)**  
Chief Executive Officer

1

**Nationality** Danish**Key skills and experience**

Kris has strong leadership and transformation experience with a proven track record in delivering growth and driving performance. He has in-depth knowledge of the consumer goods sector. Kris joined Reckitt in November 2019 as Chief Transformation Officer, and in July 2020 became President Health & Chief Customer Officer. Prior to Reckitt, he has held a number of senior strategic and operational positions at PepsiCo, and was a Partner at McKinsey & Company working in the consumer, health and retail practices.

**Shannon Eisenhardt (49)**  
Chief Financial Officer Designate

3

**Nationality** American**Key skills and experience**

Shannon joined Reckitt as CFO Designate in October 2023 and will become CFO in March 2024. Shannon brings extensive experience across the consumer and retail sectors, having worked with some of the most globally recognised brands. Shannon held multiple senior management roles at NIKE, Inc., including as CFO of the NIKE Consumer, Marketplace and Brand segment. Prior to that, Shannon had spent almost two decades at Procter & Gamble in a range of finance roles. Shannon is a proven strategic and operational leader with a track record of building highly successful teams and delivering strong and consistent performance.

**Jeff Carr (62)**  
Chief Financial Officer

2

**Nationality** British**Key skills and experience**

Jeff joined Reckitt as Chief Financial Officer in April 2020. Prior to that, he was CFO and Management Board member at Ahold Delhaize, and held the role of CFO at First Group plc and easyJet plc. Jeff brings extensive experience across consumer and retail companies. He has a record of transformational strategic and operational leadership, consistent performance delivery and strong capital allocation discipline. Jeff will step down as CFO in March 2024 and will retire as an Executive Director on 31 March 2024.

**Volker Kuhn (56)**  
President Hygiene

4

**Nationality** German/Swiss**Key skills and experience**

Volker joined Reckitt in August 2020 as Chief Transformation Officer, and in May 2021 became President Hygiene. As well as leading the Hygiene BU's global team, he has additional responsibility for New Growth Platforms, a cross-BU initiative. Prior to joining Reckitt, Volker spent 26 years with Procter & Gamble in a range of international finance, marketing, and senior general management roles.

 **Detailed Executive Committee members biographies**  
can be found at [reckitt.com/our-company/our-leadership/](https://reckitt.com/our-company/our-leadership/).

## Board Leadership and Company Purpose continued

**Pat Sly (47)**  
President Health

5

**Nationality** American

### Key skills and experience

Pat joined Reckitt in 2017 as part of the Mead Johnson Nutrition acquisition. He was appointed as Chief Operating Officer, Nutrition in July 2021, as President Nutrition in February 2022 and as President Health in July 2023. Pat has more than 20 years of experience in senior leadership roles in general management, marketing and sales across North America, Europe, Asia Pacific and Latin America.

**Susan Sholtis (57)**  
President Nutrition

6

**Nationality** American

### Key skills and experience

Susan joined Reckitt as President Nutrition in July 2023. Susan brings to Reckitt a deep knowledge of the Nutrition business, having previously worked for over 11 years at Mead Johnson Nutrition and Reckitt in a number of senior leadership roles in the US and Europe, including general management, marketing and sales.

**Ranjay Radhakrishnan (53)**  
Chief Human Resources Officer

7

**Nationality** British

### Key skills and experience

Ranjay joined Reckitt as Chief Human Resources Officer in March 2020. Ranjay has over 30 years' experience in the human resources function across different geographies and industries. Prior to joining Reckitt, Ranjay was the Chief Human Resources Officer at InterContinental Hotels Group plc and spent over two decades at Unilever in senior leadership roles.

**Fabrice Beaulieu (50)**  
Chief Marketing, Sustainability and Corporate Affairs Officer

8

**Nationality** French

### Key skills and experience

Fabrice joined Reckitt in 1999 and the GEC in April 2022. Since joining the Company he has worked internationally in senior leadership roles across marketing and general management. He oversees the Marketing Centres of Excellence and the Sustainability and Corporate Affairs functions. He is responsible, amongst others, for reimagining and scaling Reckitt's playbook for digitally led, sustainable and profitable growth. Fabrice is a graduate of EM Lyon Business School, France.

**Sami Naffakh (53)**  
Chief Supply Officer

9

**Nationality** French

### Key skills and experience

Sami joined Reckitt as Chief Supply Officer in July 2020. He is responsible for global supply chain operations, including planning, procurement, manufacturing and logistics. Sami will be leaving Reckitt in July, to be succeeded by Harald Emberger, previously Chief Supply Chain Officer at Beiersdorf AG.

**Angela Naef, PhD (48)**  
Chief R&D Officer

10

**Nationality** American

### Key skills and experience

Angela joined Reckitt as Chief R&D Officer in September 2020 and is responsible for elevating Reckitt's science capability and platforms as well as for driving external partnerships. She is focused on enabling the R&D organisation to deliver meaningful solutions addressing the mega trends and sustainability to deliver growth.

**Filippo Catalano (51)**  
Chief Information & Digitisation Officer

11

**Nationality** Italian

### Key skills and experience

Filippo joined Reckitt as Chief Information & Digitisation Officer in April 2021. Filippo is responsible for building and maintaining Reckitt's IT, Data and Digital capabilities. Filippo brings to Reckitt extensive leadership experience in defining and shaping IT, digital portfolios and technology-enabled new business models across leading consumer goods organisations.

**Catheryn O'Rourke (51)**  
General Counsel & Company Secretary

12

**Nationality** American

### Key skills and experience

Catheryn joined Reckitt in February 2022 and is responsible for legal and compliance matters across the Group. She brings to Reckitt more than 20 years of professional expertise in running global legal and compliance teams, managing litigation and corporate transactions, advising on financial reporting and disclosure as well as supporting Board governance.

### Other Group Executive Committee members who served in the year

Nicandro Durante, Non-Executive Director from December 2013, was appointed as Chief Executive Officer from October 2022 until October 2023 and stayed on as Executive Director until his departure in December 2023.




## Board Leadership and Company Purpose continued

# RECKITT'S APPROACH TO GOVERNANCE

The Board is responsible for the effective leadership of the Group and for promoting its long-term sustainable success, generating value for shareholders and contributing to wider society, whilst focusing on governance with the highest regard to the principles of the Code. The Board provides leadership by setting our Purpose, strategy and values, monitoring our culture and ensuring alignment with our Purpose and Compass, and overseeing implementation by management. All Directors must act with integrity, lead by example and promote the Company's culture and values. The Board also ensures there are appropriate processes in place to manage risk, including the Company's risk appetite and monitors financial and operational performance against objectives. The Board consists of a balance of Executive and Non-Executive Directors who together have collective accountability to Reckitt's shareholders as well as responsibility for the overriding strategic, financial and operational objectives and direction of Reckitt.

The Board manages the overall leadership of the Group with reference to its formal Schedule of Matters Reserved for the Board. This schedule is reviewed annually, with the last review undertaken in November 2023, and broadly covers:

- Matters which are legally required to be considered or decided by the Board, such as approval of Reckitt's Annual Report and Financial Statements, declaration of dividends and appointment of new Directors
- Matters recommended by the Code to be considered by the Board, such as terms of reference for the Board and its Committees, review of internal controls and risk management
- Compliance with regulations governing UK publicly listed companies, such as the UK Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules
- Matters relating to developments in, or changes to, the Group's strategic direction, or material corporate or financial transactions

 **The full Schedule of Matters Reserved for the Board** is available on the Reckitt website at [reckitt.com/investors/corporate-governance](https://reckitt.com/investors/corporate-governance).



## Board Leadership and Company Purpose continued

### Governance structure

The Company has a clear and effective governance structure, which allows the Board, its Committees and the Executive team to make decisions effectively. The Board has established four Committees to assist in the execution of its responsibilities. Each Committee operates under terms of reference approved by the Board. The terms of reference are reviewed regularly, with the last review taking place in November 2023. There are also three supporting Management Committees: the Disclosure Committee, the Group Executive Committee (GEC), and the Risk, Sustainability & Compliance Committee (RSCC).

### Shareholders

Our shareholders are the ultimate owners of the Company and play an important role in the governance structure. Further information on our engagement with shareholders can be found on page 39.

### Our Board

The Board is collectively responsible for the overall leadership of the Group and for promoting its long-term sustainable success whilst focusing on its strategic direction, Purpose, values and governance with the highest regard to the principles of the Code. There is a clear division of responsibilities between the Board, its Committees and Management Committees.

#### Nomination Committee Chaired by Chris Sinclair

Responsible for making recommendations to the Board on suitable candidates for appointment to the Board, its Committees and senior management and to regularly review and refresh their composition to ensure that they comprise a diverse group of individuals with the necessary skills, knowledge and experience to effectively discharge their responsibilities, whilst keeping in mind the importance of diversity.

➤ See pages 83-87

for more details in the  
Nomination Committee Report.

#### Audit Committee Chaired by Andrew Bonfield

Responsible for monitoring the integrity of Reckitt's Financial Statements and for ensuring effective functioning of internal audit, internal controls and risk management. It is also responsible for managing the Company's relationship with its External Auditor.

➤ See pages 88-95

for more details in the  
Audit Committee Report.

#### Remuneration Committee Chaired by Alan Stewart

Responsible for assisting the Board in fulfilling its oversight responsibility by ensuring that the Remuneration Policy and practices reward fairly and responsibly, are linked to corporate and individual performance and take account of the generally accepted principles of good governance. The Committee is responsible for determining the remuneration for the Chair, Executive Directors and senior management.

➤ See pages 100-132

for more details in the  
Remuneration Committee Report.

#### CRSEC Committee Chaired by Pam Kirby

Responsible for supporting the Board in reviewing, monitoring and assessing the Company's approach to responsible, sustainable, ethical and compliant corporate conduct and to assist the Board in upholding its Compass.

➤ See pages 96-99

for more details in the  
CRSEC Committee Report.

#### Disclosure Committee Chaired by CFO

Responsible for ensuring accuracy and timeliness of disclosure of financial and other public announcements.

#### Group Executive Committee Chaired by CEO

Responsible for overseeing Reckitt's management and ensuring collaboration between GBUs, functions and in-market operations. It recommends and implements the strategy and related budget as approved by the Board. The GEC drives business and cultural transformation, reviews business performance and approves business development plans and major investments. It plays a critical role in talent management and development and oversees the integration of sustainability within business operations.

#### Risk, Sustainability & Compliance Committee Chaired by CEO

Provides oversight of risk across the organisation and makes recommendations to the CRSEC Committee for actions to be taken in respect of the Group's legal compliance and ethics, sustainability, external affairs, employee health and safety, quality, consumer safety and regulatory matters, including compliance strategies, policies, programmes and key activities.



## Board Leadership and Company Purpose continued

### How we manage conflicts of interest

Directors have a duty to avoid interests, direct or indirect, which might conflict with the interests of the Group. Under the terms of our Articles, such conflicts can be authorised by the Board. Procedures are in place to manage and, where appropriate, approve such conflicts. Any authorisations granted by the Board are recorded by the General Counsel & Company Secretary in a Register of Conflicts, together with the date on which the conflict was authorised. Any conflicts authorised during the year are reviewed annually by the Nomination Committee and the Board. In addition, each Director certifies on an annual basis that the information contained in the Register of Conflicts is correct.

The Company indemnifies the Directors and Officers of the Company and any Group subsidiary to the extent permitted by law in respect of the legal defence costs for claims against them and third-party liabilities. The indemnity would not provide cover for a Director or Officer if that individual was found to have acted fraudulently or dishonestly. Additionally, Directors' and Officers' liability insurance cover was maintained throughout the year at the Company's expense.

### How Board meetings are structured

Board meetings are conducted in an open atmosphere conducive to challenge and debate. Agendas are tailored to the requirements of the business and agreed in advance by the Chair and CEO with the support of the General Counsel & Company Secretary.

The Board receives operating and financial reports from the CEO and CFO on strategic and business developments, as well as financial performance and forecasts at each meeting. Specific presentations are also made by non-Board

members on material matters to the Group. In addition, the Chairs of the Audit, Remuneration, CRSEC and Nomination Committees update the Board on the proceedings of those meetings, including key topics and areas of concern.

At the conclusion of every scheduled Board meeting, the Chair holds a session with the other Non-Executive Directors, without the Executive Directors present, providing further opportunity for the Non-Executive Directors to assess the performance of management and individual Executive Directors and help drive future agenda items.

The Board uses its meetings as a way of discharging its responsibilities, including as set out in section 172 of CA 2006 to promote the success of the Company for the benefit of its members as a whole.

### Board and Committee meeting attendance

In 2023, there were five scheduled Board meetings. The October Board meeting was a strategy session held in person in New Jersey, USA to allow the Board to immerse itself in the Group's operations, to visit local sites and meet the local workforce. During the three-day meeting, the Board received presentations on the Company's strategy, including deep dives into each GBU, innovation, supply and IT & Digital strategy. The Board also met informally with senior leadership from the US team and hosted employee engagement sessions.

The table opposite sets out the attendance by Directors at scheduled Board and Committee meetings that each Director was eligible to attend. Directors who were not members of individual Board Committees were also invited to attend one or more meetings of those Committees during the year.

Where a Director is unavoidably absent from a Board or Committee meeting, they still receive and review the papers for the meeting and may provide verbal or written input ahead of the meeting, usually through the Chair of the Board or the Chair of the relevant Committee, so that their views are considered at the meeting.

	Board	Audit Committee	Remuneration Committee	CRSEC Committee	Nomination Committee
	5 meetings	4 meetings	3 meetings	4 meetings	2 meetings
Andrew Bonfield	5 of 5	4 of 4			2 of 2
Olivier Bohuon	4 of 5		2 of 3	3 of 4	
Jeff Carr	5 of 5				
Jeremy Darroch	5 of 5	4 of 4	3 of 3		2 of 2
Margherita Della Valle	4 of 5	3 of 4			
Nicandro Durante <sup>1</sup>	4 of 5				
Shannon Eisenhardt <sup>2</sup>	1 of 1				
Mary Harris	5 of 5		3 of 3		
Tamara Ingram	5 of 5	4 of 4			
Kris Licht <sup>3</sup>	3 of 3				
Mehmood Khan	5 of 5			4 of 4	
Pam Kirby	5 of 5	4 of 4		4 of 4	
Chris Sinclair	5 of 5		3 of 3	4 of 4	2 of 2
Alan Stewart	5 of 5		3 of 3		2 of 2
Elane Stock	5 of 5	4 of 4			

1. Nicandro Durante resigned from the Board on 31 December 2023

2. Shannon Eisenhardt was appointed to the Board on 17 October 2023

3. Kris Licht was appointed to the Board on 1 June 2023

## Board Leadership and Company Purpose continued

# 2023 BOARD ACTIVITIES

## Strategy



### Group plans and budgets

- Reviewed the Group's financial plan for 2024 and individually for the GBUs
- Reviewed forecasts and business performance

### Strategy

- Board members met in person for a three-day meeting in October 2023 to discuss strategy and the innovation pipeline
- Reviewed strategy for each GBU, supply chain and IT & Digital function
- Received updates on competitive environment and broader market developments

### Mergers and acquisitions

- Oversight of potential merger and acquisitions (M&A) activities and portfolio strategy

### Business updates

- Review of GBU business performance
- Deep dives on functions such as Finance, HR, Supply, IT & Digital and Cyber

## Governance and Oversight



### Board and Committee performance review

- Conducted the annual Board performance review and had oversight of Committee performance reviews. Identified areas for improvement and recommended actions
- Considered and proactively addressed actions from the 2022 Board performance review

### Talent, succession and board composition

- Oversight of Group talent planning and succession, including senior management succession and retention
- Considered and approved Board changes, including the appointment of Chair, CEO, CFO, SID and new Non-Executive Directors as detailed on pages 83 to 87

### Shareholders and stakeholders

- Held the 2023 AGM as a physical meeting. Shareholders had the opportunity to

pre-submit questions as well as ask them during the meeting

- Held Board and employee engagement meetings, to understand employee views, as part of October strategy meetings

### Compliance

- Reviewed and approved governance matters, such as the Schedule of Matters Reserved for the Board, Committee terms of reference, Directors' conflicts of interest and compliance with the Code and best practice
- Kept abreast of upcoming changes in the UK corporate governance and regulatory framework
- Approved Reckitt's 2022 Modern Slavery and Human Trafficking Statement, as recommended by the CRSEC Committee

## Our activities during the year

### FEBRUARY MEETING

- Approval and publication of Full Year Results
- Approval and publication of Annual Report 2022
- Consideration of Full year dividend proposal

### MAY MEETING

- Review of Sustainability Strategy
- Approval of Modern Slavery Act Statement

### AGM

- In person engagements with shareholders and Q&A
- AGM resolutions proposed to shareholders

### JULY MEETING

- Approval and publication of Half Year Results
- Consideration of Interim dividend proposal

Board Leadership and Company Purpose continued

ESG



- Reviewed the Group's sustainability strategy and approach, including progress against the delivery of our Sustainability Ambitions
- Received updates on sustainability activities and initiatives

Risk Management and Internal Controls



- Principal and Emerging Risks**
- Conducted an annual review of Reckitt's principal and emerging risks and consideration of risk management approach
  - Reviewing the appropriateness and effectiveness of the system of internal control and risk management

Stakeholders



Financial



Reporting

- Reviewed and approved Reckitt's Annual Report and Financial Statements including compliance with reporting requirements
- Reviewed and approved Reckitt's full-year, half-year and quarterly results
- Provided results presentations to investors and employees during the year

Going concern

- Reviewed long term going concern and liquidity considerations
- Considered and approved the 2023 Annual Report Viability Statement upon recommendation of the Audit Committee

Financial resources

- Reviewed the Company's financial position, Group debt and funding arrangements and capital allocation
- Approved bond issuance
- Approved initiation of share buyback programme
- Interim and final dividend payments
- Approved the final 2022 and interim 2023 dividend payments

Treasury policies

- Reviewed and approved the Group's Treasury policies

Our activities during the year

OCTOBER MEETING

- Board three-day strategy sessions
- Board and employee engagement sessions

SITE VISIT

- Board visit to R&D facility and review of R&D functional strategy

NOVEMBER MEETING

- 2024 Plan agreed
- Board performance review

LISTENING SESSIONS

- Conducted listening session on the intersectionality of Health and Climate

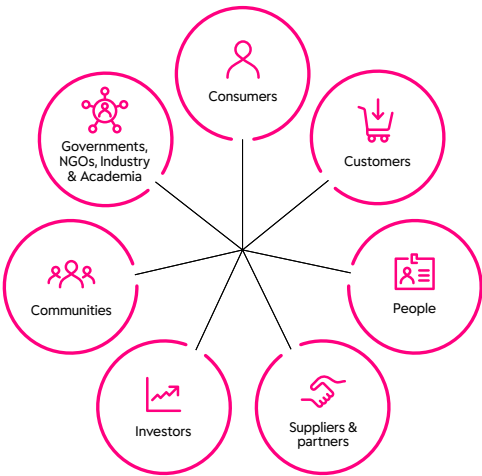
Board Leadership and Company Purpose continued

# SECTION 172 STATEMENT

This statement shows how our Directors have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole during 2023, having regard to stakeholders, including matters under Section 172(1)(a)-(f) of the Companies Act 2006.

Understanding the needs and expectations of our stakeholders is fundamental to our Purpose: to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world. In making decisions, the Directors consider what is most likely to promote the success of the Company for its shareholders in the long term, as well as the interests of the Group's other stakeholders.

Our stakeholders



We recognise that our business can only grow and prosper by acting in the long-term interests of our key stakeholders, namely our people, our consumers and customers, our shareholders, investors and partners, the communities in which we operate and the environment. Further information on our key stakeholders can be found on pages 37 to 40.

The Board considers our key stakeholders and the matters set out under Section 172 of the CA 2006 in its discussions and decision-making. The following table sets out examples of how the Board has considered matters under section 172 during the year in performing its duties.

CASE STUDY

CEO appointment

In appointing Kris Licht as CEO, following an extensive search which considered both internal and external candidates, the Board took account of the need to build on the strong momentum in the business over the past three years, Kris' strong strategic and operational leadership experience, as well as his in-depth knowledge of Reckitt's business, culture, customers and other stakeholders, as well as of the consumer goods sector generally.



How the Board engaged with stakeholders:

	Page
Consumers	37 >
Customers	38 >
People	38 >
Suppliers & partners	39 >
Investors	39 >
Communities	40 >
Governments, NGOs, Industry & Academia	40 >

CASE STUDY

Shareholder returns

The Board recognises the importance of shareholder returns and, during the year, increased both the 2022 final dividend and the 2023 interim dividend by 5%. In October, the Board also announced a £1 billion share buyback programme. In announcing this enhanced shareholder returns programme, the Board took account of the Group's strong free cash flow generation, the views of shareholders, and that capacity existed to return excess capital to shareholders without impacting the successful delivery of the business plan or the Group's capital allocation priorities.

## Board Leadership and Company Purpose continued

### (a) Considering long-term consequences

The Board strives to act in the long-term interests of its key stakeholders, and this frames its oversight of corporate strategy, which is founded on creating long-term shareholder value. Our Sustainability Ambitions frame decision-making, and provide important interim milestones to 2030. These parameters, set by the Board, are reflected within strategy work and objectives, which extends to: capital investment; Group budgets; dividend plans; and future resourcing requirements. Reckitt's risk management framework, including the Group's Principal Risks, further underpin the Board's long-term approach. The Board and its Committees are responsible for risk governance, and oversight is achieved through several mechanisms including strategy reviews, Committee meetings and deep dives into selected risk areas.

#### Relevant s172(a) disclosures

Our Strategy	08-11	
Board activities and governance	71-75	
Focus on risk management	78	

### (b, c) Fostering stakeholder relationships

Constructive two-way dialogue with Reckitt's key stakeholders, including employees, customers and consumers, investors, suppliers and partners, governments and regulators, tracks priorities and helps identify issues as they arise. Strategic engagement with stakeholders reflects the structure of our business as one Group with three autonomous business units with decision-making authority. The Board creates the right conditions for this approach by setting Reckitt's long-term direction, overarching decision-making framework and culture. This is in-line with the Board's own experience and understanding of stakeholder needs, Reckitt's Sustainability Ambitions and engagement on the future of the retail and consumer goods industry.

#### Relevant s172(b, c) disclosures

Reckitt's decision-making framework	72	
Stakeholder engagement and actions	37-40	

### (d) Protecting communities and the environment

We understand as a business the effects our operations have on the environment and the need to embed sustainability to create positive impacts both for communities and the wider society in which we operate, as well as for our business. Our Sustainability Ambitions to 2030 focus on our impact through our purpose-led brands and innovative products; sustaining a healthier planet through our work on climate change, natural resources and biodiversity; and enabling a fairer society through our activity in our own business and across our value chain. The Board oversees and reviews performance against Reckitt's Sustainability Ambitions and delegates regular oversight of sustainability to the CRSEC Committee.

#### Relevant s172(d) disclosures

Sustainability Ambitions Progress Overview and Performance Review	14	
Audit Committee report	88-95	
CRSEC Committee report	96-99	
Climate-related Financial Disclosures	218-222	

### (e, f) Setting culture and conduct

The Board is responsible for monitoring Reckitt's culture and values, and the delivery of our strategy can only be achieved with the highest standards of business conduct. All Directors must act with integrity, lead by example, and promote the Company's culture and values. We aim to create the space and opportunities to help our employees make a difference and do the right thing, always. The CRSEC Committee reports to the Board after each of its meetings, to provide an update on Reckitt's ethics and compliance priorities, including the Group's Speak Up programme.

#### Relevant s172(e, f) disclosures

Board oversight/focus on culture and ethical conduct	96-99	
Reckitt's approach to DE&I, health, safety and wellbeing	19-21	
	112-114	

## Board Leadership and Company Purpose continued

# FOCUS ON RISK MANAGEMENT

### Risk Appetite

The Board is responsible for compliance with the Code and the Financial Reporting Council's (FRC) Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The sectors and environment within which Reckitt operates are dynamic and fast-moving, and in some areas, highly regulated, and so controls are kept under review. The system is designed to assess and manage, rather than eliminate, risks to our business objectives. The Board relies on these controls insofar as they are able to provide reasonable, but not absolute, assurance against material misstatement or loss. The Group's principal and emerging risks and mitigating actions are detailed on pages 55 to 60.

As part of our risk management process, we regularly evaluate risks to achieving objectives, and the likelihood of such risks materialising and impacting the ability of the Group to cope with the circumstances should they occur. In doing so, we are inherently considering our risk appetite through the actions taken, controls implemented and processes followed to reduce the likelihood of risk events taking place, mitigating the potential impact and ensuring that the cost of doing so is proportionate to the benefit gain.

### Principal risks

Reckitt is committed to maintaining strong internal controls and further enhancing these. Further information on internal control activities during the year can be found on page 94 of the Audit Committee Report.

Functional and operational management meet to discuss performance measured against strategic aims and goals, with risks and risk controls incorporated into the discussions. During the year, the Directors undertook a robust assessment of the principal and emerging risks facing the Group, including those that could threaten our business model, future performance, solvency and liquidity. Each principal and emerging risk is overseen by the Board, or a designated Committee of the Board, and is subject to formal deep-dive reviews as appropriate at Board, GEC and GBU meetings. More details on the Group's principal strategic risks and uncertainties can be found in the Strategic Report on pages 55 to 60.

### Risk management and internal controls

The Audit Committee, on behalf of the Board, oversees the Group's overall Risk Management Framework, the effectiveness of internal controls and monitors Reckitt's compliance with the requirements of the Code in respect of risk management and internal controls. The Audit Committee monitored the key elements of the Group's internal controls framework throughout the year and conducted an annual review of the effectiveness of Reckitt's system of risk management and internal control in respect of 2023, which covered all material controls, including financial, operational and compliance controls. The Audit Committee's annual review was supported by a report prepared by the Internal Audit function on the Group's risk management and internal controls.

On an ongoing basis, the Board reviews the effectiveness of the Group's risk management and internal control system, including through monitoring reports from management on their assessment of risks and internal control systems, assurance received from management regarding compliance with relevant policies, and assurance received on the effectiveness of the Company's internal control environment. In addition, the Board reviews reports from the Audit Committee, the Internal Audit function and the External Auditor, the Company's response to incidents and threats, including those relating to cybersecurity and safety. The Board reviewed information gathered from the Company's formal Speak Up programme including the results of an investigation conducted in two Middle Eastern markets (see page 93). It also considers the External Auditor's observations on the financial control environment.

In particular, the Audit Committee monitored progress against Reckitt's ongoing controls transformation programme to strengthen internal control over financial reporting. The Group's financial controls transformation programme is intended to increase the overall level of control environment maturity and improve consistency across the Group. During 2023, it reviewed the results of testing performed by the internal controls and Internal Audit teams to confirm the effective operation of key financial controls across the Group, in particularly following the launch of the Group's revised financial control framework during the year. More details on the financial control framework can be found in the Audit Committee Report on page 94. The Audit Committee also continues to monitor progress in relation to IT General Controls and technology security and control initiatives, with regular

updates from the Chief Information and Digitisation Officer and on the related assurance programmes.

Where areas for improvement are identified, the Audit Committee is updated regularly with respect to progress on those remediation activities as well as reviewing ongoing control improvements identified. It is recognised that improvements will be ongoing through 2024 and the Audit Committee will continue to support management and review the remediation activities to monitor that management have the appropriate resources and an appropriate remediation timeline is in place.

### Climate-related risk and environmental, social and governance (ESG) matters

The Board oversees, considers and reviews the Group's ESG strategy and has oversight of climate-related risks and opportunities. As part of the Board's annual review of our principal and emerging risks, sustainability was considered. The Board's focus included, both ESG performance and reporting. More information on our Sustainability Ambitions can be found on pages 47 to 54. Our Climate Related Financial Disclosures can be found on pages 218–222.

The CRSEC Committee supports the Board in reviewing, monitoring, and assessing our approach to sustainability, which includes climate change. The CRSEC Committee reports to the Board regularly at Board meetings, providing an update on sustainability objectives and progress against our targets. Further details on the activities of the CRSEC Committee can be found on pages 96 to 99.



## Board Leadership and Company Purpose continued

# FOCUS ON CULTURE

Reckitt is rooted in a culture that is purpose driven, innovative and entrepreneurial. Our leadership behaviours unite us through a shared ambition to Own, to Create, to Deliver and, above all, to Care about the outcomes we deliver. Doing the right thing, always, is at the centre of our Compass, which guides our business and the leadership behaviours that drive our success. Our people are what makes Reckitt unique. They believe in and are inspired by our Purpose. During the last four years, we have established deep cultural foundations that empower our people as the key value drivers of our business. We redefined our leadership behaviours to place a greater emphasis on care as we serve the needs of all our stakeholders. We elevated the importance of teamwork in delivering outcomes and protecting against the pursuit of results at any cost. More information on our culture can be found on pages 19 to 21 of the Strategic Report.

### How the Board monitors culture

A key focus of the Board is to monitor culture and ensure alignment between our Purpose, values, and behaviours. Our culture and values at Reckitt are defined by the Board and the GEC. Regular interactions with employees help the Board monitor culture and are detailed in the table opposite.

#### How we monitor culture

#### Board interactions and engagement to monitor culture throughout the year

##### Connecting directly with employees

Board members meet with employees regularly. As part of this year's October Board meeting schedule, Board members met informally with senior leadership from the US and hosted employee engagement sessions. The Board reviewed feedback from the round-table discussions. In her role as Designated NED for Engagement with the Company's Workforce, Mary Harris attended meetings where employees were able to speak directly with Mary. The Board received feedback from Mary on these discussions. Further information on Mary's role as Designated NED for Engagement with the Company's Workforce can be found on pages 38 and 80.

##### Monitoring employee perceptions

Regular global all-employee surveys include questions to gauge employees' perceptions and understanding of leadership, inclusion and wellbeing at Reckitt, and identify areas which require greater attention. This year's survey highlighted that employees would recommend Reckitt as a place to work; believe in and are inspired by our Purpose to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world; are proud to work for Reckitt; and agreed that we are achievers. Similar to last year, responses from the survey also identified areas that need further improvement, such as: removing barriers that slow down work; transparency on equal opportunities and career progression; and investing in and developing people. The Board will continue to monitor progress against these areas.

##### Creating a forum for employees to be heard

Employee Resource Groups (ERGs) are employee networks that aim to raise the visibility of underrepresented communities. They provide a space for colleagues to connect and support each other and are also represented on the Global Inclusion Board. In addition, throughout the year, Mary Harris, the Designated NED for Engagement with the Company's Workforce, has maintained regular engagement with various employee groups, including the ERGs.

##### Ensuring employees are informed

Quarterly all-employee global live-streaming results broadcasts were held by the CEO, CFO and GBU leaders to present our results and employees are invited to ask questions and interact directly with presenters.

##### Staying informed of legal and compliance matters

At each Board meeting, the CRSEC Committee reports to the Board on legal compliance and ethics matters, including the Group's Speak Up programme, which provides safe communication channels for employees wishing to raise concerns on potential violations of regulations, internal policies or any misconduct observed at Reckitt.

##### Maintaining open communications

Following the Q3 2023 results announcement, a CEO chat was broadcast to update Reckitt employees on the continued strategic direction beyond Q3 and provided employees with an opportunity to ask questions.

## Division of Responsibilities

# HOW WE ARE GOVERNED

### Board roles and responsibilities

To ensure the Board performs effectively, there is a clear division of responsibilities, set out in writing and agreed by the Board, between the leadership of the Board and the executive leadership of the business. The key roles are defined in greater detail on the following pages.

A full description of the roles and responsibilities of the Chair, CEO and Senior Independent Director can be found on our website: [www.reckitt.com](http://www.reckitt.com).

### Managing time commitment and 'overboarding'

On appointment, Non-Executive Directors are made aware of the need to, and are required to confirm that they will, allocate sufficient time to their role to discharge their responsibilities effectively. They are also required to seek agreement from the Chair before taking on additional commitments, and to declare any actual or potential conflicts of interest. Non-Executive Directors are engaged under the terms of a letter of appointment. Initial terms of appointment are for three years with three months' notice, with all Directors standing for election or re-election at every AGM. The Board has reviewed the length of service of each Director and considers that each Non-Executive Director standing for re-election or election at this year's AGM is independent. In particular, in relation to the reappointment of Mary Harris as Chair of the Remuneration Committee for a fixed term between the

## Non-Executive

### The Chair

- Leading the Board and taking responsibility for the Board's overall effectiveness in directing the Company
- Upholding the highest standards of integrity and ethical leadership, leading by example and promoting a culture of openness and debate, based on mutual respect, both in and outside the boardroom and in line with our Purpose, values, strategy and culture
- Chairing Board, Nomination Committee and shareholder meetings and setting Board agendas
- Encouraging constructive challenge and facilitating effective communication between the Board, management, shareholders and wider stakeholders, while promoting a culture of openness and constructive debate
- Ensuring an appropriate balance is maintained between the interests of shareholders and other stakeholders
- Leading the annual performance review process for the Board and its Committees and addressing any subsequent actions
- Promoting the highest standards of corporate governance
- Building a well-balanced, diverse and highly effective Board
- Ensuring Directors receive accurate, timely and clear information
- Ensuring there are appropriate induction and development programmes for all Board members
- Ensuring the long-term sustainability of the Company

### The Senior Independent Director

- Acting as a sounding board for the Chair on Board-related matters
- Acting as an intermediary for other Directors as necessary
- Evaluating the Chair's performance on an annual basis
- Chairing Board and Nomination Committee meetings in the absence of the Chair
- Being available to shareholders and stakeholders to address any concerns that they have been unable to resolve through normal channels
- Leading the search and appointment process for a new Chair, when necessary

### Non-Executive Directors

- Providing independent input into Board decisions through constructive challenge and debate, strategic guidance and specialist advice
- Setting and approving the Company's long-term strategic, financial and operational goals
- Examining the day-to-day management of the business against the performance targets and objectives set, ensuring that management is held to account
- Reviewing financial information and ensuring it is complete, accurate and transparent
- Ensuring there are effective systems of internal control and risk management and that these are continually monitored and reviewed
- Setting appropriate levels of remuneration for Executive Directors and ensuring performance targets are closely aligned with shareholder interests
- Development of succession planning and the appointment and removal of senior management
- Taking into account and responding to shareholders' views

### Designated Non-Executive Director for Engagement with the Company's Workforce

- Overseeing the Board's engagement with the Company's workforce together with management, to understand more about engagement and the culture of the Company
- Developing and implementing employee engagement initiatives
- Providing an employee voice in the boardroom and reporting on matters relating to Company culture, purpose and improvements

## Division of Responsibilities continued

Company's 2024 and 2025 AGMs, see page 64. The Board considers all Non-Executive Directors who served during the year to be independent. Whilst both Chris Sinclair and Pam Kirby will have served nine years in February 2024, the 2024 AGM represents a natural point for them to stand down, and enables smooth succession of their roles. The period from February to the AGM is considered sufficiently short not to impair their independence.

The Board and Directors are confident that each Director individually has the expertise and relevant experience required to perform the role of a Director of a listed company and to contribute effectively to the Board and Committees to which they are appointed. The Company recognises the developmental advantages of an external non-executive role on a non-competitor board and Executive Directors are permitted to seek such a role, provided that they do not take on more than one non-executive directorship in, nor become the Chair of, a FTSE 100 company.

Nicandro Durante, who was an Executive Director until the end of the year, was Chair of TIM Participações S.A. and Jeff Carr is currently a Non-Executive Director of Kingfisher plc and Chair of its Audit Committee.

### Board support

The General Counsel & Company Secretary is responsible for organising Board meetings, as well as collating any papers for the Board to review and consider. Board and Committee papers are accessible to all Directors through a secure and confidential electronic document storage facility. This facility is maintained by Reckitt's Secretariat function and additionally holds other information which the Chair, the CEO or the General Counsel & Company Secretary

## Executive

### The Chief Executive Officer

- |  |  |  |
|--|--|--|
| <ul style="list-style-type: none"> <li>– Principally responsible for the day-to-day management of Reckitt, in line with the strategic, financial and operational objectives set by the Board</li> <li>– Chair of the GEC, consisting of the CEO, the CFO and senior management executives, who together are responsible for execution of the Company's strategy and achieving its commercial aims</li> </ul> | <ul style="list-style-type: none"> <li>– Effective development and implementation of strategy and commercial objectives as agreed by the Board</li> <li>– Maintaining relationships with investors and advising the Board accordingly</li> <li>– Managing Reckitt's risk profile and establishing effective internal controls</li> <li>– Ensuring there are effective communication flows to the Board and the Chair, and that they</li> </ul> | <ul style="list-style-type: none"> <li>are regularly updated on key matters, including progress on delivering strategic objectives</li> <li>– Regularly reviewing the organisation structure, developing a Group Executive team and planning for succession</li> <li>– Providing clear leadership to promote the desired culture, values and behaviours to inspire and support the Company's workforce</li> <li>– Ensuring the long-term sustainability of the business</li> </ul> |
|--|--|--|

### The Chief Financial Officer

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>– Supporting the CEO in developing and implementing the Company's strategy</li> <li>– Leading the global finance function, and developing key talent and planning for succession</li> </ul> | <ul style="list-style-type: none"> <li>– Responsible for establishing and maintaining adequate internal controls over financial reporting and for the preparation and integrity of financial reporting</li> </ul> | <ul style="list-style-type: none"> <li>– Ensuring the Board receives accurate, timely and clear information in respect of the Group's financial performance and position</li> <li>– Developing and recommending the long-term strategic and financial plan</li> </ul> |
|--|---|---|

### The Company Secretary

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>– Providing advice and support to the Chair and all Directors</li> <li>– Advising and keeping the Board up to date on all relevant legal and governance requirements and ensuring the Company is compliant</li> </ul> | <ul style="list-style-type: none"> <li>– Ensuring the Board receives high quality, timely information in advance of Board meetings to ensure effective discussion</li> <li>– Facilitating an induction programme for all Board members</li> </ul> | <ul style="list-style-type: none"> <li>– Ensuring there are policies and processes in place to help the Board function efficiently and effectively</li> <li>– Keeping abreast of shareholders' views</li> </ul> |
|--|---|---|

may deem useful to the Directors, such as press releases and pertinent company information.

All Directors have individual access to advice from the General Counsel & Company Secretary and a procedure exists for Directors to take independent professional advice at the Company's expense in furtherance of their duties.

Composition, Succession and Evaluation

# BOARD PERFORMANCE REVIEW AND EFFECTIVENESS

**Board Performance review process 2023**

The Board undertakes an annual review of its own and its Committees' performance and effectiveness, with a formal externally facilitated performance review of the Board conducted at least every three years. In 2020, we engaged Lintstock to facilitate a three-year Board Development Programme, which was extended for an extra year in 2023. In this final year, the review consisted of both an online questionnaire and interviews with the Directors.

The 2023 Board performance review considered the effectiveness of the Board, as well as that of each Board Committee and the individual Directors. The areas of focus included Board composition and succession planning, quality of information received, Board dynamics and support, management and focus of meetings, Board Committees, strategic oversight, risk management and mitigation, internal control, advancement of diversity and inclusion, oversight of sustainability disclosures and board relations. A report, with action points and recommendations for the Board to consider, was distributed to Directors and the results of the review were subsequently discussed by the Board at its November meeting.

Key themes identified through the performance review included the need to focus in 2024 on Board succession, risk management and providing the Board with more opportunities to engage with the business (for example, by holding meetings in proximity to key sites).

In addition, the Chair's performance was considered by the Senior Independent Director with input from his fellow Non-Executive Directors and discussed following the November Board meeting without the Chair present. The discussion concluded that the Chair continued to devote sufficient time to his role and continued to lead the Board constructively, demonstrating objective judgement and encouraging a culture of openness and debate.

Lintstock is independent of and has no other links with the Company or its Directors in connection with the performance review.

Actions taken to address the findings of the 2022 review are also outlined in the table opposite.

**2022 recommendations**

**Board succession**

Whilst Board composition was rated highly, it was noted that ensuring appropriate geographical representation, gender diversity and recruiting Non-Executive Directors with IT & Digital and marketing experience would be beneficial to the Board.

**Talent and succession planning**

Chair and CEO succession were identified as key priorities for 2023.

**Execution and delivery**

To ensure appropriate oversight of execution and delivery, risk management, investment in the capabilities and systems to deliver the strategy, with a particular focus on Supply, IT & Digital and Cyber Security.

**Action taken during 2023**

Through the Nomination Committee, the Board maintained a strong focus on Board renewal during 2023. The appointment of Tamara Ingram in February 2023, Marybeth Hays in February 2024 and Fiona Dawson in June 2024, brings material leadership and marketing, retail and omni-channel experience to the Board.

As detailed in the Nomination Committee Report, successful exercises have been undertaken during 2023 resulting in the appointment of Sir Jeremy Darroch as Chair, Kris Licht as CEO and Shannon Eisenhardt as CFO.

The Board has during the year maintained a specific focus on these areas, receiving detailed briefing on Supply, IT & Digital and Cyber Security as part of its Board, Audit Committee and CRSEC Committee agendas.

# NOMINATION COMMITTEE REPORT

Member	Scheduled meetings attended
<b>Chris Sinclair (Chair)</b> Chair and member for the whole year	2/2
<b>Andrew Bonfield</b> Member for the whole year	2/2
<b>Alan Stewart</b> Member for the whole year	2/2
<b>Pam Kirby</b> Member for the whole year	2/2
<b>Sir Jeremy Darroch</b> Member for the whole year	2/2



This year the Committee's focus was on succession planning, ensuring that the right people are in place to enable Reckitt to execute its strategic aims."

**Chris Sinclair**  
Chair of the Nomination Committee



## Committee priorities in 2023

- The selection and appointment of our new Chief Executive Officer (CEO), Kris Licht, who was appointed as CEO Designate in May and formally became CEO on 1 October
- The selection and appointment of our new Chief Financial Officer (CFO) Shannon Eisenhardt, who was appointed as CFO Designate on 17 October, and will succeed Jeff Carr in March 2024
- Chair succession planning. In November, we announced that Sir Jeremy Darroch, currently the Senior Independent Director (SID), would succeed Chris Sinclair as Chair of the Board, from the conclusion of the 2024 Annual General Meeting (AGM), and that Andrew Bonfield will take on the role of SID from the conclusion of the 2024 AGM

## Key objectives for 2024

- Support a smooth Chair transition for Sir Jeremy Darroch
- Support the smooth transition of the Executive Directors, onboarding of the new Non-Executive Directors and transition of Remuneration Committee Chair
- Continue succession planning for the Board and senior management roles and to keep Committee memberships under review

## Committee membership

Members of the Committee are appointed by the Board. Membership currently comprises the Chair, the SID and the Chairs of each of the Board's Committees. In accordance with the principles of the Code, the Committee is made up of a majority of independent Non-Executive Directors. The General Counsel & Company Secretary acted as Secretary to the Committee during the year.

The membership of the Committee is reviewed annually by the Chair as part of the annual performance review of the Committee. All Directors are required to seek election or re-election each year at the AGM. Biographical details of the Directors, including their skills and experience, can be found on pages 65 to 68.

## Role and responsibilities

The role of the Committee, as set out in the Committee's terms of reference, is to ensure that there is a formal, rigorous and transparent procedure for the appointment of new Directors to the Board and to lead the process for Board appointments. The Nomination Committee has principal responsibility for making recommendations to the Board on new appointments and on the composition of the Board and its Committees. The Committee also assists the Board in succession planning for senior management.

The role of the Committee includes, but is not limited to, the following matters:

- Reviewing the composition (including skills, experience, independence, knowledge and diversity) of the Board and making recommendations to the Board with regards to any changes deemed necessary, taking into account the length of service of the Board as a whole and the need to regularly refresh membership
- Reviewing the composition of each of the Board Committees and evaluating the performance and effectiveness of each Director
- Keeping under review the leadership capabilities of the Company, covering both executive, non-executive and senior management positions, ensuring plans are in place for orderly succession, with a view

## Nomination Committee Report continued

to ensuring the continued ability of the Company to compete effectively in the markets in which it operates. Management succession planning is considered to be so important that it is also reviewed by the full Board

- Ensuring that all newly appointed Directors undertake an appropriate induction programme to ensure that they are fully informed about the strategic and commercial issues affecting the Company and the markets in which it operates, as well as their duties and responsibilities as a Director of the Board and member of one or more Board Committees
- Keeping under annual review and monitoring potential conflicts of interest, and, if appropriate, authorising situational conflicts of interest, whilst ensuring the risk of unacceptable influence resulting from any conflict of interest is minimised

Further details on the Committee's role and responsibilities can be found in its terms of reference, available at [www.reckitt.com](http://www.reckitt.com).

### Board composition

The Committee regularly reviews the composition of the Board and its Committees, considering the balance of skills and experience, diversity and how effectively Directors work together to achieve Reckitt's objectives.

Non-Executive Directors are initially appointed for a three-year term and generally continue to serve one or more further terms. All Directors are nominated for appointment by the Committee, which is subsequently approved by the Board.

In January 2024, we announced the appointment of Marybeth Hays as a new Non-Executive Director, effective from 1 February 2024. Marybeth brings over 25 years of experience in retail, healthcare and consumer goods and we are delighted she has joined the Board. Biographical details for Marybeth can be found on page 68.

In February 2024, we announced the appointment of Fiona Dawson CBE as a Non-Executive Director and as Chair Designate of the Remuneration Committee. Fiona will join the Board on 1 June.

In accordance with the Code, all existing Directors will stand for election or re-election at the AGM, with the exception of Chris Sinclair, Pam Kirby and Alan Stewart who have each already notified their intention not to stand for re-election at the AGM, Chris and Pam having reached the end of their nine-year term.

The Committee recommends that all existing Board members have their appointments renewed. Resolutions to this effect will be proposed to shareholders for approval at the forthcoming AGM.

Details of the specific contributions each Director makes to Reckitt's long-term success are set out in the Notice of AGM, available at [www.reckitt.com/investors/annual-general-meetings](http://www.reckitt.com/investors/annual-general-meetings).

### Key activities during 2023

Meetings of the Committee are held as needed but are required to take place at least once a year. In 2023, the Committee held two scheduled meetings and three additional meetings. Meetings take place ahead of Board meetings and the Chair of the Committee reports formally to the Board on its proceedings.

#### FEBRUARY

##### Succession planning

CEO succession and senior management succession planning

#### APRIL

##### Succession planning

The Committee met to review the CEO succession and then approved its recommendation to the Board to appoint Kris Licht as CEO

#### JULY

##### Succession planning

The Committee considered senior management succession planning, including for the role of CFO. The Committee also conducted a review of the current composition of the Board Committees and succession planning for Committee Chair roles

#### AUGUST

##### Succession planning

CFO succession planning and recommendation of appointment of CFO

#### NOVEMBER

##### Succession planning

Update on succession planning generally

Recommendation of appointment of Chair and Senior Independent Director positions

##### Governance matters

Annual review of Committee terms of reference

Annual review of potential conflicts of interest

Committee performance review



## Nomination Committee Report continued

### Succession planning

The Committee regularly reviews and monitors the Board's structure, size and composition, including the balance of skills, experience, independence, knowledge and diversity required and makes recommendations to the Board of any changes deemed necessary. Consideration is given to the length of service of the Board as a whole and Directors individually. In addition, the Committee keeps the leadership needs of the Company under review, including senior management positions, ensuring plans are in place for orderly succession and so that the Company can continue to compete effectively in the markets in which it operates.

The Committee considers Board renewal on an ongoing basis, and makes recommendations to the Board regarding proposed appointments. The Committee is also responsible for making recommendations from the Non-Executive Directors for the role of SID and proposes the membership and the role of Chair for each of the Board Committees.

### Induction programmes

New Directors receive a tailored induction programme on appointment to the Board. The induction programme generally includes meetings with the other Directors, the General Counsel & Company Secretary and GEC members on a 1:1 basis, relevant Committee Chairs (depending on proposed Committee memberships), the Presidents of the GBUs and senior representatives from our advisors such as our lawyers and External Auditor. The meetings are usually held in person, virtually or a mix of both.

New Directors may also carry out market visits and attend key Reckitt sites.

### Chief Executive Officer search, selection and induction process

In September 2022, we announced that Nicandro Durante, who was at the time the SID, would undertake the role of CEO while the Committee identified the best long-term candidate to take Reckitt on the next phase of its journey.

Following an extensive search, which considered both internal and external candidates, we were pleased to announce in April that Kris Licht had been selected to become Reckitt's new CEO.

Further details on the stakeholder considerations the Board had in mind whilst selecting the new CEO can be found in our Section 172 Statement, on page 76.

#### STEP 1

The Committee considered and identified the skills, experience and expertise required for the role of CEO, taking into account the long-term strategic priorities of the business.

#### STEP 2

The Committee outlined a role specification and engaged Egon Zehnder, an independent search agency, to conduct a search for potential candidates, while also considering potential internal candidates with relevant skills, experience and expertise. Egon Zehnder's search focused on 'best in class' CEOs with consumer goods experience. Following conclusion of their search, Egon Zehnder drew up a long list of candidates for the Committee to review. Potential internal candidates were also reviewed.

#### STEP 3

The Committee evaluated the potential candidates and identified a shortlist of candidates who were invited for meetings and interviews.

#### STEP 4

Following the conclusion of the interviews, the Committee met to review and provide feedback on both potential external and internal candidates. This resulted in the Committee's recommendation to the Board to appoint Kris Licht as Reckitt's new CEO.

#### STEP 5

After the Board approved the Committee's recommendation, the appointment was announced and a formal induction process commenced, including a handover from Nicandro Durante.

## Nomination Committee Report continued

### Chief Financial Officer search, selection and induction

During the year, a search commenced for a successor for the Chief Financial Officer (CFO) position. MWM Consulting Limited (MWM), an external search firm, were instructed to conduct a search for external candidates who met the required criteria. From the individuals identified, interviews were held with the CEO and CEO Designate, Chair and the SID. Feedback was provided to the Committee at its meeting in July. Following conclusion of the interview process, the Committee made a recommendation to the Board to appoint Shannon Eisenhardt.

### Chair succession

During the year a process was undertaken to identify my successor as Chair. This exercise was undertaken by the Nomination Committee (excluding me and Jeremy Darroch) and led by Andrew Bonfield. Based on discussions with Board members and a thorough market review, Jeremy Darroch was identified as the best successor to me as Chair, and his appointment was recommended by the Nomination Committee and approved by the Board.

### Board Directors ongoing training and development

The Chair has overall responsibility for ensuring that all the Directors receive suitable training to enable them to carry out their duties. As part of their role, Directors are also expected to personally identify any additional training requirements they feel would benefit them in performing their duties. We arrange ongoing training including on legal and financial regulatory developments relevant to the Company and the Directors.

Training is also provided by way of briefing papers or presentations at scheduled Board meetings, as well as meetings with senior executives or external sources. The Directors may, at the Company's expense, take independent professional advice and are encouraged to continually update their professional skills and knowledge of the business and wider industry.

During the year, training materials have been made available for Board members to view, on ongoing UK corporate governance reforms. We also aim to have one Board strategy meeting held at an off-site business location each year. This gives new Directors an opportunity to engage directly with employees and key personnel in other jurisdictions and be immersed in our business.

### Group Executive Committee (GEC) changes

The GEC changes during the year reflect the Committee's focus on succession planning and the alignment of our functional leaders with Reckitt's strategic priorities and growth opportunities.

In July, Susan Sholtis joined the GEC on her appointment as President of the Nutrition GBU. Shannon Eisenhardt became a GEC member on her appointment as CFO Designate in October.

Nicandro Durante, who was CEO up until October and then remained an Executive Director, resigned from the Board and as a GEC member at the end of 2023.

Biographical details of GEC members can be found on pages 69 to 70.

### Committee performance review

A performance review of the Committee was conducted as part of the broader Board performance review (see page 82). All areas received positive ratings overall, with succession planning for the Chair scoring the highest.

As part of the Board's annual performance review, the Committee reviews the Board's composition, diversity and how effectively members work together to achieve objectives. Directors are evaluated both collectively and individually, to demonstrate whether each Director continues to contribute effectively. Following conclusion of the performance review, the Committee reports to the Board on the outcomes of the review that have or will influence its composition and whether each Director is committing sufficient time to fulfil their duties.

The Board, having had sight of the results of the Committee's performance review, considers the Committee to continue to operate effectively.

### Diversity and inclusion

The Board and Committee fully recognise the importance of diversity, including gender and ethnicity, at Board and senior management levels in compliance with the Code. Inclusion is core

to Reckitt's Purpose to 'protect, heal and nurture in the relentless pursuit of a cleaner and healthier world'. We recognise that it is critical for us to have a diverse employee population and a Board and senior management team that is reflective of the markets we operate in and the consumers we serve.

We are committed to equality of opportunity in all areas of employment and business, regardless of personal characteristics. We always recruit the best and most suitable candidates for any role, and we strive for a well-balanced representation of backgrounds, nationalities, cultures, skills and experiences at all levels across the Group. Ultimate responsibility for and sponsorship of this policy rests with the GEC. Senior management is accountable and all Reckitt employees are responsible for ensuring that our diversity policies and programmes are actively implemented and followed.



## Nomination Committee Report continued

Although we do not have a written Board diversity policy, the Committee and the Board are committed to recruit members of the Board on the strict criteria of merit, skill, experience and cultural fit of any potential candidates, and to seek diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. This commitment is demonstrated through our Board composition which comprises eight nationalities and seven women as at the date of this Report. Our Board consists of one member from an ethnic minority, in line with the Parker Review recommendation and the Financial Conduct Authority (FCA) Policy on Diversity and Inclusion on Company Boards and Executive Management.

Our GEC, comprising the most senior management level in the business, represents seven different nationalities from across the globe, embodying our truly multinational focus. The Company's wider global leadership community holds over 49 nationalities between them, representing a broad background of collective skills, cultures and experience. This widens our understanding of our consumers, who themselves come from the broadest possible backgrounds allowing us to be best placed in serving their needs.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	12	80%	100%	9	76%
Mixed/Multiple Ethnic Groups	–	–	–	1	8%
Asian/Asian British	1	7%	–	1	8%
Black/African/ Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	1	8%
Not specified/ prefer not to say	2	13%	–	–	–

### Representation of women at Board and senior management levels

As at 31 December 2023, 40% of our Board members are women and we have achieved the 40% target as outlined in the FTSE Women Leaders Review (formerly the Hampton-Alexander Review). In addition, we will comply with the FCA's Policy on Diversity and Inclusion on Company Boards and Executive Management, which requires that at least one of the senior Board roles should be held by a woman, with the appointment of Shannon Eisenhardt as CFO in March 2024.

As at 31 December 2023, representation of women within the GEC was 33%, and within the GEC and their direct reports was 29%. We are cognisant of the gap in performance towards the 40% for women in leadership within the GEC as detailed in the FTSE Women Leaders Review (and in Provision 23 of the Code).

We recognise that representation of women at our most senior levels needs improvement, and the Committee continues to make a commitment to increase women's representation at this level.

As at 31 December 2023, women employees accounted for 45% of our global workforce and make up 51% of our manager population.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	9	60%	100%	8	67%
Women	6	40%	– <sup>1</sup>	4	33%
Not specified/ prefer not to say	–	–	–	–	–

1. Shannon Eisenhardt was appointed as CFO Designate on 17 October 2023 and will take on the role of CFO in March 2024

We continue to put diversity and inclusion at the centre of everything we do. Further details can be found at pages 19 to 21 and in our Fairer Society section on page 51.

# AUDIT COMMITTEE REPORT

Member	Meetings attended
<b>Andrew Bonfield (Chair)</b> Chair and member for the whole year	4/4
<b>Pam Kirby</b> Member for the whole year	4/4
<b>Margherita Della Valle</b> Member for the whole year	3/4
<b>Elane Stock</b> Member for the whole year	4/4
<b>Tamara Ingram</b> Member from February 2023	4/4



The focus this year remained on oversight of Reckitt's internal controls and risk management framework in the context of the upcoming revisions to the Corporate Governance Code."

**Andrew Bonfield**  
Chair of the Audit Committee



On behalf of the Board, I am pleased to present the Audit Committee Report for the financial year ended 31 December 2023.

This report details how the Committee has discharged its role, duties and performance during the year under review in relation to internal control, financial and other reporting, risk management, the internal audit function and our relationship and interaction with the External Auditor.

## Committee priorities in 2024

- Maintaining oversight and providing assurance to the Board on Reckitt's risk management and internal control procedures, including monitoring key areas in the context of risk and control
- Sustaining a strong culture of risk management and embedding and strengthening internal controls across the Group
- Monitoring potential legislative and regulatory changes which may affect the work of the Committee
- Reviewing cyber security risks and controls

## Committee membership and experience

Name	Recent and relevant financial experience	Sectoral experience relevant to Reckitt's operations
Andrew Bonfield (Chair)	<ul style="list-style-type: none"> <li>– Financial expert</li> <li>– Chartered Accountant</li> <li>– Currently CFO of a global US Fortune 100 company</li> <li>– Multiple CFO roles at other large companies, including in the consumer goods sector</li> </ul>	<ul style="list-style-type: none"> <li>– Consumer goods</li> <li>– Pharmaceuticals/healthcare</li> </ul>
Pam Kirby	<ul style="list-style-type: none"> <li>– Sits on another FTSE 100 company's Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>– Pharmaceuticals/healthcare</li> <li>– Technology</li> </ul>
Margherita Della Valle	<ul style="list-style-type: none"> <li>– Financial expert</li> <li>– Holds a Master's degree in Economics</li> <li>– Previously held Group CFO and senior finance roles</li> </ul>	<ul style="list-style-type: none"> <li>– Consumer goods</li> <li>– Technology</li> </ul>
Elane Stock	<ul style="list-style-type: none"> <li>– Holds Master's degrees in Finance</li> <li>– Previously member of the audit committee of two US listed entities</li> </ul>	<ul style="list-style-type: none"> <li>– Consumer goods</li> <li>– Emerging markets</li> </ul>
Tamara Ingram	<ul style="list-style-type: none"> <li>– Member of the Audit Committee of a US-listed company</li> </ul>	<ul style="list-style-type: none"> <li>– Consumer goods</li> <li>– Digital strategy</li> </ul>

## Audit Committee Report continued

All Committee members are independent Non-Executive Directors who have financial, economics and/or business management expertise in large companies.

As Chair of the CRSEC Committee, Pam Kirby's membership of the Audit Committee ensures that relevant issues, such as risk, whistle-blowing and compliance, are shared and coordinated between the two Committees.

Committee members are expected in particular to have an understanding of:

- The Group's operations, policies and internal control environment
- The principles of, and recent developments in, financial reporting
- Relevant legislation, regulatory requirements and ethical codes of practice
- The role of internal and external audit and risk management

The Board is satisfied that, in compliance with the Code, Committee members as a whole have competence relevant to the Company's sector (consumer goods).

Committee appointments are generally made for a three-year period. Members of the Committee are appointed by the Board on the recommendation of the Nomination Committee.

On joining the Committee and during their tenure, members receive additional training tailored to their individual requirements. Committee members also meet with management covering internal audit, risk management, legal, tax, treasury and financial matters, as well as meetings with the External Auditor.

During the year, members of the Committee received regular briefings from management on matters covering governance and legislative developments, accounting policies and practices, and tax and treasury.

During the year, the Head of Secretariat acted as Secretary to the Committee.

### Meetings

During 2023, the Committee held four scheduled meetings at times aligned to the Company's reporting cycle. In addition, one non-scheduled meeting was held via videoconference, as permitted by the Company's articles of association and the Committee's terms of reference.

Committee meetings usually take place ahead of Board meetings and the Committee Chair provides an update to the Board on the key issues discussed at each meeting. Committee papers are provided to all Directors in advance of each meeting, including a copy of the Committee minutes.

Meetings are attended by senior representatives of the External Auditor and by the Group Head of Audit, CFO, CFO Designate and SVP Corporate Controller. The Chair of the Board and the CEO are also invited to attend. Other management attend when deemed appropriate by the Committee.

Time is allocated at the end of each meeting for private discussion with internal audit and the External Auditors, without other invitees being present, as well as a private session of the Committee members.

Committee members' meeting attendance during the year is set out on the first page of this Audit Committee Report.

### Committee performance review

A performance review of the Committee was conducted as part of the Board's external performance review, conducted by Lintstock.

The performance review of the Committee utilised a bespoke questionnaire sent to Committee members followed by an interview. Matters evaluated by Committee members included meeting management and composition, Committee support, Committee relationships, quality of information and the work of the Committee and its review of controls and reporting. All areas received positive ratings overall, with management of Committee meetings scoring the highest.

The Board, having had sight of the results of the Committee's performance review, considers the Committee to be operating effectively.

## Audit Committee Report continued

### Fair, balanced and understandable

The Committee reviewed the 2023 Annual Report and Financial Statements to confirm that it is fair, balanced and understandable and provides sufficient information to shareholders to assess the Group's position, performance, business model and strategy.

The Committee relies upon the following assurance framework in making its assessment of fair, balanced and understandable:

- All sections of the 2023 Annual Report and Financial Statements were prepared in accordance with the Standard Operating Procedures (SOPs) as approved by the Disclosure Committee
- A detailed review of the 2023 Annual Report and Financial Statements was undertaken by senior management and the Disclosure Committee to ensure consistency in messaging and appropriate balance
- A comprehensive review by the Directors and the senior management team of the form, content and consistency of narrative, the disclosures contained in the Financial Statements and the underlying processes and controls supporting the preparation of the 2023 Annual Report and Financial Statements
- The comprehensive verification process, supporting any facts, figures and statements included in the 2023 Annual Report and Financial Statements

The Committee and the Board received confirmation from management that the Annual Report and Financial Statements had been prepared in accordance with the assurance framework and that appropriate verification had been undertaken.

In addition, the Committee also reviewed KPMG's audit findings report, draft audit opinion and draft management representation letter.

Following the Committee's review, the Committee was satisfied that the 2023 Annual Report and Financial Statements, taken as a whole, met its objectives and accordingly recommended to the Board that the 2023 Annual Report and Financial Statements be approved and that the Board make its statement on page 137.

### Role and responsibilities

The Committee is part of the Group's governance framework and supports the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Group's financial reporting, internal controls and overall risk management process, and relationship with the Company's External Auditor.

### Financial reporting

- Monitor the integrity of the financial statements of the Company including interim and annual financial statements
- Review the appropriateness of significant accounting policies and practices
- Review significant financial judgements and estimates, taking into account the External Auditor's view on the financial judgements and estimates
- Advise the Board on whether, taken as a whole, the Annual Report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy

### Risk management systems and internal controls

- Review and monitor the effectiveness of the management of risk and overall system of Internal Control
- Review the framework and analysis to support both the Going Concern and the long-term Viability Statement

### Whistle-blowing, fraud and compliance

- In conjunction with the CRSEC Committee, review the Company's arrangements for its workforce to raise concerns about possible

wrongdoings in financial reporting and other matters; review the Company's procedures for detecting fraud; and its systems and controls for ethical behaviours and the prevention of bribery

### External audit

- Make recommendations to the Board on the appointment, removal, remuneration and terms of engagement of the External Auditor
- Review and assess the External Auditor's independence and objectivity taking into account relevant UK law, professional and regulatory requirements
- Develop, recommend and implement the Group's policy in relation to the provision of non-audit services
- Review and approve the annual audit plan and assess the effectiveness of the audit process

### Internal audit

- Review and approve the annual internal audit plan and monitor and review its effectiveness
- Review and monitor the effectiveness of the internal audit function, ensuring the necessary resources are in place for it to perform effectively

There were no significant changes to the Committee's role and responsibilities during the year.

The Committee's role and responsibilities are set out in its terms of reference, which are available at [www.reckitt.com](http://www.reckitt.com).



## Audit Committee Report continued

### Key activities during the year

#### FEBRUARY

- Review of the 2022 preliminary results announcement, including the Financial Statements and recommend for approval by the Board
- Review of the 2022 Annual Report and Financial Statements, the going concern basis of preparation and Viability Statement, including whether the Committee could recommend that the Board approve the 2022 Annual Report and Financial Statements
- KPMG's 2022 audit findings report, observations on Reckitt's internal controls for the 2022 financial year, management representation letter and report on the 2022 Annual Report and Financial Statements
- KPMG's final non-audit fees for 2022
- Annual review of risk management and internal controls including review of risks across Group functions and of the integrated risk management framework

#### MAY

- Approval of KPMG's 2023 audit fees and terms of engagement
- Conduct assessment of External Auditor independence and ethics
- KPMG's strategy for the 2023 audit
- Conclude on audit quality delivery and assess External Auditor effectiveness
- Work undertaken in respect of the 2023 internal audit plan and monitoring the 2023 internal audit plan
- Review of whistle-blowing procedures
- Consider legal matters, including provisioning and compliance risk and compliance controls
- Consider tax and treasury matters, including provisioning for uncertain tax positions and compliance with statutory reporting obligations
- Review of risk management and business continuity
- Review of the Company's IT controls, with a focus on cyber risk

#### JULY

- Review of the 2023 half-year results announcement, including the going concern basis of preparation and recommendation for approval by the Board
- KPMG's half-year review report findings to 30 June 2023 and management representation letter
- KPMG's assessment of its objectivity and independence
- Review internal audit findings and responsiveness of management

#### NOVEMBER

- Review of the Committee's 2024 standing agenda and terms of reference
- Results of the performance review of the Committee
- Monitor legislative and governance changes regarding proposed audit reform and changes to the Code
- Review of the Company's IT controls with a focus on cyber risk
- KPMG's interim IT control findings relating to the 2023 audit cycle
- Annual review and approval of Group Treasury policies
- Review KPMG's non-audit fees for 2023 and review of independence
- Review of internal controls and the Company's controls transformation programme

## Audit Committee Report continued

### Significant and key financial reporting matters

The key matters reviewed and evaluated by the Committee during the year were as follows.

The Committee is responsible for reviewing and approving the appropriateness of the interim and annual Financial Statements and related announcements, including:

- Recommending that, in the Committee's view, the Financial Statements are fair, balanced and understandable. In addition to the detailed preparation and verification procedures in place for the 2023 Annual Report and Financial Statements, management continued its focus on narrative reporting with clear written and visual messaging to communicate the Group's strategy
- Reviewing the appropriateness of the accounting policies, judgements and estimates used as set out from pages 160 to 200 and concluding that the judgements and assumptions used are reasonable
- Reviewing the Group's policy relating to, and disclosure of, alternative performance measures (APMs)

### Areas of significant financial judgement

The areas of significant financial judgement in relation to the 2023 Group Financial Statements considered by the Committee, together with a summary of the actions taken, were as follows.

#### Recoverability of goodwill and other intangible assets

Under International Financial Reporting Standards (IFRS), goodwill and indefinite-life assets must be tested for impairment on at least an annual basis. Impairment testing is inherently judgemental and requires management to make multiple estimates, on future performance, for example around future

price and volume growth, future margins, terminal growth rates and discount rates. The Group's impairment testing utilised cash flow projections included within one-year budgets and five-year strategic plans. Cash flows beyond the five-year period were projected using terminal growth rates.

As a result of impairment testing performed in 2023, management determined that an impairment charge of £810 million relating to its IFCN cash-generating unit (CGU) was required at 31 December 2023 (2022: impairment charge of £152 million relating to the Biofreeze CGU and £15 million relating to other CGUs).

In November 2023, the Committee reviewed the detailed results of the impairment testing for the Group's CGUs, with a particular focus on the Biofreeze CGU, as no headroom existed between the Biofreeze recoverable amount and carrying value following impairment in 2022. The Committee challenged the key assumptions which underpinned the Biofreeze recoverable amount, including anticipated category growth, market share improvement, the commercial success of new product launches and international market expansion. The Committee confirmed the key judgements and estimates made by management including market expansion and discount rate, and reviewed the sensitivity of the Biofreeze impairment model to changes in key assumptions. Subsequent to the impairment review the Committee reviewed the transfer of Biofreeze goodwill (£160 million) to the Health CGU, the transfer occurring due to the completion of the integration of Biofreeze into Health in 2023, and considered it to be appropriate.

In February 2024, following management's considerations of the external auditor's observations, the Committee reviewed the detailed

results of the impairment testing in relation to the IFCN CGU and challenged the key assumptions which underpinned the IFCN recoverable amount at 31 December 2023. This included the effect of changes to the regulatory environment, the level at which US market share stabilises, net revenue growth rates, the commercial success of new product launches and the expansion of speciality nutrition. The evolving regulatory environment has increased the judgemental nature of estimating the future cash flows, thereby resulting in increased scrutiny and focus by the Committee and challenge to management. This challenge resulted in refinement of the assumptions underpinning management's estimate of the recoverable amount of the IFCN CGU.

The Committee also reviewed the discount rate used by management to calculate the value in use of IFCN, in particular the increase in the discount rate in 2023 due to a higher risk free-rate.

The Committee confirmed the key judgements and estimates made by management and reviewed the sensitivities of the impairment model to reasonable changes in key assumptions.

The Committee reviewed management's disclosures in relation to goodwill, other intangible assets and related impairment reviews included within Note 9 and considered them appropriate.

#### Forward purchase of shares held by non-controlling interests

On 25 May the Group entered into an agreement pursuant to which it will proceed to acquire the remaining interests associated with the Company's majority owned activities in mainland China and Hong Kong (RB Manon) from its existing minority shareholders. The transaction will be implemented through the purchase,

in multiple stages, of the non-controlling shareholdings held by the minority shareholders.

Amounts payable under the agreement are dependent on the revenue and profits of RB Manon in future periods. Management's estimate of the present value of amounts payable at the date of the agreement is £298 million. The key assumptions underpinning this estimate relate to future revenue and profit growth of Reckitt's business in China, and the discount rate used to determine the present value of future cash flows. The Committee reviewed these assumptions and considered them to be reasonable.

As the agreement to acquire the non-controlling interest has multiple elements, judgement is required to allocate the total amount payable under the agreement to each element. Management determined that the main elements in the agreement related to (1) a forward contract for the purchase of a non-controlling interest in RB Manon, with £167 million allocated to this element charged to shareholders equity, and (2) services provided by the minority shareholders in relation to the transition of leadership and shares in RB Manon, with the residual amount of £131 million allocated to this element, which will be charged to the income statement over the performance period for these services.

The Committee reviewed the identification and allocation of consideration to each element in the agreement, and the disclosures included in Note 30, and considers them appropriate.

#### Tax provisioning

From time to time, the Group may be involved in disputes in relation to ongoing tax matters in a number of jurisdictions around the world where the approach of the local authorities is particularly

## Audit Committee Report continued

difficult to predict. The amount of uncertain tax position liabilities recorded in relation to these investigations is an area where management and tax judgement are important. The Committee reviewed the key judgements made with management, including relevant professional advice that may have been received in each case, and considered the level of recognised uncertain tax position liabilities to be appropriate.

As required under IFRS, management has included disclosure in the Financial Statements outlining the amount of uncertain tax position liabilities, the methodology by which they have been recognised and the sources of estimation uncertainty in relation to these uncertain tax position liabilities or the rationale for why sensitivity disclosure is not meaningful and has not been provided in the Financial Statements. The Committee has reviewed these disclosures, included within Notes 1 and 22, and considers them appropriate.

### Legal liability provisioning

At 31 December 2023 a provision of £137 million (2022: £221 million) was held on the Group's Balance Sheet in relation to regulatory, civil and criminal investigations as well as litigation proceedings.

The Committee has reviewed the status of potential legal and constructive liabilities during the year, and at the year end, including the South Korea Humidifier Sanitiser (HS) issue, Necrotizing Enterocolitis (NEC), Phenylephrine (PE) and other significant matters. The Committee challenged management on the judgements made in determining the level of provisions recognised and was satisfied with the level of provisioning and associated disclosure for the HS issue, NEC, PE and other significant matters (see note 20). The Committee was also briefed

on the implications of the recent NEC state court jury award in Belleville, Illinois (see note 33) and challenged management on their exercise of judgements described in the disclosure.

### Other key financial reporting matters

Other key matters reviewed and evaluated in relation to the 2023 Group Financial Statements considered by the Committee, together with a summary of the actions taken, are set out below.

### Investigation in the Middle East

As part of the Group's ongoing compliance procedures, an investigation was conducted in two Middle Eastern markets in late 2023 and early 2024. The investigation was led by the Group's Ethics and Compliance function, supported by external legal counsel, internal audit and corporate controllership. The Committee was kept updated as the investigation progressed and discussed the findings of the investigation ahead of the release of the 2023 preliminary results announcement and finalisation of the 2023 Annual Report. An understatement of trade spend, which related to the fourth quarter and prior quarters of 2023, was identified and incorporated into the 2023 financial statements. The Committee reviewed the investigation reports and related accounting adjustments. The Committee will continue to monitor the actions and internal control enhancements taken by management in response through 2024.

### Going concern and Viability Statement

A Viability Review was undertaken by management, encompassing its going concern review. The Committee reviewed and challenged the key assumptions used by management in its Viability Review and going concern assessment, as well as the scenarios applied and risks considered.

Based on its review, the Committee considers that the application of the going concern basis for the preparation of the Financial Statements was appropriate and confirmed the suitability of the Viability Statement covering a five-year period, as set out on page 61. The use of a five-year period for the Viability Review is the period of the Group's long-term forecasting process and covers the various business cycles.

### Internal audit

#### Role of internal auditor

The Committee is responsible for reviewing and monitoring the effectiveness of the internal audit function. The Group Head of Audit is accountable to the Chair of the Committee, although for administrative matters reports to the CFO. The function operates independently of the business, with no responsibility for operational management. The independence of the Group Head of Audit and the internal audit function is considered as part of the annual internal audit effectiveness review. Further details can be found on page 94.

The function is responsible for providing independent and objective assurance on the adequacy and effectiveness of Reckitt's risk management and internal control systems. Its mandate is set out in a written charter, approved by the Committee, and it uses a formal internal audit methodology consistent with the Institute of Internal Auditors internationally recognised standards.

Prior to the start of each financial year the Committee reviews and approves the annual audit plan and assesses the adequacy of the function's budget and resources. The function brings in specialist skills from external service providers, as necessary. The strengthening of the finance second line will allow the function in future periods to transition away from an agreed rotation and scope policy to a more risk-based approach.

The risk-based audit plan focuses on areas deemed critical to achieving our business objectives and covers Reckitt's commercial businesses, manufacturing facilities, information systems, programmes and higher risk areas and processes. Following each audit, control weaknesses are reported to senior management, together with recommendations and updates. Resulting management actions are tracked until they are satisfactorily closed. Audits that identified significant weaknesses in the control environment normally receive a follow-up audit within 12 to 18 months as appropriate.

At each Committee meeting the Group Head of Audit presents an update which includes an assessment of the control environment together with any material issues, the performance of the internal audit function, and any other topics as required. A private session with the Committee is also held at every meeting.

### Risk management

The Committee supports the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Group's financial reporting (including the Annual Report and Financial Statements), system of risk management and internal control, and the relationship with the External Auditor. The Committee makes recommendations to the Board in relation to approval of the Annual Report and Financial Statements.

The Committee regularly monitors our system of risk management and internal control (including internal financial controls). The finance function, headed by the CFO, has implemented policies, processes, and controls to enable the Company to review and comply with changes in accounting standards and relevant financial regulations. These policies, processes and controls are kept under review on an ongoing

## Audit Committee Report continued

basis to ensure both internal and external developments are reviewed and acted upon.

In monitoring the integrity of financial reporting and any other risks falling within its remit, the Committee receives regular reports from the SVP Corporate Controller, Group Chief Ethics & Compliance Officer, Group Head of Tax and Group Head of Treasury on material developments in the legislative, regulatory, and fiscal landscape in which the Group operates. It also receives reports on IT and cybersecurity risks and controls, and on the Group's whistle-blowing arrangements.

The Committee reported to the Board in February 2024 that it considers the internal control framework to be functioning appropriately, to enable the Board to meet its obligations under section 4 of the Code, to maintain sound risk management and internal control systems, and to report to shareholders on these in the Annual Report (see page 137).

Reckitt's ongoing controls transformation programme in preparation for internal controls changes arising from the revisions to the Code has identified certain control improvement opportunities that management is currently undertaking.

The basis for the preparation of the Group Financial Statements is set out on page 160 under Accounting Policies.

The External Auditor's report, setting out its work and reporting responsibilities, can be found on pages 138 to 155. The terms, areas of responsibility and scope of the External Auditor's work are agreed by the Committee and set out in the External Auditor's engagement letter.

More information on the Group's principal and emerging risks and strategy for growth and

achieving targeted goals is detailed in the Strategic Report, which can be found on pages 55 to 60.

The Viability Statement can be found on page 61.

The Statement of Directors' Responsibilities on page 137 details the Directors' responsibility for the Financial Statements, for disclosing relevant audit information to the External Auditor and for ensuring that the Annual Report is fair, balanced and understandable.

### Internal controls framework

Internal control processes are implemented through clearly defined roles and responsibilities, supported by clear policies and procedures, delegated to the GEC and senior management. Reckitt operates a 'three lines of defence' model in monitoring internal control systems and managing risk.

1. Management in the first line ensures that controls, policies and procedures are followed in dealing with risks in day-to-day activities. Such risks are mitigated at source with controls embedded into relevant systems and processes. Supervisory controls, either at management level or through delegation, ensure appropriate checks and verifications take place, with any failures dealt with promptly. Throughout Reckitt, a key responsibility for any line manager is to ensure the achievement of business objectives with appropriate risk management and internal control systems.
2. Each function and GBU has its own management which acts as a second line of oversight. This second line sets the local level policies and procedures, specific to its own business environment, subject to Group policy and authorisation. The second line further acts in an oversight capacity over the implementation of controls in the first line.

The financial performance of each function and GBU is monitored against pre-approved budgets and forecasts ultimately overseen by the executive management and the Board. As part of the second line, the corporate control team identifies financial risks and mitigates these with appropriate internal controls, set out through minimum expected financial control requirements. The effectiveness of the global financial control framework is reviewed annually. Further, the Group's compliance controls include the operation of an independent and anonymous 'Speak Up' whistle-blowing hotline, annual management reviews and the provision of training specific to individual needs within the business.

3. The third line of defence is provided by the internal audit function which provides independent and objective assurance to management and the Committee on the adequacy and effectiveness of risk management systems and internal controls operated by the first and second lines of defence. Internal audit also facilitates the risk management process.

Reckitt's internal control framework provides assurance that business objectives are achieved, that business is conducted in an orderly manner and in compliance with local laws, that records are accurate, reliable and free from material misstatement, and that risks are understood and managed.

The corporate control team is accountable for managing global financial control policies and frameworks and for monitoring the effectiveness of the Group's internal financial control environment. Corporate control is responsible for reporting and monitoring controls at local, GBU

and global levels, working with markets to improve risk and controls capability and to support the development of remediation plans and corrective actions for financial control weaknesses.

To improve the maturity of the control environment and meet upcoming changes to the Code, the Company has established a multi-year controls transformation programme. In 2023, the controls transformation programme launched an updated, standardised and risk-focused controls framework for financial and IT general controls, including new evidence standards to enable consistent documentation of the operating effectiveness of financial and IT general controls. Following launch, the second line of defence team, supported by external advisors, conducted a comprehensive fit-gap assessment to determine the required uplift to comply with the new framework and evidence standards. As anticipated, gaps versus the framework and standard have been identified in relation to the retention of evidence and the formality and consistency of control operation. Where required, plans have been developed and remediation activity is underway in markets, IT and group. In 2023, the effectiveness of the global financial control framework has been assessed through analysis of the results from the fit-gap assessment and subsequent remediation, alongside consideration of findings on the internal control environment from internal audits conducted in 2023.

At each meeting, the Committee reviews a report outlining the status of the controls transformation programme, the results of the fit-gap assessment and remediation progress, and other notable controls activity since the previous meeting. In 2024, assurance over

## Audit Committee Report continued

the operating effectiveness of controls in the revised framework will be provided by testing conducted by the second line of defence team.

### Internal auditor effectiveness review

The Committee monitors the effectiveness of the internal audit function throughout the year through the Group Head of Audit's attendance at Committee meetings, review of work presented throughout the course of the year and the annual internal audit effectiveness review. The annual review involves the solicitation of feedback through a survey circulated to internal stakeholders including Committee members, GEC, GBU, functional and operational leadership teams.

The survey assessed the skills and experience, audit quality, audit scope, audit cost, audit communication, independence, and change catalyst of the internal audit function. The survey reported strong, positive feedback with management viewing the function as comprised of high quality and skilled individuals who demonstrate a high level of integrity, independence, and objectivity.

The Committee has considered the conclusions of the effectiveness review and the work performed by the function during the year and remains satisfied that the resourcing, quality, experience and expertise of the function is appropriate for the Company and that the function was objective and performed its role effectively.

### External Auditor

The Committee is responsible for maintaining the relationship with the External Auditor on behalf of the Board. The Company's External Auditor is KPMG LLP (KPMG). Following a competitive tender undertaken in 2017, KPMG was formally appointed as the Group's External Auditor by shareholders in 2018. The Company will be required to conduct its next external audit tender no later than 2027.

For the year ended 31 December 2023, the Company has complied with the Competition and Markets Authority Order: The Statutory Services for Large Companies Market Investigation (Mandatory use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

The Committee considers and makes a recommendation to the Board in relation to the appointment, reappointment and removal of the External Auditor, taking into account independence, effectiveness, lead audit partner rotation and any other relevant factors, and oversees the tendering of the external audit contract.

The Committee approves the External Auditor's terms of engagement and remuneration and reviews the strategy and scope of the audit and the work plan.

The Committee also monitors the rotation of the lead audit partner every five years in accordance with the FRC's Ethical Standard. The current lead audit partner, Andrew Bradshaw, has completed his second year as lead audit partner.

### External auditor effectiveness review

The annual evaluation of the External Auditor was carried out in early 2023 and the results reported to the Committee in May. The assessment of the External Auditor was conducted using a survey circulated to the Board, GEC, GBU, finance and other functional leadership and local finance management.

The survey covered the four competency areas in the FRC's Guidance on Audit Quality: practice aid for Audit Committees (published in December 2019): Judgement; Quality Control; Skills and Knowledge; and Mindset and Culture.

Besides the annual evaluation of the External Auditor, the Committee continually reviews the External Auditor's effectiveness through means

such as the monitoring of its progress against the agreed audit plan and scope. KPMG reports to the Committee annually with an audit quality scorecard, providing a holistic view of, and their investment in, audit quality and how they measure their audit quality progress.

### External Audit fees and non-audit services

The Committee reviews the nature and level of non-audit services undertaken by the External Auditor during the year to satisfy itself that there is no impact on its independence. The Committee is required to approve all non-audit services. The Board recognises that in certain circumstances the nature of the service required may make it timelier and more cost-effective to appoint an auditor that already has a good understanding of Reckitt.

The total fees paid to KPMG for the year ended 31 December 2023 were £20.7 million, of which £1.3 million related to non-audit and audit-related work (to which KPMG was appointed principally for the above reasons). The Group's internal policy on non-audit fees (effective 1 January 2017) states that, on an annual basis, non-audit fees should not exceed 50% of the Group's external audit and audit-related fees for the year. The Board confirms that, for the year ended 31 December 2023, non-audit and audit-related fees were 6.7% of the audit fees.

Details of services provided by the External Auditor are set out in Note 4 on page 169.

### Independence and reappointment

Reckitt has a formal policy in place to safeguard the External Auditor's independence. In addition, as part of its audit strategy presentation to the Committee in May, KPMG identified its own safeguards in place to protect its independence and confirmed its independence in February to the Committee.

The Group has a policy that restricts the recruitment or secondment of individuals employed by the External Auditor into positions that provide financial reporting oversight where they could exercise influence over the financial or regulatory statements of the Group or the level of audit and non-audit fees. Other than the provision of advisory services to a Director in their personal capacity, KPMG had no connection with the Directors during the financial year.

The External Auditor is a key stakeholder in helping the Committee fulfil its oversight role for the Board. The Committee remains satisfied with the External Auditor's independence and effectiveness and believes KPMG is best placed to conduct the Company's audit for the 2024 financial year. KPMG has expressed a willingness to continue as External Auditor of the Company. Following a recommendation by the Committee, the Board concluded, on the Committee's recommendation, that it was in the best interests of shareholders to appoint KPMG as the Company's External Auditor for the financial year ending 31 December 2024. The Committee and Board's recommendation was free from third party influence and there was no contractual term of the kind mentioned under Regulation (EU) No 537/2014 imposed on the Company.

In accordance with Section 489 of CA 2006, resolutions to propose the reappointment of KPMG as the Company's External Auditor and to authorise the Committee to fix its remuneration will be put to shareholders at the AGM on 2 May 2024.

**Andrew Bonfield**  
Chair of the Audit Committee  
Reckitt Benckiser Group plc

21 March 2024



# CORPORATE RESPONSIBILITY, SUSTAINABILITY, ETHICS AND COMPLIANCE COMMITTEE REPORT

Member	Meetings attended
<b>Pam Kirby (Chair)</b> Chair and member for the whole year	4/4
<b>Mehmood Khan</b> Member for the whole year	4/4
<b>Chris Sinclair</b> Member for the whole year	4/4
<b>Olivier Bohuon</b> Member for the whole year	3/4
<b>Kris Licht</b> Member from 1 June 2023	2/2



The Committee receives regular briefings from key functional teams to enable it to discharge its oversight responsibilities and works with the Audit Committee on areas of crossover, as needed."

**Pam Kirby**  
Chair of the Corporate Responsibility, Sustainability, Ethics and Compliance Committee



## Committee areas of focus



Area of focus	Further detail	Pages
Legal compliance and ethics	Risk Management	55-60 <a href="#">➔</a>
	Section 172 Statement	76-77 <a href="#">➔</a>
	Audit Committee Report	88-95 <a href="#">➔</a>
Sustainability	Sustainability Performance Dashboard	14 <a href="#">➔</a>
	Sustainability Performance Review	47-54 <a href="#">➔</a>
Product safety and quality	Our Supply Chain	25-27 <a href="#">➔</a>
	Our Stakeholders	37-40 <a href="#">➔</a>
	Sustainability Performance Review	47-54 <a href="#">➔</a>
R&D and regulatory compliance	Scientific Innovation	22-24 <a href="#">➔</a>
	Nutrition – Market Opportunities	34-36 <a href="#">➔</a>
External affairs	Our Stakeholders	37-40 <a href="#">➔</a>
	Section 172 Statement	76-77 <a href="#">➔</a>



## Corporate Responsibility, Sustainability, Ethics and Compliance Committee Report continued

On behalf of the Board, I am pleased to present the Corporate Responsibility, Sustainability, Ethics and Compliance (CRSEC) Committee Report for the financial year ended 31 December 2023.

This report details how the Committee has discharged its role and responsibilities during the year in relation to monitoring and assessing our approach to responsible, sustainable, ethical and compliant corporate conduct in accordance with our Purpose and Compass, and our broader societal responsibility.

### Committee membership

Members of the Committee are appointed by the Board on the recommendation of the Nomination Committee, which reviews membership in terms of skills, knowledge, diversity and experience.

On joining the Committee and during their tenure, members receive additional briefings and training tailored to their individual requirements. This includes meetings with internal management covering CRSEC matters. All members of the Committee receive regular briefings from senior executives on matters covering governance, regulatory and legislative developments, product safety and corporate responsibility, sustainability and ethics-related matters, and Reckitt's practices and policies in these areas.

During the year, the Deputy Company Secretary acted as Secretary to the Committee.

### Meetings

In 2023, the Committee held four meetings. Meetings usually take place ahead of Board meetings and the Chair of the Committee reports formally to the Board on the Committee's proceedings. The CEO, CFO, Chief R&D Officer, Group Head of Audit, General Counsel & Company Secretary, Chief Supply Officer, Group Chief Ethics and Compliance Officer, Chief Marketing, Sustainability and Corporate Affairs Officer, Global Head of External Communications & Affairs, Group Head of Sustainability, Chief Safety Officer, SVP Head of Global Quality and the Global Director of Health & Safety, Quality and Compliance and Corporate Security regularly attend meetings. Other Directors are invited to attend all meetings. Other senior management attend when deemed appropriate by the Committee.

Time is allocated at each meeting for private discussion with the Chief R&D Officer, Group Chief Ethics and Compliance Officer, Chief Supply Officer, Chief Marketing, Sustainability and Corporate Affairs Officer, Global Head of External Communications & Affairs, Group Head of Sustainability and Group Head of Audit without other invitees being present, as necessary, as well as a private meeting of the Committee members. All Board members are provided with copies of Committee papers and minutes.

In addition to reviewing matters at Committee meetings, the Committee Chair held regular meetings with our CEO, Chief R&D Officer, Chief Supply Officer, Chief Marketing, Sustainability and Corporate Affairs Officer, Global Head of External Communications & Affairs, Group Head of Sustainability and Group Chief Ethics and Compliance Officer, to review progress against the strategy and to represent the Board in supporting the efforts in these critical areas.

### Committee performance review

This year, a performance review of the Committee was conducted as part of the Board's external performance review (see page 82). All areas received positive ratings overall, with Committee oversight of legal compliance and ethics scoring the highest. The Board, having had sight of the results of the Committee's performance review, considers the Committee to be operating effectively.

### Role and responsibilities of the Committee

The Committee is part of the Group's governance framework and supports the Board in fulfilling its oversight responsibilities in ensuring the integrity of the Group's corporate responsibility and sustainability, ethics and compliance policies, programmes and activities. Its role and responsibilities are set out in its terms of reference, which can be found at [www.reckitt.com](http://www.reckitt.com). We review our terms of reference annually. During the year, the Committee's terms of reference were reviewed and considered to be appropriate.

The Audit Committee has a monitoring function in respect of risk management and internal control systems, which also includes the assurance framework established by management to identify and monitor risks identified by the CRSEC Committee. The Committee liaises with the Audit Committee and the Chair of the CRSEC Committee is a member of the Audit Committee.

### Standing agenda items reviewed by the Committee throughout the year

The Committee has several standing agenda items which it considers in-line with its terms of reference and in the context of the Group's Principal Risks:

- Assessment and recommendations on policies, processes and procedures for corporate responsibility, sustainability, compliance and ethical conduct
- Overseeing the Group's conduct with regard to its corporate and societal obligations as a responsible global citizen on behalf of all its stakeholders
- Reviewing and monitoring implementation and compliance with our Speak Up Policy and review of insights and trends from reports
- In conjunction with the Audit Committee, reviewing the Company's whistle-blowing, fraud and compliance arrangements, including the adequacy and security for the workforce to raise concerns, and the systems and controls for the prevention of bribery and modern slavery
- Monitoring and reviewing processes for risk assessment for corporate responsibility, sustainability, and compliance and ethical conduct
- Monitoring targets for corporate responsibility, sustainability and compliance and ethical conduct. Reviewing internal and external reports on progress towards those targets and KPIs
- Receiving reports from management committees in respect of corporate responsibility, sustainability, ethics, and compliance and investigating and taking action in relation to issues raised or reported

## Corporate Responsibility, Sustainability, Ethics and Compliance Committee Report continued

### Key activities during 2023

#### FEBRUARY

##### Legal compliance & ethics

- Report on data privacy controls and maturity assessment

##### ESG Transition

- Monitoring sustainability targets
- Deep dive on post-consumer recycled plastics (PCR)

##### Quality

- Monitoring quality performance and ongoing activities

##### Changes to Product Regulations

- Product Lifecycle Management (PLM)
- Report on developments in regulatory environment

##### Product Safety & Supply

- Product safety performance

##### Employee Health & Safety

- Performance monitoring

##### External affairs

- Humanitarian responses
- Social impact and gender pay gap reporting
- Partnerships and thought leadership, including WinFund

#### MAY

##### Legal compliance & ethics

- Third party due diligence

##### ESG Transition

- Sustainability matters and target tracking
- Modern Slavery and Human Trafficking Statement

##### Quality

- Monitoring quality performance and ongoing activities

##### Changes to Product Regulations

- REACH regulations
- Review of ongoing regulatory matters

##### Product Safety & Supply

- Ingredient Steering Group

##### Employee Health & Safety

- Deep dive on corporate security

##### External affairs

- Humanitarian responses
- UN Water Conference
- IFCN and marketing practices

#### JULY

##### Legal compliance & ethics

- Third party due diligence reviews
- Annual compliance training and Code of Conduct

##### ESG Transition

- Sustainability matters and target tracking

##### Quality

- Monitoring quality performance and ongoing activities
- Deep dive on consumer safety evolution and maturity

##### Changes to Product Regulations

- PLM
- Report on developments in regulatory environment

##### Product Safety & Supply

- Market access and maintenance of products, including raw material sourcing

##### Employee Health & Safety

- Performance monitoring

##### External Affairs

- External affairs activity, including public policy and advocacy
- COP28

#### NOVEMBER

##### Legal compliance & ethics

- Deep dive on legal and compliance programme and risks

##### ESG Transition

- Review of performance against sustainability targets

##### Quality

- Monitoring quality performance and ongoing activities

##### Changes to Product Regulations

- Report on developments in regulatory environment

##### Product Safety & Supply

- PLM

##### Employee Health & Safety

- Employee health and safety performance and risks

##### External Affairs

- COP28
- Board Listening Session and intersectionality between Climate and Health

##### Governance

- Review of Committee terms of reference
- Committee performance review

## Corporate Responsibility, Sustainability, Ethics and Compliance Committee Report continued

### Spotlight on: Legal Compliance & Ethics function – Risks and Mitigations

In November, the Committee received an update on the Legal Compliance & Ethics function's ongoing programme and activities.

An annual Ethics & Compliance plan is developed around key themes, including enabling responsible business, sustaining ethical and compliant business as usual processes, monitoring and training programmes, data protection governance and the updating and rollout of policies.

A number of activities were detailed and their status discussed, including updates to various global policies and processes, a revised Code of Conduct, updates to the annual compliance training programmes and the launch of a new Speak Up whistleblowing campaign.

Recent work in collaborating with IT & Digital on the creation of an Artificial Intelligence Tools Policy and on enhancing Reckitt's responsible data programme were also considered.

### Committee priorities for 2024

- Review the remit and activities of the Committee within the broader Reckitt governance framework
- Monitor and prepare for future developments in corporate governance and non-financial reporting requirements and review internal processes, policies and procedures, to ensure compliance
- Continually review and update the Board on Reckitt's quality, safety and regulatory responsibilities
- Assist the Board to review our sustainability objectives and chart progress against our targets, including overseeing the Group's conduct with regard to its corporate and societal obligations as a responsible global citizen on behalf of all stakeholders
- Monitor and review the processes for risk assessment of key Principal Risks including in relation to ESG Transition, Quality, Legal and Compliance, and Product Regulation
- Maintain responsiveness to global events impacting consumers, where Reckitt can provide support and assistance
- Keep abreast of market access conditions and maintenance of products, given the current UK political and wider economic landscapes

### Pam Kirby

Chair of the Corporate Responsibility, Sustainability, Ethics and Compliance Committee  
Reckitt Benckiser Group plc

21 March 2024



# DIRECTORS' REMUNERATION REPORT

Member	Meetings attended
<b>Alan Stewart (Chair)</b> Chair and member for the whole year	5/5
<b>Olivier Bohuon</b> Member for the whole year	4/5
<b>Jeremy Darroch</b> Member for the whole year	5/5
<b>Mary Harris</b> Member for the whole year	5/5
<b>Chris Sinclair</b> Member for the whole year	5/5



Central to our remuneration philosophy are the principles of pay for performance and shareholder, as well as strategic, alignment."

**Alan Stewart**  
Chair of the Remuneration Committee



## Contents of Directors' Remuneration Report

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106	Remuneration Committee governance
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126	Additional remuneration disclosures

## LETTER FROM THE CHAIR

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the financial year ended 31 December 2023.

I would like to thank shareholders for their support of our 2022 Annual Report on Remuneration at our AGM on 3 May 2023, which received a strong vote in favour of 93%.

### Changes to the Board

During 2023, we announced several changes to the Board.

Kris Licht was appointed CEO to succeed Nicandro Durante. Kris was appointed CEO Designate on 1 May 2023 and to the Board as Executive Director effective 1 June 2023, before assuming the role of CEO on 1 October 2023. Nicandro Durante remained an employee of the Company and on the Board until 31 December 2023 to ensure a smooth transition. Kris was appointed CEO Designate on a salary of £900,000, which increased to £1,100,000 upon taking the role of CEO, in line with the salary paid to Nicandro.

Shannon Eisenhardt was appointed CFO Designate on 17 October 2023 and will succeed Jeff Carr as CFO by 31 March 2024. Shannon was appointed to the Board as Executive Director upon joining the Company. Shannon previously served as CFO of Nike Consumer, Brand and Marketplace. Shannon was appointed on a salary of £760,000 in line with the salary paid to Jeff.

Ongoing incentive opportunities and LTIP award levels for Kris and Shannon are in line with the outgoing individuals. Both Kris and Shannon did not receive a salary increase on 1 January 2024.

In addition, Sir Jeremy Darroch, currently Senior Independent Director, will succeed Chris Sinclair as Chair of the Group Board of Directors in May following the 2024 AGM. Chris will retire as Chair and step down from the Board at the same time. Sir Jeremy will be appointed on the same terms and fees as Chris. Andrew Bonfield will succeed Sir Jeremy as Senior Independent Director upon Sir Jeremy's appointment as Chair with effect from the 2024 AGM. I would like to extend the Board's and my thanks to Chris for his membership of the Remuneration Committee and his time as Board Chair.

As previously announced, I will retire from the Board at the 2024 AGM. Fiona Dawson CBE will be appointed to the Board as Non-Executive Director and Chair Designate to the Remuneration Committee effective 1 June 2024. In order to ensure continuity and effective succession, Mary Harris, former Chair of the Company's Remuneration Committee, will be reappointed as Chair of the Remuneration Committee from the conclusion of the 2024 AGM until the conclusion of the Company's 2025 AGM, upon which Fiona Dawson will take over. On behalf of the Committee, I would like to thank Mary and welcome Fiona.



## Directors' Remuneration Report continued

The remuneration arrangements for both the outgoing and incoming Directors are in line with the Remuneration Policy approved by shareholders with details for Kris and Shannon also published on announcement. Further details are set out in the Annual Report on Remuneration.

### Performance for the year under review

2023 was a challenging year for many companies including Reckitt, with continued economic shocks and geopolitical uncertainties across the world. Despite these, Reckitt continued to make progress in 2023, with like-for-like net revenue (LFL NR) growth of +3.5%, led by growth across the Hygiene and Health businesses, while Nutrition began rebasing and held market leadership in the US. We delivered growth through premiumisation, household penetration and category creation. Gross margins returned to historic strength with adjusted operating profit margin at 23.1% and adjusted EPS at 323.4p. We also increased investment in brands and innovation, and launched a fixed cost optimisation programme. In 2023 we generated strong free cash flow and significantly increased cash returns to shareholders, enhanced by our new, sustainable share buyback programme announced in October 2023. We have also proposed a 5% increase in our annual dividend, for the second year in a row, in line with our policy to deliver sustainable dividend growth.

During the year, we have built strong winning teams and strengthened our culture, to harness the things that are special about Reckitt: our entrepreneurial spirit, passion for performance, and action orientation. We have gained real credibility on sustainability and become a significantly more inclusive and diverse company, which sets us up well as we continue to drive these through the business.

### Performance outcomes for 2023

The Committee carried out a thorough evaluation of the performance of both the Group and the Executive Directors in the round, having regard to broader circumstances to assess whether the formulaic incentive outturns are appropriate and justified. Based on the assessment, the Committee determined that the level of annual bonus payout and the total vesting level of the LTIP set out below are appropriate and justified in this context and that no discretion would be applied. The framework and the assessment against performance which the Committee used are set out in detail on page 110.

### Annual bonus

Reckitt operates an annual bonus plan that is strongly aligned to performance, measured against targets of NR and adjusted profit before income tax, with a downward modifier based on net working capital (NWC) added from 2023.

NR growth of 3.5% exceeded the initial guidance and market expectations at the beginning of 2023. The Health and Hygiene GBUs both delivered LFL NR growth at the upper end of the medium-term goal of mid-single-digit growth. The Nutrition GBU declined in the year as our US business lapped high and unsustainable comparatives due to a competitor supply issue from the prior year, but still performed above initial expectations. This Group performance resulted in a multiplier towards the upper end of the NR growth target range. Profit has exceeded the target range, driven by our NR performance and strong gross margin expansion. However, NWC at -7.7% in the year whilst being industry leading was below targets set and resulted in a downward modifier of 0.89x being applied to the outcome. This resulted in an overall payout of 82% of the maximum. This is in line with all other employees on the same Group-wide measures.

The bonus for Kris and Shannon in respect of Executive Director services is pro-rated for the period as an Executive Director. One-third of bonus payments to Executive Directors are deferred into Reckitt shares for three years in line with the Policy. More details are set out on page 115 of the Annual Report.

### 2021–2023 LTIP

The Reckitt LTIP is designed to align participants with shareholders through making awards with stretching performance conditions denominated in both performance share options and performance share awards. Vesting of awards under the 2021 LTIP was dependent on LFL NR growth, EPS and ROCE targets. As set out in the 2021 Directors' Remuneration Report, targets were adjusted for the disposal of IFCN China, given the size of that transaction, to ensure that the new targets were no harder or easier to achieve than the original targets.

As a result of good performance over the three years, NR growth was at 4.8% p.a.. This was close to maximum of the target range and resulted in a vesting of 98% of this element. EPS performance based on both actual and constant FX was between threshold and maximum, resulting in vesting of 59% and 46% of maximum for each element respectively. ROCE performance was also between threshold and maximum, resulting in a vesting of 62% of maximum. As set out on page 116, the overall resultant outcome is that 78% of the total award vests. This outturn follows two years of zero vesting in 2020 and 2021, 21.5% vesting in 2022 and 100% vesting in 2023.

In line with our Policy, there is a further two-year holding period attached to Kris' and Jeff's LTIP awards. Nicandro and Shannon did not participate in the 2021 LTIP.

### 2024 remuneration

Salaries for 2024 for the CEO and CFO are unchanged from 2023 at £1,100,000 and £760,000, respectively. The 2024 salary increase budget for the wider UK employee population was 5.5% to 6% depending on location.

There are no changes to the bonus opportunity for the CEO and CFO, remaining at 120% and 100% of salary at target, respectively. Performance measures and weightings for the 2024 annual bonus will be the same as for 2023, being NR and adjusted profit before tax, with a downward modifier based on NWC.

In line with prior years, the Committee has set the performance targets at a stretching level having considered the internal business plan and external expectations. As in prior years, the Committee will carry out a thorough assessment of performance in the round taking into account a wide range of factors before determining bonus payouts.

There are no changes to the 2024 LTIP awards including performance measures and weightings. Performance will continue to be assessed based on NR growth, ROCE, relative TSR, and ESG measures, which have been reviewed in light of share price performance, Group performance and individual performance. Kris' 2024 LTIP award will consist of 150,000 performance share options and 75,000 performance shares and Shannon's award will be 80,000 performance share options and 40,000 performance shares. These awards will be made in early March 2024 following the full-year results announcement. Jeff will not receive a 2024 LTIP award.

## Directors' Remuneration Report continued

During the year, the Chair and Non-Executive Director (NED) fees have been reviewed with regard to increases given to the wider workforce and market practice. Taking into account the increased time commitment and responsibilities of the roles over the last few years, and the knowledge and skills required to undertake the roles, the fee for the Chair will increase to £680,000 and the basic NED fee will increase to £110,000, with effect from 1 January 2024. The additional fee for the Senior Independent Director (SID) will also increase to £35,000. There are no changes to fees for Committee Chair, Committee member or Designated Non-Executive Director for Engagement with Company's Workforce. 25% of the Chair fee and basic NED fee continues to be paid in shares. We will continue to review NED fees to ensure they are appropriate and competitive against the market.

### Context for remuneration of the wider workforce

Reckitt is committed to fair and consistent reward policies for its employees, aligned with our Compass, remuneration philosophy and our culture. The Remuneration Committee reviews various aspects of workforce remuneration and related policies regularly. In 2023, Reckitt has made significant developments and demonstrated further commitment to support sustainable livelihoods, ensure pay equity and gender pay gaps are addressed, build an inclusive culture and facilitate employee development. The annual employee survey shows high levels of satisfaction and pride among Reckitt's employees and we are recognised as Top Employers in several markets. For more information, please refer to pages 120-122.

### Remuneration Policy review

In line with the normal three-year cycle, our Remuneration Policy is due for renewal at the 2025 AGM. Over the course of 2024 we will undertake a full review of the Policy and its implementation, with a view to ensuring that our remuneration arrangements continue to appropriately incentivise the delivery of the strategy and the creation of long-term, sustainable shareholder value. This will include review of our incentive structures throughout the organisation. We will consult with our shareholders as part of this process.

### Conclusion

On behalf of the Committee, I would like to thank shareholders for their continued support and engagement during the year. We welcome any comments you may have on this report and I look forward to your support at the upcoming AGM on 2 May 2024.

Finally, I would also like to thank my fellow Committee members during my tenure as Chair for their insight and commitment and shareholders for their invaluable feedback and support.

### Alan Stewart

Chair of the Remuneration Committee

Reckitt Benckiser Group plc

21 March 2024

## RECKITT'S REMUNERATION AT A GLANCE

Reckitt strives for leading global performance. Our management team is multinational and we compete for talent globally. Central to our remuneration philosophy are the principles of pay for performance and shareholder, as well as strategic, alignment. Combined with our Compass and business model, these principles define how decisions are made, how people act and how we reward them.

To reinforce our philosophy, the majority of the Executive Directors' remuneration packages are made up of variable at-risk pay, linked to stretching targets that align with our strategy and shareholder value creation, and are largely delivered in Reckitt shares. In addition, we have market-leading shareholding requirements for Executives. This approach is cascaded throughout our senior leadership.

### Context for remuneration at Reckitt

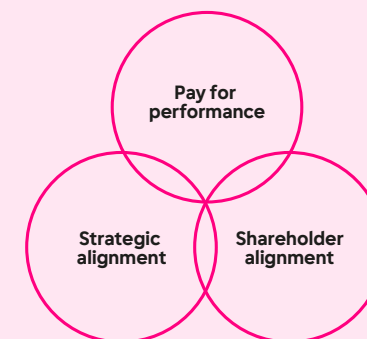
#### Reckitt's Compass



### Reckitt's strategy

- Purpose and culture fit for the future
- Excellent brand portfolio for value creation
- Scaled global footprint
- Enhanced returns to shareholders

### Reckitt's remuneration philosophy



▶ See pages 8-11  
for more details of our Company strategy.



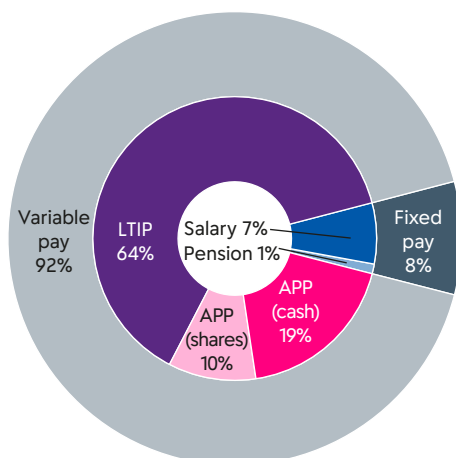
## Directors' Remuneration Report continued

The tables below illustrate the remuneration principles at Reckitt, which are driven by our Compass, strategy and the remuneration philosophy

1

### High proportion of variable pay

Maximum CEO pay under the Remuneration Policy



Note: Value of the CEO's maximum 2024 package. This illustrates fixed remuneration plus full payout of the annual bonus (APP) and full vesting of the LTIP awards including 50% share price growth

3

### Attract and retain the best global talent

- Engage highly performance-driven individuals
- Reflect global competitive practice across our industry peer group

2

### Market-leading share ownership policy

	In-employment shareholding requirement		
	Number of shares	Value of shares (£) <sup>1</sup>	% of 2023 annual salary
CEO	200,000	11,112,000	1,010%
CFO	100,000	5,556,000	731%

	Post-employment shareholding requirement <sup>2</sup>		
	Number of shares	Value of shares (£) <sup>1</sup>	% of 2023 annual salary
CEO	100,000	5,556,000	505%
CFO	50,000	2,778,000	366%

1. Based on the average closing share price in Q4 2023 of £55.56
2. Reflecting 50% of the in-employment shareholding requirement

4

### Ensure alignment with strategy across the business

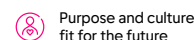
- Alignment of performance metrics with strategy
- Alignment across the business of metrics and ownership

### Summary of our Remuneration Policy

The table below summarises the current Directors' Remuneration Policy which can be found on pages 160-167 of the 2021 Annual Report and is also available on our website in the Corporate Governance section. The Committee is of the view that the current remuneration framework remains fit for purpose and therefore no changes to the Policy were proposed for 2024.

	Year 1	Year 2	Year 3	Year 4	Year 5	Up to Year 10
Fixed pay	Salary, benefits and pension					
Annual bonus (APP)	One-year performance period		Two-thirds paid in cash; one-third in Reckitt shares deferred for three years No further performance conditions			
LTIP	Performance shares and performance share options Three-year performance period			Two-year holding period No further performance conditions		
	Ten-year life for options from grant					
Shareholding requirements	Period of eight years from appointment to achieve requirements Two-year shareholding requirement post-departure					

## Directors' Remuneration Report continued



Purpose and culture  
fit for the future



Excellent brand portfolio  
for value creation



Scaled global  
footprint



Enhanced returns  
to shareholders

Element	Key features of operation of policy	How will we implement for 2024	Link to strategy	
<b>Salary, benefits and pension</b>	<ul style="list-style-type: none"> <li>Salary increases and pension contribution set in context of wider workforce</li> <li>Salaries and benefits set competitively against peers</li> </ul>	<ul style="list-style-type: none"> <li>Zero salary increase for CEO and CFO</li> <li>CEO and CFO pension contribution of 10% of salary in line with the wider workforce in the UK</li> </ul>	<ul style="list-style-type: none"> <li>To enable the total package to support recruitment and retention</li> </ul>	
<b>Annual bonus (APP)</b>	<ul style="list-style-type: none"> <li>Target bonus of 120% of salary for CEO and 100% for CFO</li> <li>One-third deferred into awards over Reckitt shares for three years</li> <li>Malus and clawback provisions apply (in circumstances including material misstatement of financial results, gross misconduct and corporate failure)</li> </ul>	<ul style="list-style-type: none"> <li>Targets set for NR and adjusted profit before income tax</li> <li>NWC target to act as a downward modifier</li> <li>Threshold performance results in zero payout, with maximum of 3.57x target for truly exceptional performance on all three metrics</li> <li>Remuneration Committee assessment of performance in the round</li> </ul>	<ul style="list-style-type: none"> <li>To drive strong performance, with significant reward for overachievement of annual targets linked to Reckitt's strategic priorities</li> <li>Use of deferral for longer-term shareholder alignment</li> </ul>	
<b>LTIP</b> Performance shares and performance share options	<ul style="list-style-type: none"> <li>Three-year performance period and two-year holding period</li> <li>Malus and clawback provisions apply (in circumstances including material misstatement of financial results, gross misconduct, and corporate failure) until two years after vesting</li> <li>Options have approximately seven years to exercise post vesting</li> </ul>	<ul style="list-style-type: none"> <li>Targets set for LFL NR growth (40% weighting); ROCE (25% weighting); relative TSR (25% weighting); and ESG (10% weighting, split equally between two metrics)</li> <li>Performance conditions are applied to both performance share options and performance shares</li> <li>Remuneration Committee assessment of performance in the round</li> </ul>	<ul style="list-style-type: none"> <li>To incentivise and reward long-term performance and align the interests of Executive Directors with those of shareholders</li> <li>Two-year holding period for longer-term shareholder alignment</li> </ul>	
<b>Shareholding requirements</b>	<ul style="list-style-type: none"> <li>CEO: 200,000 shares</li> <li>CFO: 100,000 shares</li> </ul>	<ul style="list-style-type: none"> <li>Period of eight years from appointment to achieve requirements</li> <li>Two-year shareholding requirement post-departure</li> </ul>	<ul style="list-style-type: none"> <li>Promotes long-term alignment with shareholders</li> <li>Promotes focus on management of corporate risks</li> </ul>	

## Directors' Remuneration Report continued

### Summary of performance and payout

#### Annual performance plan

The performance outcome for the annual bonus was 82% of maximum. A third of the bonus is deferred, by way of an award over Reckitt shares.

Performance measure	Threshold (zero bonus)	Actual/Achieved	Maximum (3.57x target)	Multiplier
Like-for-like Net Revenue	£14.07bn	Actual £14.86bn	£14.93bn	1.74x
Adjusted profit before income tax at constant rates	£2.85bn	Actual £3.23bn	£3.19bn	1.89x
Average NWC	-7.4%	Actual -7.7%	-9.6%	0.89x
<b>Total</b>				<b>2.93x</b>

● Achieved

	2023 base salary (£)	Target bonus opportunity (% of salary)	Multiplier achieved	Bonus payout (% of salary)	Value delivered in cash (£)	Value deferred into shares (£)
Kris Licht	575,000 <sup>1</sup>	100%/120% <sup>2</sup>	2.93x	293%/352% <sup>2</sup>	1,230,600	615,300
Shannon Eisenhardt	158,333 <sup>1</sup>	100%	2.93x	293%	309,278	154,639
Jeff Carr	760,000	100%	2.93x	293%	1,484,533	742,267
Nicandro Durante	1,100,000	120%	2.93x	352%	2,578,400	1,289,200

1. The 2023 base salary for Kris Licht and Shannon Eisenhardt are pro-rated for the period served as Executive Directors

2. Kris' target bonus opportunity as CEO Designate was 100% of salary, which increased to 120% of salary on his appointment as CEO

### LTIP

The 2021 LTIP vested at 78% of maximum, against the performance conditions over the three-year period.

Performance measure	Threshold (20% vesting)	Achieved	Maximum (100% vesting)	Vesting (% of total award)
LFL NR growth (3-year CAGR) (50% weighting)	0.9% p.a.	Actual 4.8% p.a.	4.9% p.a.	98%
EPS (final year) on an actual foreign exchange basis (12.5% weighting)	289p	Actual 323.4p	360p	59%
EPS (final year) on a constant FX basis (12.5% weighting)	308p	Actual 332.4p	382p	46%
ROCE (final year) (25% weighting)	13.7%	Actual 14.6%	15.4%	62%
<b>Total vesting</b>				<b>78%</b>

● Achieved

	Performance share options granted	Performance shares granted	Total vesting %	Performance share options vesting	Performance shares vesting	Total value of award vesting (£) <sup>3</sup>
Kris Licht <sup>2</sup>	50,000	25,000	78%	39,000	19,500	1,083,420
Jeff Carr	80,000	40,000	78%	62,400	31,200	1,733,472

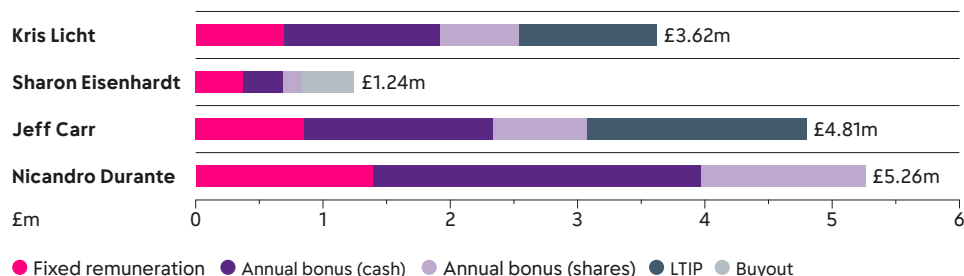
1. Nicandro and Shannon did not participate in the 2021 LTIP

2. Kris' LTIP award was granted in relation to his previous role which did not sit on the Board, however, the full value of the award has been shown for transparency

3. Based on the average closing share price in Q4 2023 of £55.56

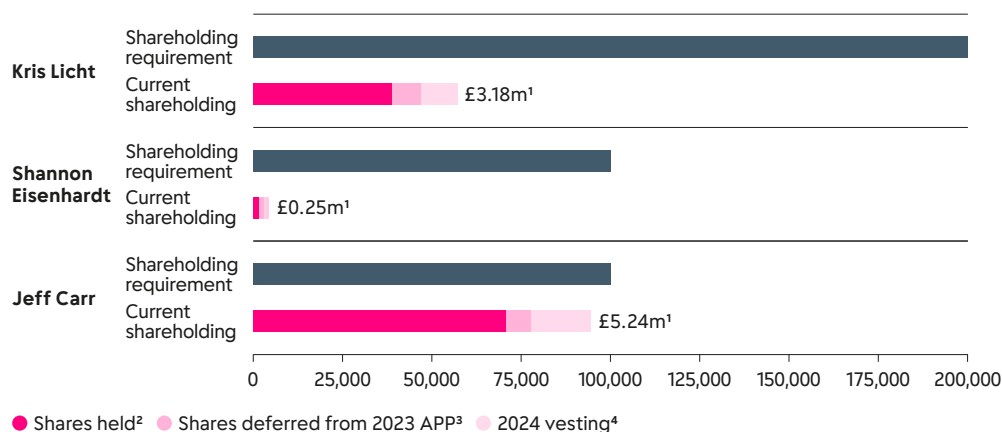
## Directors' Remuneration Report continued

### 2023 single figure



### Executive Director shareholding

Reckitt operates a market-leading shareholding requirement with an eight-year timeframe for achievement and a two-year post-employment holding period. The chart below illustrates the progress towards this for the Executive Directors.



1. Current shareholding value based on the average closing share price in Q4 2023 of £55.56

2. Includes shares owned outright and shares subject to post-vesting holding restrictions

3. This is the estimated number of shares awarded, after tax under the Deferred Bonus Plan, including those to be deferred from the 2023 APP

4. For Kris and Jeff this is the number of shares vesting in May 2024 under the 2021 LTIP, after tax. For Shannon this also includes the restricted shares from buyout awards vesting in December 2024

### Remuneration Committee governance

#### Committee membership and meeting attendance

The Remuneration Committee is made up entirely of NEDs who are appointed by the Board on the recommendation of the Nomination Committee. Membership and meeting attendance of the Remuneration Committee during the year were as follows:

Member	Member since	Meetings attended
Alan Stewart, Committee Chair	February 2022	5/5
Olivier Bohuon	January 2021	4/5
Jeremy Darroch	November 2022	5/5
Mary Harris	May 2017	5/5
Chris Sinclair	March 2016	5/5

The Chief Human Resources Officer was Secretary to the Committee throughout the year. Meetings were also attended by the CEO, CFO and SVP Reward by invitation. Deloitte was the appointed advisor to the Committee throughout the year. Members of the Remuneration Committee and any person attending its meetings do not participate in any discussion or decision on their own remuneration.

## Directors' Remuneration Report continued

### The Committee's role and key activities during the year

The Committee's purpose is to assist the Board of Directors in fulfilling its oversight responsibility by ensuring that the Remuneration Policy and practices reward fairly and responsibly, are designed to support the strategy and long-term success of the Company and take account of the generally accepted principles of good governance.

The key activities and decisions made by the Committee during the year are set out below:

#### Changes to the Board and GEC

Approved the leaving arrangements for Nicandro Durante and Jeff Carr and the remuneration arrangements for Kris Licht and Shannon Eisenhardt.

Approved remuneration arrangements for appointments to the GEC.

#### Wider workforce

Reviewed wider workforce remuneration and related policies.

Reviewed changes to the all-employee share plan launch dates.

Reviewed current shareholdings for senior employees with share ownership requirements.

#### Performance outcomes and target setting

Reviewed and approved performance outcomes to 2022 annual bonus and 2020–2022 LTIP, taking into account wider performance of the Company and Executive Directors.

Approved 2024 annual bonus measures and targets and 2024 LTIP award and performance measures. Approved 2023 LTIP performance targets.

Determined 2024 remuneration packages for the Executive Directors and GEC members.

Regularly reviewed performance for inflight bonus and LTIP awards.

#### Internal and external governance

Reviewed 2023 AGM voting, wider market trends, shareholder guidelines and corporate governance updates.

Reviewed Remuneration Committee terms of reference.

Reviewed Remuneration Committee effectiveness.

### Reckitt's Remuneration Policy and the Corporate Governance Code

Reckitt's Remuneration Policy and practices reflect the philosophy of pay for performance, shareholder alignment and strategic alignment over the short, medium and long term. When determining the current Policy and its implementations, Provision 40 of the UK Corporate Governance Code was taken into account as follows:

<b>Clarity</b>	Arrangements are transparent and reflect shareholder alignment and Reckitt's strategic priorities, thereby effectively engaging with the wider workforce and shareholders. The Committee consulted with shareholders as part of the design phase of the Policy and communicated to the wider workforce details of how Executive pay is set, its alignment with the Company's approach to the wider pay policy and how decisions are made by the Committee. It also gave employees the opportunity to ask any questions on these topics.
<b>Simplicity</b>	The Policy is simple and clear, comprising fixed pay, such as salary and benefits, pension schemes that are offered to most of the workforce, plus variable pay which incorporates the annual bonus, LTIP (performance share options and performance share awards) and a clear Share Ownership Policy for senior members of the business. Variable pay is set against financial targets to incentivise short- and long-term financial performance and alignment with shareholders.
<b>Risk</b>	The malus and clawback provisions which apply to annual bonus and LTIP awards act as a safeguard to the Company and are one mechanism used to help encourage the right behaviours, which lead to long-term shareholder alignment and sustained value creation. The Committee has discretion to adjust the formulaic bonus and LTIP outcomes both upwards and downwards.
<b>Predictability</b>	The total of fixed pay and variable pay (target and maximum) illustrated in the scenarios of total remuneration in our Policy provide an estimate of the potential future remuneration of the Executive Directors, including the total remuneration if a 50% share price growth is achieved.
<b>Proportionality</b>	There is a clear link between pay for performance and business strategy, with stretching financial targets applied to annual bonus payouts and LTIP vesting.
<b>Alignment to culture</b>	Financial targets apply to the annual bonus and LTIP awards across the wider workforce to drive business performance. These targets are reviewed on an annual basis. Malus and clawback provisions apply to annual bonus and LTIP, and together with deferred annual bonus, holding periods and share ownership for the Executive Directors (and any other relevant senior employees), drive the right behaviours expected within Reckitt. The remuneration arrangements of the wider workforce reinforce employee engagement.

## Directors' Remuneration Report continued

# ANNUAL REPORT ON REMUNERATION

The rest of this report sets out how we have implemented our Remuneration Policy in 2023, and how we intend to implement the Policy in 2024.

### Remuneration arrangements for the new CEO and CFO CEO

Kris was appointed as CEO Designate on 1 May 2023 and to the Board as Executive Director effective 1 June 2023 before assuming the role of CEO on 1 October 2023. His remuneration was fully disclosed upon the announcement of his appointment on 26 April 2023 and in line with the approved Policy.

As CEO Designate Kris received a salary of £900,000 per annum, which increased to £1,100,000 after taking up the role of CEO, in line with his predecessor. He did not have a salary increase on 1 January 2024. Kris receives a pension allowance of 10% of salary in line with the wider Reckitt workforce in the UK and other benefits including relocation in line with Reckitt's benefits and international mobility policies.

As CEO Designate, Kris had a target APP of 100% of salary, which increased to 120% of salary as CEO, with a maximum multiplier of 3.57x. In line with the Policy, one-third of any bonus will be deferred into Reckitt shares for a period of three years. Kris will be eligible for an LTIP grant to be made in 2024 of 75,000 performance shares and 150,000 performance share options for the three-year performance period 2024 to 2026, followed by a two-year holding period. Share awards granted to Kris prior to his appointment as CEO Designate in respect of his previous role will continue on their original terms. These LTIP awards are subject to the same performance measures and targets as the LTIP awards granted to Executive Directors, full details of which will be provided in the relevant Directors' Remuneration Report when they vest.

The share ownership requirement as CEO is 200,000 shares and he will be subject to the post-employment shareholding requirement. There are no buyout awards associated with his appointment.

### CFO

Shannon was appointed as CFO Designate on 17 October 2023, joining the Board as an Executive Director on the same day, and received a salary of £760,000 per annum, in line with her predecessor. Shannon receives a pension allowance of 10% of salary in line with the wider Reckitt workforce in the UK and other benefits including relocation in line with Reckitt's benefits and international mobility policies.

Shannon has a target APP opportunity of 100% of salary with a maximum of 3.57 times, with one-third of any bonus awarded deferred into Reckitt shares for a period of three years. Her 2023 annual bonus has been pro-rated based on the portion of the year employed. Shannon received an initial 2023-2025 LTIP grant of 29,453 performance shares and 58,905 performance share options, for the three-year performance period 2023 to 2025. This has been calculated as a pro-rata award of the CFO's annual LTIP award of 40,000 performance shares and 80,000 performance share options, based on the period employed during the performance period. All LTIP awards will be subject to a two-year holding period.

The share ownership requirement for Shannon will be 100,000 shares and she will be subject to the post-employment shareholding requirement.

Shannon has also been granted replacement awards to compensate for remuneration arrangements forfeited on leaving her previous employer. The terms of the buyout awards substantively replicated the rules of the Company's LTIP approved by shareholders at the 2015 AGM and are in line with the current Policy approved at the 2022 AGM. The structure takes into account shareholder guidance and market practice and they remain subject to performance conditions where appropriate and mirror the time horizons of forfeited awards. As Shannon is participating in the 2023 Reckitt LTIP, she will not be compensated for any 2023 LTIP awards made by her previous employer. Details of these awards were disclosed at the time of the grant and are detailed below. Dividend equivalents will accrue on the awards and vest at the same time as the relevant award, delivered in shares.

### Performance share awards

Performance share awards lapsing due to Shannon's leaving her previous employer have been replaced by awards of Reckitt performance shares of equivalent value as follows:

- An award of 3,526 performance shares granted in relation to the long-term incentive award over Nike shares granted to Shannon in August 2021 and vesting based on Nike's performance over the three-year period to 31 May 2024 as to be disclosed in Nike's 2024 Proxy Statement. Any shares which vest following assessment of performance will be released in August 2024 to mirror the time horizons of forfeited awards
- An award of 5,248 performance shares granted in relation to the long-term incentive award over Nike shares granted to Shannon in August 2022. Since Shannon had served less than half of the three-year Nike performance period, to further align her with Reckitt's performance this award will be subject to the same performance conditions and targets as the Reckitt 2022 LTIP award. Any shares which vest following assessment of performance will be released in August 2025 to mirror the time horizons of forfeited awards

The vesting of these awards will be disclosed in the Annual Report on Remuneration for the relevant year and included in the single figure table for that year.



## Directors' Remuneration Report continued

### Restricted share awards

An award of 5,564 restricted shares were also granted to replace the Nike restricted shares granted in December 2021, which lapsed upon Shannon's leaving. The first tranche of 2,782 restricted shares vested on 10 December 2023 and the second tranche will vest in December 2024. The value of these awards is included in the 2023 single figure table on page 117.

### Bonus replacement award

The Nike FY24 bonus for the period from 1 June 2023 to 16 October 2023, being the date before Shannon joined Reckitt, has also been bought out. The value of this will be based on the average annual bonus outturn (in % of maximum terms) for the Named Executive Officers excluding the CEO in the Nike 2024 Proxy Statement, pro-rated for time and delivered in cash in line with the original terms of the award. The value of the FY24 Nike annual bonus will be determined and paid as soon as practicable following the publication of the Nike 2024 Proxy Statement. An estimated bonus replacement award value based on the FY24 Nike target performance is included in the single figure table on page 117.

Shannon also forfeited market value option awards upon leaving her previous employer. These have not been bought out and replaced at Reckitt as they were underwater when she joined.

### Remuneration arrangements for the departing CEO and CFO

#### CEO

Nicandro Durante stepped down as CEO in October 2023 and remained on the Board as an Executive Director until 31 December 2023 to ensure a smooth transition, at which time he left the Group. Nicandro was paid salary and benefits until his departure date. There is no payment in lieu of notice.

Nicandro is considered a 'good leaver' and his incentives have been treated accordingly. Nicandro was paid an annual bonus in respect of 2023, with two-thirds delivered in cash and one-third is awarded as Reckitt shares deferred for three years. Any outstanding deferred bonus awards will vest in line with normal timescales.

Nicandro's 2022 and 2023 LTIP awards remain subject to performance against the original performance conditions over the respective three-year performance periods. Both of these awards will be reduced on a pro-rata basis to reflect the proportion of the performance period employed as an Executive Director. These will also be subject to a two-year holding period following the end of the respective performance periods. Nicandro remains subject to the post-employment shareholding requirement.

#### CFO

Jeff Carr will remain on the Board as an Executive Director until 31 March 2024 to ensure a smooth transition, at which time he will leave the Group. He will be paid salary, benefits and pension contributions which are unchanged from 2023, until his departure date. There is no payment in lieu of notice. Jeff will receive a capped contribution of £8,000 plus VAT towards legal fees incurred in connection with his departure.

Jeff is considered a 'good leaver' and his incentives have been treated accordingly. Jeff was paid an annual bonus in respect of 2023, with two-thirds delivered in cash and one-third in Reckitt shares deferred for three years. He remains eligible for an annual bonus in respect of 2024 which will be based on the same performance measures and targets as for the other Executive Directors and pro-rated based on the portion of the performance year employed. Any bonus awarded will be delivered at the original dates, with two-thirds in cash and one-third deferred into Reckitt shares for three years. Any outstanding deferred bonus awards will vest in line with normal timescales.

Jeff's 2021 LTIP award will vest in May 2024 and be subject to a two-year holding period and is not subject to time pro-rating as he was employed for the full performance period. The 2022 and 2023 LTIP awards will be pro-rated based on the proportion of the relevant performance period employed and remain subject to the original performance and time horizons. He will not receive a 2024 LTIP award.

Jeff remains subject to the post-employment shareholding requirement.

### 2023 performance and remuneration outcomes

In reviewing Executive Director remuneration, the Remuneration Committee took into account remuneration decisions for the wider workforce and individual performance of the Directors. The Committee also reviewed market practice, primarily against the FTSE 30 (excluding financial services companies) and considered an international remuneration peer group which Reckitt competes with for talent and is subject to similar market forces. Operationally, the international peer group is representative of the three Reckitt product categories of Hygiene, Health and Nutrition. This comprises 22 companies as follows: Abbott Laboratories, Bayer, Campbell Soup, Church and Dwight, Clorox, Coca-Cola, Colgate, Danone, GSK, Haleon, Henkel, Johnson & Johnson, Kellogg, Kimberly-Clark, Kraft Heinz, Nestlé, Novartis, PepsiCo, Pfizer, Procter & Gamble, Sanofi and Unilever. This peer group is also used to benchmark remuneration for the GEC.

## Directors' Remuneration Report continued

### Assessment of incentive outcomes

The Committee thoroughly evaluates the performance of both the Company and the Executive Directors in the round to assess whether the formulaic level of annual bonus payout and long-term incentive vesting are appropriate and justified. The Committee has formalised its approach to this assessment and the framework which is applied is illustrated below.

#### What is the formulaic outcome?

Committee to consider year-on-year change, whether this reflects performance trend and impact on the single figure outcome.



#### Consider the quality of earnings

Committee to review the results to ensure they reflect the underlying performance and also consider any exceptional items.

#### Compare outcome against the shareholder experience

Committee to consider absolute and relative shareholder return over the relevant periods, the dividend payment(s) and the likely shareholder response to results based on broker feedback.

#### Compare outcome with overall Company performance

For example, market share, competitor benchmarking, sustainability, people and culture, strategic progress, wider stakeholder experience and analyst feedback.

#### Consider any events and other input

For example, reputation/risk related, any change of accounting standards etc.  
Draw on input from CRSEC Committee, Audit Committee and management functions and consider the impact of any external head or tailwinds.

#### Compare with historical use of discretion

In addition, consider whether bonus and LTIP outcomes are consistent.



#### Final APP and LTIP outcomes

Committee to agree whether adjustments are required to formulaic results and determine the final outcomes for APP payouts and LTIP vesting.

### Annual bonus in respect of 2023 performance

#### Executive Director 2023 bonus opportunity

In line with the Remuneration Policy, the CEO and the CFO target bonus opportunities are 120% of salary and 100% of salary, respectively. Kris Licht's target bonus opportunity as CEO Designate was 100% of salary. The bonus outcome and payout are calculated as follows:

- For each performance measure a target range is set
- A performance multiplier is calculated for each measure, calculated by the extent to which the performance for that measure is achieved. These multipliers can be up to 1.89x for outperformance of the stretching range set by the Committee. Net working capital is a downward modifier only and the multiplier is capped at 1.00x target
- Three individual multipliers are then multiplied together

Net revenue multiplier (up to 1.89x)	X	Adjusted profit before tax multiplier (up to 1.89x)	X	NWC modifier (up to 1.00x)	=	Performance multiplier	(Threshold = 0x; target = 1.0x; max = 3.57x)
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- The total performance multiplier can range from zero for performance at threshold or below, to 3.57 for truly exceptional performance. The 3.57 multiplier will only be awarded if maximum performance is achieved on all metrics (i.e. 1.89 x 1.89 x 1.00)
- This total performance multiplier is then applied to the target bonus opportunity to calculate the overall formulaic bonus outcome. This is different to usual UK market practice whereby performance measures are assessed independently and payment under one metric may result in payout regardless of performance in other metrics. In Reckitt, the three measures combine to give the resultant payout

Base salary	X	Target bonus	=	Final bonus outcome	▶	Cash 2/3	+	Shares 1/3	

- The effect of the multiplicative approach means that a high-performance multiplier can only be achieved for outperformance on both top-line and bottom-line performance, with excellent management of working capital
- Similarly, underperformance in one of the performance metrics will reduce the overall bonus payout, even in the case of outperformance of the rest
- For example, if we grow NR above the stretching requirement for maximum performance and maintain an excellent level of NWC, but fail to meet the profit threshold, the bonus payout will be zero (i.e. 1.89 x 0 x 1.00)
- One-third of any APP is deferred into an award over Reckitt shares, to strengthen alignment with shareholders