

Independent Auditor's Report

To the members of Reckitt Benckiser Group plc

1 Our opinion is unmodified

In our opinion:

- the Financial Statements of Reckitt Benckiser Group plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025, and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company Financial Statements have been properly prepared in accordance with UK accounting standards, including FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland; and
- the Group and Parent Company Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Additional opinion in relation to IFRS accounting Standards as issued by the IASB:

- As explained in Note 1 to the Group Financial Statements, the Group, in addition to complying with its legal obligation to apply UK-adopted international accounting standards, has also applied IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").
- In our opinion the Group Financial Statements have been properly prepared in accordance with IFRS Accounting Standards as issued by the IASB.

What our opinion covers

We have audited the Group and Parent Company Financial Statements of Reckitt Benckiser Group plc ("the Company") for the year ended 31 December 2025 (FY25) included in the Annual Report, which comprise:

Group (Reckitt Benckiser Group plc and its subsidiaries)	Parent Company (Reckitt Benckiser Group plc)
Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Changes in Equity, and Group Cash Flow Statement and Notes 1 to 31 to the Group Financial Statements, including the accounting policies in Note 1.	Parent Company Balance Sheet, Parent Company Statement of Changes in Equity and Notes 1 to 12 to the Parent Company Financial Statements, including the accounting policies in Note 1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee.

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2 Overview of our audit

Factors driving our view of risks

Following our FY24 audit, and considering developments affecting the Group since then, we have updated our risk assessment.

The risk of the MJN cash-generating unit (CGU) being impaired has decreased because its carrying value was reduced by impairment charges in prior years, and its current year's trading results are consistent with the forecasts used for the FY24 impairment testing.

The risk of inaccurate revenue recognition for trade spend agreements has continued to reduce. This is because retrospective reviews have shown continued improved accuracy of the accruals.

We have added a new key audit matter associated with the accounting for the divestment of the Essential Home business which was completed in FY25.

We have not observed a material change in the level of risk relating to the remaining Key Audit Matters.

Our risk assessment also considered compliance with laws and regulations, specifically those that could reasonably be expected to have a material effect on the Financial Statements.

Key Audit Matters	VS FY24	Item
Recoverability of the indefinite life intangible assets relating to the MJN CGU	↓	4.1
Revenue recognition in relation to trade spend arrangements and associated accruals	↓	4.2
Potential liabilities arising from the US litigation concerning Necrotising Enterocolitis (NEC)	↔	4.3
Provisions for uncertain tax positions	↔	4.4
Potential liabilities arising from the amendment to the South Korean Humidifier Sanitiser (HS) law	↔	4.5
Accounting for the divestment of the Essential Home business	+	4.6
Recoverability of the Parent Company's investment in the subsidiary, Reckitt Benckiser Limited	↔	4.7

Audit Committee interaction

During the year, the Audit Committee met five times. KPMG are invited to attend all Audit Committee meetings and are provided with an opportunity to meet with the Audit Committee in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the Audit Committee in section 4, including matters that required particular judgement for each.

The matters included in the Audit Committee Chair's report on pages 74-81 are materially consistent with our observations of those meetings.

Independent Auditor's Report continued

2 Overview of our audit continued

Our Independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during FY25 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the year ended 31 December 2018. The period of total uninterrupted engagement is for the eight financial years ended 31 December 2025.

The Group engagement partner is required to rotate every five years. As these are the first set of the Group's Financial Statements signed by Zulfikar Walji and the audit of the financial statements for the year ending 31 December 2026 being KPMG's final year as the auditor of Reckitt Benckiser Group plc (subject to Shareholder approval), future rotation requirements are not applicable.

The average tenure of component engagement partners is 3 years, with the shortest being 1 and the longest being 7 years.

Total audit fee	£20.0m
Audit related fees (including interim review)	£1.1m
Other services	£7.4m
Non-audit fee as a % of total audit and audit related fee %	35%
Date first appointed	03 May 2018
Uninterrupted audit tenure	8 years
Next financial period which requires a tender	2037
Tenure of Group engagement partner	1 year
Average tenure of component engagement partners	3 years

Materiality

(Item 6 below)

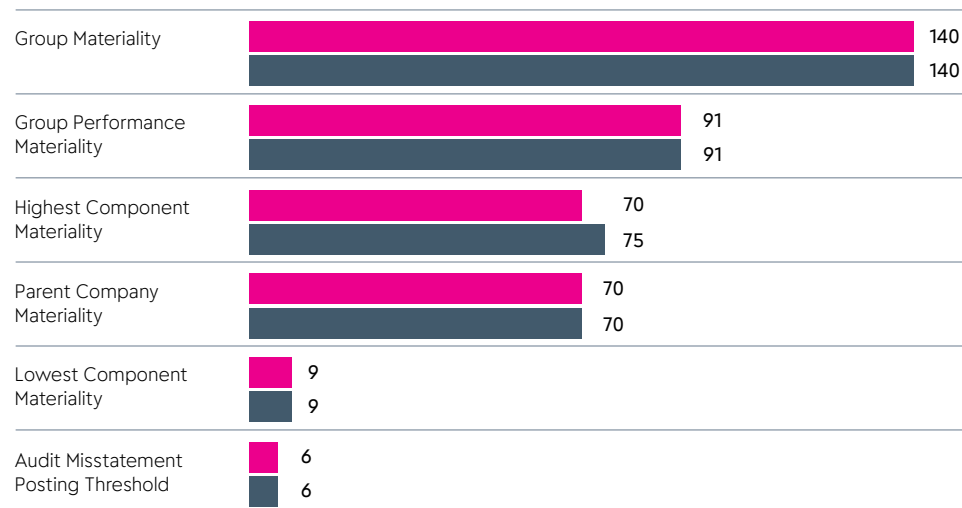
The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group Financial Statements as a whole at £140m (FY24: £140m) and for the Parent Company Financial Statements as a whole at £70m (FY24: £70m).

Consistent with FY24, we determined that Group normalised profit before tax ('PBTCO') remains the benchmark for the Group as it is the metric in the primary statements which best reflects the focus of the Financial Statements' users. As such, we based our Group materiality on normalised PBTCO of £3,038m (FY24: £3,123m), of which it represents 4.6% (FY24: 4.5%).

Materiality for the Parent Company Financial Statements was determined with reference to a benchmark of Parent Company total assets of which it represents 0.45% (FY24: 0.45%).

Materiality levels used in our audit



● FY25 £m ● FY24 £m

Group scope

(Item 7 below)

We have performed risk assessment and planning procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group Financial Statements, the type of procedures to be performed at these components and the extent of involvement required from our component auditors around the world.

The Group operates in more than 60 countries across six continents, with the largest market being the United States of America. We scoped the audit by obtaining an understanding of the Group and its environment and assessing the risk of material misstatement in each financial statement caption, at both the Group and component level.

Based on this assessment, we have determined a final scope that includes 53 (FY24: 52) of the Group's 357 (FY24: 363) reporting components across 24 (FY24: 25) countries.

Independent Auditor's Report continued

2 Overview of our audit continued

Group scope continued

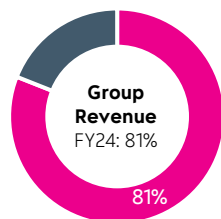
(Item 7 below) continued

The components within the scope of our work accounted for the percentages illustrated below.

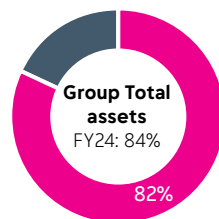
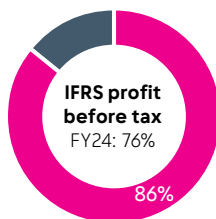
In addition, we have performed Group level analysis on the remaining components to determine whether further risks of material misstatement exist in those components.

We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

Our audit procedures covered 81% of Group revenue:



We performed audit procedures in relation to components that accounted for the following percentages:



The impact of climate change on our audit

In planning our audit, we have considered the potential impact of risks arising from climate change on the Group's business and its Financial Statements. The Group has set out its targets as part of their 2030 Sustainability Ambitions, which include energy, emissions, water, waste and packaging related metrics. This includes a 65% reduction in GHG emissions in operations and 50% reduction in product carbon footprint both by 2030. Further information is provided in the Sustainability Performance Review on page 42.

Whilst the Group has set these targets, in Note 1 to the Consolidated Financial Statements the Directors have stated they have considered the impact of climate change risks and they do not believe there is a material impact on the financial reporting judgements and estimates and as a result the valuations of the Group's assets and liabilities have not been significantly impacted by these risks as at 31 December 2025.

As a part of our audit, we have performed a risk assessment to determine if the potential impacts of climate change may materially affect the Financial Statements and our audit. We did this by making enquiries of management and inspecting internal reports in order to independently assess the climate-related risks and their potential impact.

The most likely potential impact of climate risk and plans on these Financial Statements would be on the forward-looking assessments of non-current assets.

We have considered the sensitivity of the assumptions used in the impairment testing of goodwill and indefinite-life intangible assets. Given that the climate change related assumptions are not considered a major source of estimation uncertainty, the carrying amounts of these assets in the Financial Statements are not considered to be materially sensitive to the impact of risks arising from climate change. We considered the impact of ESG related costs on the value in use of the Group's CGUs, the impact of such costs on cash flows is minimal and not considered a key assumption when assessing impairment. We have considered the impact of climate change targets on the fair value of pension assets. However, given the nature of the assets being primarily bonds and insurance contracts, this has not been considered to be a key assumption in the valuation. We have also considered the costs and consumer preferences impact of climate change as part of our consideration of the going concern basis of preparation.

We determined that climate related risks do not have a significant impact on our audit or key audit matters. We have read the Group's disclosures of climate related information in the Strategic Report and the Group's TCFD Summary on pages 198-202 and considered consistency with the Financial Statements and our audit knowledge.

3 Going concern, viability and principal risks and uncertainties

The Directors have prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means this is realistic. They have also concluded there are no material uncertainties that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ("the going concern period").

Going concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Parent Company's available financial resources and metrics relevant to debt covenants over this period were a cyber security event disrupting operations and potential adverse settlement outcomes from the ongoing NEC litigation.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, considering the Group's current and projected cash and facilities (a reverse stress test). We also assessed the completeness of the going concern disclosure.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Independent Auditor's Report continued

3 Going concern, viability and principal risks and uncertainties continued

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' Statement in Note 1 to the Financial Statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in Note 1 to be acceptable; and
- The related statement under the UK Listing Rules is materially consistent with the Financial Statements and our audit knowledge.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the Financial Statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Corporate Governance Report on page 58 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal and Emerging Risks disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement set out on page 52 under the UK Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the Financial Statements and our audit knowledge.

4 Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the Financial Statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the Financial Statements as a whole. We do not provide a separate opinion on these matters.

4.1 Recoverability of the indefinite life intangible assets relating to the MJN CGU (Group)

Financial Statement Elements

	FY25	FY24
Indefinite life intangible assets (MJN CGU)	£4,205m	£4,472m
Impairment charge (MJN CGU)	Nil	£696m

Our assessment of risk vs FY24

The risk of the MJN cash-generating unit (CGU) being impaired has decreased because its carrying value was reduced by impairment charges in prior years, and its current year's trading results are consistent with the forecasts used for the FY24 impairment testing.



Our results

FY25: Acceptable

FY24: Acceptable

Independent Auditor's Report continued

4 Key audit matters continued

4.1 Recoverability of the indefinite life intangible assets relating to the MJN CGU (Group) continued

Description of the Key Audit Matter

The risk: forecast-based assessment

The recoverability of indefinite life intangible assets relating to the Mead Johnson Nutrition cash generating unit ("MJN CGU") is assessed using value in use which is based on forecast financial information within a discounted cash flow model ("the Model").

Key assumptions in the Model include the discount rate and, to a lesser extent, forecast financial performance, in particular net revenue in North America and gross margin (including the impact of expected capital expenditure) as well as external factors impacting forecast category growth.

The MJN CGU's carrying value remains sensitive to reasonable changes in the discount rate assumption.

The effect of these matters is that, as part of our risk assessment, we determined that the recoverable amount of the MJN CGU has a high degree of estimation uncertainty with a potential range of reasonable outcomes greater than our materiality for the Financial Statements as a whole, and possibly many times that amount.

Our response to the risk

Our procedures to address the risk included:

Sensitivity analysis: We considered the sensitivity of the recoverable amount of the indefinite life intangible assets relating to the MJN CGU to reasonably possible changes in assumptions and focused our attention on those assumptions which we considered the most critical to the recoverable amount of the MJN CGU.

Benchmarking assumptions: We evaluated the net revenue growth assumptions in the Model with reference to historic performance and external market data relating to projected growth for the relevant categories.

We benchmarked margin and other costs assumptions against historical achievement, external cost inflation growth forecasts and our assessment of the likely impact of expected capital expenditure.

Personnel interviews: We compared judgements made centrally to discussions we held directly with the relevant members of MJN management. We considered and challenged the Group's assumptions and corroborated these views with the Group's in-market teams.

Valuation expertise: Using our own valuation specialists, we challenged the appropriateness of key assumptions underlying the estimation of the recoverable amounts of the indefinite life intangible assets relating to the MJN CGU, including the discount rate used in the Model. We assessed whether the premium applied to the discount rate was appropriate considering the inherent forecasting uncertainty, particularly in relation to expected capital expenditure. We also benchmarked the recoverable amount of the MJN CGU using implied earnings multiples to comparable companies and historic transactions within the industry.

Assessing transparency: We assessed whether the Group's disclosures in Note 9 on the sensitivity of the impairment assessment to reasonable changes in key assumptions appropriately reflected the risks inherent in the recoverable amount of indefinite life intangible assets relating to the MJN CGU.

We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Reckitt Benckiser Group's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to audit of the impairment assessment of indefinite life intangible assets relating to the MJN CGU, including details of our planned substantive procedures and the extent of our control reliance.
- For the recoverable amounts of the MJN CGU, whether and where the Group's estimate lay within our reasonable range.
- The adequacy of the disclosures, particularly as they relate to the sensitivity of the recoverable amount of the MJN CGU to key assumptions including discount rate, fell within our acceptable range.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- We identified an area of particular auditor judgement to be the assessment of whether the Directors' overall estimate of the recoverable amount of the MJN CGU, considering key assumptions including the discount rate and, to a lesser extent, net revenue in North America and gross margin fell within our acceptable range.

Our results

We found the Group's conclusion that there is no impairment of indefinite life intangible asset balances relating to the MJN CGU to be acceptable. (FY24 result: the Group's conclusion was that the goodwill and indefinite life intangible asset balances relating to the MJN CGU and the related impairment charge of £696m were acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 78 for details on how the Audit Committee considered recoverability of the indefinite life intangible assets relating to the MJN CGU as an area of significant attention, page 141 for the accounting policy on recoverability of the indefinite life intangible assets relating to the MJN CGU, and Note 9 for the financial disclosures.

Independent Auditor's Report continued

4 Key audit matters continued

4.2 Revenue recognition in relation to trade spend arrangements and associated accruals (Group)

Financial Statement Elements

	FY25	FY24
Trade spend accruals	£921m	£1,074m

Our assessment of risk vs FY24

The risk of inaccurate revenue recognition for trade spend agreements has continued to reduce. This is because retrospective reviews have shown continued improved accuracy of the accruals. ↓

Our results

FY25: Acceptable

FY24: Acceptable

Description of the Key Audit Matter

The risk: subjective estimate

The Group regularly enters into complex arrangements providing pricing, placement and other promotional rebates and allowances to its customers. These trade spend arrangements can vary in complexity by market, product category and customer.

Revenue is measured net of outflows arising from such arrangements which, for agreements or practices spanning a period end, requires an estimate of the extent and value of future activity. These estimates can be subjective and require the use of assumptions that are susceptible to management bias and fraud.

The Group operates a variable compensation scheme with outturns directly linked to financial performance against targets. Strong financial performance could create an incentive to defer revenues into the next financial year by overstating trade spend accruals. Weaker financial performance may also create an incentive to understate trade spend accruals. There is a risk that inappropriate judgements in multiple markets may, in aggregate, materially misstate the Group's Financial Statements.

The effect of these matters is that, as part of our risk assessment, we determined that there is a high degree of estimation uncertainty associated with the accuracy of trade spend accruals, with a potential range of reasonable outcomes greater than our materiality for the Group's Financial Statements as a whole.

Our response to the risk

Our procedures to address the risk included:

Accounting policies: We critically assessed the appropriateness of the Group's accounting policies relating to trade spend against the requirements of IFRS 15 Revenue from Contracts with Customers.

Historical comparisons: For a selection of the more judgemental accruals, our component teams assessed the historical accuracy of the accruals by:

- comparing those recognised in the prior year to the actual trade spend subsequently incurred; and
- where there were significant differences, considering whether such differences related to a change in estimate or error, and evaluating whether any overstatement or understatement identified was material.

Tests of detail: We performed procedures to a precision level sufficient to address the risk of fraud. For a sample of these trade spend accruals, our component teams:

- Reperformed the calculation to assess whether it was mathematically accurate;
- Identified the key assumptions in the calculation of each accrual selected, such as forecast sales volumes, rebate structure and settlement mechanism;
- Agreed those key assumption to relevant documentation, such as invoices received after the balance sheet date, customer agreements or third-party consumption data; and
- Assessed whether the key assumptions were consistent with external data points and the Group's historic experience of comparable trade spend arrangements.

Expectation vs outcome: We performed analytical procedures over the aggregated balance at a group level, and our component teams completed disaggregated analytical procedures over the individual balances.

Assessing transparency: We assessed the adequacy of the Group's disclosures in Note 1 in relation to the degree of estimation in the trade spend accruals and the resulting amount of trade spend deducted from Net Revenue.

We performed the detailed tests above rather than seeking to rely on any of the Group's controls because our knowledge of the design and implementation of these controls and related IT controls indicated that we would not be able to obtain the required evidence to support reliance on controls.

Independent Auditor's Report continued

4 Key audit matters continued

4.2 Revenue recognition in relation to trade spend arrangements and associated accruals (Group) continued

Our response to the risk continued

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the trade spend accruals including details of our planned substantive procedures, use of unpredictable procedures and the extent of our control reliance.
- Our assessment of findings from our component team's procedures, including the historical comparisons of FY24 accruals and whether those indicated material errors, and whether the FY25 accruals in relation to trade spend were acceptable.

Areas of particular auditor judgement

We performed an assessment of whether the Group's overall estimate, considering the Group's accounting policies, and the complex nature of the agreements entered into, is acceptable. We also considered whether an unadjusted overstatement identified through our procedures directly related to the key audit matter was material.

Our results

We found the trade spend accruals recognised to be acceptable (FY24 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 78 for details on how the Audit Committee considered revenue recognition in relation to trade spend arrangements and associated accruals as an area of significant attention, page 139 for the accounting policy on revenue recognition in relation to trade spend arrangements and associated accruals, and Note 1 for the financial disclosures.

4.3 Potential liabilities arising from the US litigation concerning Necrotising Enterocolitis (NEC) (Group)

Financial Statements disclosure in Note 20

Our assessment of risk vs FY24

We have not identified any significant changes to the level of risk relating to contingent liabilities arising from the US litigation concerning Necrotising Enterocolitis compared to FY24. ↔

Our results

FY25: Acceptable

FY24: Acceptable

Description of the Key Audit Matter

The risk: dispute outcome

The Group is named in a number of litigations relating to NEC in the United States.

In FY24, there was one court ruling against the Group and another in their favour. There have been no additional court rulings in FY25, and both FY24 cases remain under appeal. Due to the uncertainty of the remaining cases, significant judgement (that could be subject to potential management bias) is required to determine whether potential economic outflows are both probable and can be reliably estimated.

Additionally, in FY25 a new putative class action securities fraud lawsuit linked to NEC has been filed in the United States which is in its early stage of proceedings.

The amounts involved in these litigations are potentially significant, and the application of accounting standards to determine the amount, if any, to be provided for, is inherently subjective. Given the uncertainty relating to the likelihood, amount and timing of any possible economic outflow, there is a risk over the classification of any liability as a provision or a contingent liability and the transparency of disclosures therein.

Our response to the risk

Our procedures to address the risk included:

Inquiry of legal counsel: We inquired as to the progress through discovery of the remaining cases in relation to the NEC, as well as the status of the appeals of the two court rulings to date, and the likely prospects of successfully defending the cases based on available evidence, including scientific evidence, and therefore the ability to reliably estimate any economic outflow. Additionally, we performed inquiries to understand the status and the prospects of successfully defending the class action securities fraud lawsuit linked to NEC based on evidence available that would allow us to determine whether an outflow is probable and whether any economic outflow can be reliably estimated.

We requested and received formal correspondence directly from the Group's external counsel that evaluated the status of legal proceedings.

We corroborated the consistency of the judgement made by the Directors to inquiries with both internal and external legal counsel.

Assessing transparency: We assessed the adequacy of the Group's disclosures of contingent liabilities related to the NEC litigations in Note 20, particularly the uncertainties relating to the amount and timing of any resulting outflow.

We performed the test above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Independent Auditor's Report continued

4 Key audit matters continued

4.3 Potential liabilities arising from the US litigation concerning Necrotising Enterocolitis (NEC) (Group) continued

Our response to the risk continued

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the assessment over the ongoing litigation relating to NEC and the related putative class action securities fraud lawsuit in the United States;
- Our conclusions on the appropriateness of the Group's methodology and accounting policies; and
- The adequacy of the disclosures, particularly as it relates to the uncertainties in relation to the amount and timing of any resulting outflow.

Areas of particular auditor judgement

We identified an area of particular auditor judgement to be consideration of whether the contingent liability disclosure is sufficiently transparent in respect of the uncertainties that exist in relation to the likelihood, amount and timing of any resulting outflows.

Our results

We found the Group's assessment that the potential outflows from the NEC litigations are treated as contingent liabilities and the transparency of the related disclosure to be acceptable (FY24 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on pages 78-79 for details on how the Audit Committee considered potential liabilities arising from the NEC litigation in the United States as an area of significant attention, page 144 for the accounting policy on contingent liabilities arising from the NEC litigation in the United States, and Note 20 for the financial disclosures.

4.4 Provisions for uncertain tax positions (Group)

Financial Statement Elements

	FY25	FY24
Uncertain tax positions	£604m	£711m

Our assessment of risk vs FY24

We have not identified any significant changes to our assessment of the level of risk relating to provisions for uncertain tax positions compared to FY24. ↔

Our results

FY25: Acceptable

FY24: Acceptable

Description of the Key Audit Matter

The risk: subjective estimate

Due to the Group operating across a number of different tax jurisdictions, and the complexities of transfer pricing and other international tax legislation, it is subject to periodic challenge by local tax authorities on a range of tax matters arising in the normal course of business.

These challenges by the local tax authorities include but are not limited to:

- Transfer pricing arrangements relating to the Group's operating model;
- Transfer pricing arrangements relating to the ownership of intellectual property rights that are used across the Group;
- Deductibility of certain expenditure; and
- Permanent establishment risk.

Provisions for uncertain tax positions require judgements and estimates to be made in relation to tax issues and exposures where the Group may be challenged by local tax authorities on its interpretation of tax legislation. Auditor judgement is required to assess whether the Directors' overall estimate falls within an acceptable range. This considers the method and assumptions underpinning exposures calculated such as: the clarity of relevant legislation and related guidance; advice from in-house specialists; opinions of professional firms; past experience; and precedents set by a particular tax authority.

The effect of these matters is that, as part of our risk assessment, we determined that the estimates of uncertain tax positions, especially those relating to UK, have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the Group's Financial Statements as a whole.

Our response to the risk

Our procedures to address the risk included:

Our tax expertise: We used our own international and local tax specialists to assist us to:

- Inspect and assess the Group's centrally prepared transfer pricing policies to determine whether they reflect the risks, activities and substance of each of the entities within the supply chain; and
- Assess the Group's tax positions, its correspondence with the relevant tax authorities, and to analyse and challenge the assumptions used to determine provisions for tax uncertainties based on our knowledge and experiences of the application of tax legislation.

Historical comparisons: We assessed the historical accuracy of the provisions, with reference to any recent tax authority audits and related results, and we considered the impact on the remaining provision.

Assessing transparency: We assessed the adequacy of the Group's disclosures in Notes 1 and 22 in respect of uncertain tax positions.

We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Independent Auditor's Report continued

4 Key audit matters continued

4.4 Provisions for uncertain tax positions (Group) continued

Our response to the risk continued

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the provisions for uncertain tax positions, including details of our planned substantive procedures and the extent of our control reliance;
- For the provisions for uncertain tax positions, whether and where the Group's estimate lay within our reasonable range; and
- The adequacy of the disclosures, particularly as it relates to the sensitivity of the uncertain tax position to possible changes in key assumptions.

Areas of particular auditor judgement

We identified an area of particular auditor judgement to be the clarity of the associated disclosure in relation to the estimation uncertainty associated with uncertain tax positions.

Our results

We found the level of the uncertain tax provisioning to be acceptable (FY24 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 78 for details on how the Audit Committee considered uncertain tax positions as an area of significant attention, page 144 for the accounting policy on uncertain tax positions and Note 22 for the financial disclosures.

4.5 Potential liabilities arising from the amendment to the South Korean Humidifier Sanitiser (HS) Law (Group)

Financial Statements disclosure in Note 20

Our assessment of risk vs FY24

We have not identified any significant changes to the level of risk relating to contingent liabilities arising from the South Korean Humidifier Sanitiser (HS) Law compared to FY24. ↔

Our results

FY25: Acceptable

FY24: Acceptable

Description of the Key Audit Matter

The risk: dispute outcome

The Group is involved in an ongoing litigation relating to the HS issue in South Korea.

The South Korean HS law amendment enacted on 25 September 2020 significantly altered the legal framework under which HS claims were previously made and settled. On 24 December 2025, a bill was submitted to further amend the current HS law which is in the process of going

through parliament. The Bill introduces a new damage compensation system and a new structure under which claims will be made and settled.

As a result of the current law, and proposed amendment, judgement is needed to assess whether there could be further levy payments imposed under the HS law, which would require a provision.

The amounts involved are potentially significant, and the application of accounting standards to determine the amount, if any, to be provided for, is inherently subjective. Given the uncertainty relating to the likelihood, amount and timing of any possible economic outflow, there is a risk over the classification of any liability as a provision or a contingent liability and the transparency of disclosures therein.

Our response to the risk

Our procedures to address the risk included:

Inquiry of legal counsel: We inquired of the Group's internal and external counsel to obtain an understanding of developments in relation to the HS matter, the progress of litigation and the likelihood of reaching a broader resolution.

We requested and received formal correspondence directly from the Group's external counsel that evaluated the status of legal proceedings.

We corroborated the consistency of the judgement made by the Directors to inquiries with both internal and external legal counsel.

Assessing transparency: We assessed the adequacy of the Group's disclosures of contingent liabilities related to the HS matter in Note 20, particularly the uncertainties relating to the amount and timing of any resulting outflow.

We performed the test above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the assessment over the ongoing litigation relating to the HS issue in South Korea;
- Our conclusions on the appropriateness of the Group's methodology and accounting policies; and
- The adequacy of the disclosures, particularly as it relates to the uncertainties in relation to the amount and timing of any resulting outflow.

Areas of particular auditor judgement

We found the Group's assessment that the impact of the HS law amendment as contingent liabilities and transparency of disclosure to be acceptable (FY24 result: acceptable).

Further information in the Annual Report and Accounts: See the Audit Committee Report on pages 78-79 for details on how the Audit Committee considered potential liabilities arising from the amendment to the South Korean humidifier sanitiser (HS) law as an area of significant attention, page 144 for the accounting policy on contingent liabilities arising from the amendment to the South Korean HS law, and Note 20 for the financial disclosures.

Independent Auditor's Report continued

4 Key audit matters continued

4.6 Accounting for the divestment of the Essential Home Business (Group)

Financial Statement Elements

	FY25	FY24
Gain on disposal	£1,245m	£nil
Investment in associate (Essential Home)	£68m	£nil

Our assessment of risk vs FY24

This is a new risk applicable for FY25.

+

Our results

FY25: Acceptable

FY24: N/A

Description of the Key Audit Matter

The risk: subjective estimate and judgements

The Group completed the divestment of its Essential Home business on 31 December 2025.

We considered that this constituted a significant unusual transaction on account of the quantum, one-off nature and complexity of the transaction relative to those executed in the normal course of business.

We did not consider that the accounting was at significant risk of material misstatement or subject to significant judgement. However, the complexity of the deal structure, the identification of accounting issues and the assessment of these required significant auditor attention, including:

- The valuation of non-cash elements of the proceeds, including the Group's retained interest in the Essential Home business and a vendor loan note;
- Whether transaction costs included in the gain on disposal calculation met the criteria for inclusion;
- The determination of net assets included in the disposal group;
- The tax accounting consequences of the separation of the Essential Home business from existing Group legal entities, and its disposal;
- The assessment of whether management had significant influence over the divested Essential Home business, and therefore whether it should classify its investment as an investment in associate;
- The judgement not to classify this divested business as a discontinued operation; and
- Whether disclosures relating to this transaction were compliant with the requirements of the relevant accounting standards.

As a result of the volume of individual accounting judgements and estimates, we considered this to be a key focus area of the current year audit.

Our response to the risk

Our procedures to address the risk included:

Tests of detail: We assessed whether the calculation of the gain on disposal was calculated in accordance with the relevant accounting standards, and:

- Obtained and read the signed Share Purchase Agreement ("SPA") and other relevant agreements in relation to the disposal;
- Agreed that the balances related to the Essential Home business were deconsolidated from the Group Financial Statements at the date of disposal; and
- Assessed the directors' policy and judgement applied in determining the transaction costs included in the calculation of the gain on disposal and agreed a sample of these costs to supporting documentation.

Challenging judgements: We challenged the Group's assessment of whether the results of the Essential Home business should be presented as a discontinued operation based on our understanding of the Group's operations.

We also challenged the classification of the Group's retained interest in the Essential Home business as an investment in associate based on the terms of the new shareholders' agreement and other post-divestment service agreements between Reckitt and the new entity.

Our valuation expertise: Using our own valuation specialist, we

- Challenged the appropriateness of key assumptions underlying the estimation of the fair value of the vendor loan note and the Group's retained interest in the Essential Home business;
- Benchmarked the discount rate used to value the vendor loan note, considering the Essential Home business' standalone creditworthiness and comparable debt instruments;
- Assessed the appropriateness and integrity of the option pricing model used to value the retained interest in the Essential Home business; and
- Assessed whether projections of future returns, including the risk-free rate and volatility assumptions were reasonable in the valuation of the retained interest in the Essential Home business.

Our tax expertise: We used our own tax specialists to inspect the Group's tax analysis of the disposal transactions and the associated preparatory steps, and determine if the proposed tax treatment is in accordance with applicable tax regulation, and if this is consistent with the tax accounting.

Assessing transparency: We assessed whether the Group's disclosures in Note 29 appropriately disclosed the substance of the transaction and the various elements involved in calculating the gain on disposal.

We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the transaction is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Independent Auditor's Report continued

4 Key audit matters continued

4.6 Accounting for the divestment of the Essential Home Business (Group) continued

Our response to the risk continued

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of the Essential Home divestment including details of our planned substantive procedures and the extent of our control reliance.
- Our assessment of whether the gain on disposal had been appropriately calculated.
- The adequacy of the disclosures relating to the divestment.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- The valuation of the non-cash consideration included within the transaction proceeds used to calculate the gain on disposal;
- The assessment as to whether transaction costs included in the gain on disposal calculation met the criteria for inclusion;
- The assessment of the tax accounting consequences of the separation and disposal of the Essential Home business;
- The judgment as to whether the results of the Essential Home business should be presented as a discontinued operation; and
- The assessment of the Group's influence over the divested business, and the associated classification of the retained interest.

Our results

We found the Group's calculation of the gain on disposal of the Essential Home business and the valuation and classification of the Group's retained interest in this business to be acceptable.

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 78 for details on how the Audit Committee considered the divestment of the Essential Home business as an area of significant attention, Note 1 for the accounting policy on divestments and Note 11 and 29 for the financial disclosures.

4.7 Recoverability of the parent company's investment in the subsidiary, Reckitt Benckiser Limited (Parent Company)

Financial Statements disclosure in Note 2 to the Parent Company Financial Statements

Financial Statement Elements

	FY25	FY24
Parent company investment	£15,343m	£15,248m

Our assessment of risk vs FY24

We have not identified any significant changes to our assessment of the level of risk relating to recoverability of the Parent Company's investment compared to FY24



Our results

FY25: Acceptable

FY24: Acceptable

Description of the Key Audit Matter

The risk: low risk, high value

The carrying amount of the Parent Company's investment in its subsidiary, Reckitt Benckiser Limited, represents 98.4% (FY24: 97.9%) of the Parent Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the Parent Company's Financial Statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.

Our response to the risk

Our procedures to address the risk included:

Comparing valuations: We compared the carrying amount of the investment to the market capitalisation of the Group as Reckitt Benckiser Limited, either directly or indirectly, owns all other subsidiaries of the Group.

We performed the test above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedure described.

Communications with the Reckitt Benckiser Group plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the assessment of the carrying amount of the Parent Company's investment in the subsidiary, including details of our planned substantive procedures and the extent of our control reliance.
- For the carrying amount, our assessment of whether the conclusion that there is no impairment of the Parent Company's investment in the subsidiary is acceptable.

Areas of particular auditor judgement

We identified no areas of particular auditor judgement in relation to this key audit matter.

Our results

We found the Parent Company's conclusion that there is no impairment of its investment in the subsidiary to be acceptable (FY24 result: acceptable).

Further information in the Annual Report and Accounts: page 181 for the accounting policy on recoverability of the parent company's investment in the subsidiary, Reckitt Benckiser limited controls and Note 2 to the Parent Company Financial Statements.

Independent Auditor's Report continued

5 Our ability to detect irregularities, and our response

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Consultation with our own forensic professionals to assist us in identifying fraud risks based on their experience of comparable businesses, similar sectors, as well as of the geographies in which the Group operates. Our forensic professionals participated in the initial fraud risk assessment discussions and were consulted throughout the audit when further guidance was deemed necessary;
- Enquiry of the Directors, operational managers, the General Counsel, the Chief Ethics and Compliance Officer and members of the internal audit function to assess whether they have knowledge of any actual, suspected or alleged fraud;
- Reading minutes of meetings of the Board, Audit Committee, Compliance Committee, and Annual General meeting; and
- Inspection of the Group's policies and procedures to prevent, detect and respond to the risks of fraud, internal audit reports issued during the year and inspection of reports to the Group's whistleblowing hotline and the responses to those reports, including those concerning investigations.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group auditor to component auditors of relevant fraud risks identified at the group level and requesting component auditors performing procedures at component level to report to the group auditor any identified fraud risk factors or identified or suspected instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards and taking into account possible pressures to meet performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We also performed procedures to address management bias. In particular:

- The risk that group and component management could make inappropriate accounting entries;
- For trade spend arrangements the risk that accruals may be manipulated to alter the accuracy of the recognition of revenue and profit;
- The risk of bias when making accounting estimates and judgements, including the assessment of the outcome of material litigations (contingent liability disclosure).

Further detail on our procedures is set out in the Key Audit Matter disclosures in section 4 of this report.

For all components within scope, we identified journal entries to test based on risk criteria and compared the identified entries to supporting documentation. These included unusual journal entries associated with trade spend accruals.

Laws and regulations - Identifying and responding to risks of material misstatement relating to compliance with laws and regulations

Laws and regulations risk assessment

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards)

and inspected regulatory and legal correspondence received by the Group. We held enquiries with the Group's external legal counsel where considered necessary, and we also inspected the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Risk communications

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group auditor to all component auditors of relevant laws and regulations identified at the group level, and a request for component auditors to report to the Group auditor any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the group level.

Direct laws context and link to audit

The potential effect of these laws and regulations on the Financial Statements varies considerably. Firstly, Group is subject to laws and regulations that directly impact the Financial Statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation (direct and indirect) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related Financial Statements items.

Most significant indirect law/ regulation areas

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements, for instance through the imposition of fines or litigation or the loss of the Group's permission to operate in countries where the non-adherence to laws could prevent trading in such countries.

We identified the following areas as those most likely to have such an effect:

- Employee health and safety, reflecting the nature of the Group's production and distribution process;
- Anti-bribery and corruption, reflecting that the Group operates in a number of countries where there is an opportunity to engage in bribery given more limited regulation;
- Interaction with healthcare professionals, reflecting the nature of the Group's products in the Self Care product category and Nutrition operating segment;
- Global competition laws, reflecting the nature of the Group's business and certain market share positions;
- Consumer product law such as product safety, quality standards and product claims, reflecting the nature of the Group's diverse product base;
- Data privacy laws, reflecting the Group's growing amounts of personal data held;
- Intellectual property legislation, reflecting the potential of the Group to infringe trademarks, copyright and patents; and
- Environmental regulation, reflecting the nature of the Group's production and distribution process.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's Report continued

5 Our ability to detect irregularities, and our response continued

Laws and regulations - Identifying and responding to risks of material misstatement relating to compliance with laws and regulations continued

Link to KAMs

Further detail in respect of the effect of ongoing litigations relating to NEC in the United States and the HS Law Amendment in South Korea is set out in the Key Audit Matter disclosures in section 4 of this report.

Actual or suspected breaches discussed with audit committee

We discussed with the Audit Committee other matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.

Context

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6 Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the Financial Statements as a whole.

£140m (FY24: £140m)

Materiality for the group financial statements as a whole

What we mean

A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied

Materiality for the Group Financial Statements as a whole was set at £140m (FY24: £140m). This was determined with reference to a benchmark of Group normalised profit before tax from continuing operations ('PBTCO').

Consistent with FY24, we determined that Group normalised PBTCO remains the main benchmark for the Group. We normalised by adding back adjustments that do not represent the normal, continuing operations of the Group. The items we adjusted for were the impairment of Biofreeze and other intangible assets, the impact of one-off costs relating to the restructuring programme and the gain on disposal of Essential Home as disclosed on page 208 in the table reconciling the Group's IFRS measures to its adjusted measures for the year ended 31 December 2025, totalling £800 million net credit (FY24: £1,019 million, net charge). As such, we based our Group materiality on Group normalised PBTCO of £3,038m (FY24: £3,123m).

Our Group materiality of £140m was determined by applying a percentage to the Group normalised PBTCO. When using a benchmark of Group normalised PBTCO to determine overall materiality, KPMG's approach for listed entities considers a guideline range of 3 – 5% of the measure. In setting overall Group materiality, we applied a percentage of 4.6% (FY24: 4.5%) to the benchmark.

Materiality for the Parent Company Financial Statements as a whole was set at £70m (FY24: £70m), determined with reference to a benchmark of Parent Company total assets, of which it represents 0.45% (FY24: 0.45%).

£91m (FY24: £91m)

Performance materiality

What we mean

Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the Financial Statements as a whole.

Basis for determining performance materiality and judgements applied

We have considered performance materiality at a level of 65% (FY24: 65%) of materiality for Reckitt Benckiser Group plc's Financial Statements as a whole to be appropriate. We applied this percentage in our determination of performance materiality based on our understanding of the control environment.

The Parent Company performance materiality was set at £52.5m (FY24: £52.5m), which equates to 75% (FY24: 75%) of materiality for the Parent Company Financial Statements as a whole.

We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

Independent Auditor's Report continued

6 Our determination of materiality continued

£6m (FY24: £6m)

Audit misstatement posting threshold

What we mean

This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to Reckitt Benckiser Group plc's Audit Committee.

Basis for determining the audit misstatement posting threshold and judgements applied

We set our audit misstatement posting threshold at 4.3% (FY24: 4.3%) of our materiality for the Group Financial Statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group Financial Statements of £140m (FY24: £140m) compares as follows to the main financial statement caption amounts:

	Total Group Revenue		Group profit before tax		Total Group Assets	
	FY25	FY24	FY25	FY24	FY25	FY24
Financial statement Caption	£14,205m	£14,169m	£3,838m	£2,104m	£25,068m	£25,298m
Group Materiality as % of caption	1.0%	1.0%	3.6%	6.7%	0.6%	0.5%

7 The scope of our audit

Group scope

What we mean

How the Group auditor determined the procedures to be performed across the Group.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group Financial Statements and which procedures to perform at these components to address those risks.

In total, we identified 53 (FY24: 52) components based on our evaluation of the Group's operational structure, the Group's legal structure, the existence of common risk profiles across entities, the presence of key audit matters and other audit specific factors, and our ability to perform audit procedures centrally.

We identified quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Additionally, having considered qualitative and quantitative factors, we selected additional components with accounts and disclosures contributing to the specific RMMs of the Group Financial Statements.

The below summarises where we performed audit procedures:

Component type	Number of components where we performed audit procedures	Range of materiality applied
Quantitatively significant components	1	£52m
Other components where we performed further audit procedures	52	£9m - £70m
Total	53	

We involved component auditors in performing the audit work on 45 components. We performed audit procedures on the items excluded from the normalised Group profit before tax used as the benchmark for our materiality. We set the component materialities having regard to the mix of size and risk profile of the components across the Group. We also performed the audit of the Parent Company.

Of the 53 in-scope components, 8 components were part of the Essential Home divestment and are not included in the closing balance sheet as of 31 December 2025.

Our audit procedures covered 81% (FY24: 81%) of Group net revenue. We performed audit procedures in relation to components that accounted for 86% (FY24: 76%) of Group profit before tax and 82% (FY24: 84%) of Group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 0.9% of Group total revenue, Group profit before tax or Group total assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

Independent Auditor's Report continued

7 The scope of our audit continued

Group scope continued

Impact of controls on our group audit

During the audit we identified three global Enterprise Resource Planning ('ERP') finance IT systems that were relevant to our audit which are used by all the components in the Group and are all managed centrally from the UK, noting that during the year, one of these systems was fully replaced by a newer ERP. We used our IT auditors to assist us in assessing the design and operating effectiveness of the general IT controls of two of these global IT systems, covering the majority of components in scope (by number). For these systems, having performed additional procedures to respond to deficiencies identified, we were able to adopt a partial IT controls reliance approach. We also tested the design and operating effectiveness of IT general controls of related IT systems, infrastructure layers and utility tools, including an IT system which covers manual journals. However, given the decentralised nature of the Group's overall control environment and the limited number of automated controls in key transactional areas, this had a limited impact on our audit approach.

We did not seek to rely on general IT controls on the other identified IT systems owing to our knowledge of the control environment and the limited number of components which use these systems.

The Group has a decentralised control environment and is undertaking a controls transformation program, (as noted on page 80 of the Audit Committee report) which includes the refinement of the Group's control framework and moving of the operations of certain controls to shared service centres. As a result of this and considering the most efficient and effective approach for gaining the appropriate audit evidence, we did not seek to rely on manual transactional controls. We took a predominantly substantive approach in all areas of the audit and accordingly increased the extent of our substantive procedures.

Group auditor oversight

What we mean

The extent of the Group auditor's involvement in work performed by component auditors.

As part of establishing the overall group audit strategy and plan, we conducted the risk assessment and planning discussion meeting with component auditors to discuss group audit risk relevant to the components, including the key audit matter in respect of revenue recognition in relation to trade spend arrangements and associated accruals.

We physically visited component auditors in 8 countries between September and December 2025 to attend management balance sheet reviews ahead of the year end (FY24: 22) and/or attend meetings with the local component auditor and local management. We also attended 16 (FY24: 3) country meetings virtually.

We had regular two-way contact with our component auditors throughout the year, including issuing instructions to them on the scope of their work, risk assessment challenge and clearance meetings at the planning, interim and final phases of the audit.

We also inspected the work performed by the component auditors for the purpose of the group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on revenue, trade spend accruals, cash and journals.

8 Other information in the annual report

The Directors are responsible for the other information presented in the Annual Report together with the Financial Statements. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic report and directors' report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- We have not identified material misstatements in the strategic report and the Directors' report;
- In our opinion the information given in those reports for the financial year is consistent with the Financial Statements; and
- In our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

Our responsibility

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Independent Auditor's Report continued

8 Other information in the annual report continued

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Financial Statements and our audit knowledge, and:

- The Directors' statement that they consider that the annual report and Financial Statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- The section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the Financial Statements, and how these issues were addressed; and
- The section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the Financial Statements and our audit knowledge.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review.

We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Our reporting

We have nothing to report in these respects.

9 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 116, the Directors are responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these Financial Statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the Annual Financial Report has been prepared in accordance with those requirements.

10 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Zulfikar Walji (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
4 March 2026

Group Income Statement

For the year ended 31 December 2025

	Note	2025 £m	2024 £m
Continuing operations			
Net Revenue	2	14,205	14,169
Cost of sales		(5,571)	(5,574)
Gross profit		8,634	8,595
Gain on disposal	29	1,245	–
Impairment of intangible assets		(256)	(839)
Other operating expenses		(5,406)	(5,331)
Net operating expenses	3	(4,417)	(6,170)
Operating profit	2	4,217	2,425
Finance income	6	51	81
Finance expense	6	(430)	(402)
Profit before income tax		3,838	2,104
Income tax charge	7	(635)	(672)
Net profit from continuing operations		3,203	1,432
Net loss from discontinued operations		(16)	(4)
Net profit		3,187	1,428
Attributable to non-controlling interests		5	2
Attributable to owners of the Parent Company		3,182	1,426
Net profit		3,187	1,428
Basic earnings/(loss) per ordinary share			
From continuing operations (pence)	8	470.7	204.2
From discontinued operations (pence)	8	(2.4)	(0.6)
From total operations (pence)	8	468.3	203.6
Diluted earnings/(loss) per ordinary share			
From continuing operations (pence)	8	469.5	203.8
From discontinued operations (pence)	8	(2.3)	(0.6)
From total operations (pence)	8	467.2	203.2

Group Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	2025 £m	2024 £m
Net profit		3,187	1,428
Other comprehensive income/(expense)			
<i>Items that have or may be reclassified to the Income Statement in subsequent years</i>			
Net exchange loss on foreign currency translation, net of tax	7, 26	(130)	(442)
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	7, 26	(136)	(11)
(Losses)/gains on net investment hedges, net of tax	7, 26	(79)	85
Fair value gains on cash flow hedges, net of tax	7, 26	9	9
Reclassification of cash flow hedges to the Income Statement	7, 26	(28)	29
		(364)	(330)
<i>Items that will not be reclassified to the Income Statement in subsequent years</i>			
Remeasurements of defined benefit pension plans, net of tax	7	11	(13)
Revaluation of equity instruments – FVOCI, net of tax	7	(19)	(28)
		(8)	(41)
Other comprehensive expense, net of tax		(372)	(371)
Total comprehensive income		2,815	1,057
Attributable to non-controlling interests		3	2
Attributable to owners of the Parent Company		2,812	1,055
Total comprehensive income		2,815	1,057
Total comprehensive income attributable to owners of the Parent Company arising from:			
Continuing operations		2,828	1,059
Discontinued operations		(16)	(4)
		2,812	1,055

Group Balance Sheet

As at 31 December 2025

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Goodwill and other intangible assets	9	15,811	17,565
Property, plant and equipment	10	2,508	2,385
Equity instruments	11	162	108
Deferred tax assets	12	287	243
Retirement benefit surplus	23	284	269
Other non-current receivables	14	381	130
Total non-current assets		19,433	20,700
Current assets			
Inventories	13	1,473	1,517
Trade and other receivables	14	2,124	2,091
Derivative financial instruments	15, 17	24	61
Current tax recoverable		58	45
Cash and cash equivalents	16	1,952	880
Assets held for sale		4	4
Total current assets		5,635	4,598
Total assets		25,068	25,298
Liabilities			
Current liabilities			
Short-term borrowings	17	(810)	(1,423)
Provisions for liabilities and charges	18	(90)	(112)
Trade and other payables	21	(5,072)	(5,291)
Derivative financial instruments	15, 17	(51)	(38)
Share repurchase liability	24	(101)	(477)
Current tax liabilities	22	(526)	(602)
Total current liabilities		(6,650)	(7,943)

	Note	2025 £m	2024 £m
Non-current liabilities			
Long-term borrowings	17	(7,620)	(7,235)
Deferred tax liabilities	12	(2,565)	(2,849)
Retirement benefit obligations	23	(217)	(235)
Provisions for liabilities and charges	18	(55)	(62)
Derivative financial instruments	15, 17	(95)	(173)
Other non-current liabilities	21	(85)	(81)
Total non-current liabilities		(10,637)	(10,635)
Total liabilities		(17,287)	(18,578)
Net assets		7,781	6,720
Equity			
Capital and reserves			
Share capital	24	70	74
Share premium		254	254
Capital redemption reserve	24	4	-
Merger reserve		(14,229)	(14,229)
Other reserves	26	(1,752)	(1,390)
Retained earnings		23,399	21,990
Attributable to owners of the parent company		7,746	6,699
Attributable to non-controlling interests		35	21
Total equity		7,781	6,720

The accompanying notes form part of these Financial Statements. The Financial Statements on pages 133 to 177 were approved by the Board of Directors and signed on its behalf on 4 March 2026 by:

Sir Jeremy Darroch
Director
Reckitt Benckiser Group plc

Kris Licht
Director
Reckitt Benckiser Group plc

Group Statement of Changes in Equity

For the year ended 31 December 2025

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Merger reserves ¹ £m	Other reserves ² £m	Retained earnings £m	Total attributable to owners of the Parent Company £m	Non-controlling interests £m	Total equity £m
Balance at 1 January 2024		74	254	-	(14,229)	(1,060)	23,409	8,448	21	8,469
Comprehensive income										
Net profit		-	-	-	-	-	1,426	1,426	2	1,428
Other comprehensive income/(expense)		-	-	-	-	(330)	(41)	(371)	-	(371)
Total comprehensive income/(expense)		-	-	-	-	(330)	1,385	1,055	2	1,057
Transactions with owners										
Treasury shares reissued	24	-	-	-	-	-	3	3	-	3
Purchase of ordinary shares by employee share ownership trust		-	-	-	-	-	(2)	(2)	-	(2)
Repurchase of ordinary shares	24	-	-	-	-	-	(1,509)	(1,509)	-	(1,509)
Share-based payments	25	-	-	-	-	-	85	85	-	85
Cash dividends	28	-	-	-	-	-	(1,381)	(1,381)	(2)	(1,383)
Total transactions with owners		-	-	-	-	-	(2,804)	(2,804)	(2)	(2,806)
Balance at 31 December 2024		74	254	-	(14,229)	(1,390)	21,990	6,699	21	6,720
Comprehensive income										
Net profit		-	-	-	-	-	3,182	3,182	5	3,187
Other comprehensive income/(expense)		-	-	-	-	(362)	(8)	(370)	(2)	(372)
Total comprehensive income/(expense)		-	-	-	-	(362)	3,174	2,812	3	2,815
Transactions with owners										
Treasury shares reissued	24	-	-	-	-	-	43	43	-	43
Purchase of ordinary shares by employee share ownership trust		-	-	-	-	-	(3)	(3)	-	(3)
Repurchase of ordinary shares	24	-	-	-	-	-	(503)	(503)	-	(503)
Cancellation of Treasury shares	24	(4)	-	4	-	-	-	-	-	-
Share-based payments	25	-	-	-	-	-	101	101	-	101
Cash dividends	28	-	-	-	-	-	(1,403)	(1,403)	(6)	(1,409)
Non-cash capital contribution by non-controlling interest		-	-	-	-	-	-	-	17	17
Total transactions with owners		(4)	-	4	-	-	(1,765)	(1,765)	11	(1,754)
Balance at 31 December 2025		70	254	4	(14,229)	(1,752)	23,399	7,746	35	7,781

1 The merger reserve relates to the 1999 combination of Reckitt & Colman plc and Benckiser N.V. and a Group reconstruction in 2007 treated as a merger under Part 27 of the Companies Act 2006

2 Refer to Note 26 for an explanation of other reserves

Group Cash Flow Statement

For the year ended 31 December 2025

	Note	2025 £m	2024 £m
Cash flows from operating activities			
Profit before tax		3,838	2,104
Net finance expense	6	379	321
Operating profit from continuing operations		4,217	2,425
(Gain)/loss on disposal/deconsolidation of subsidiary undertakings	29	(1,245)	–
Loss/(gain) on sale of property, plant and equipment and intangible assets		–	3
Depreciation, amortisation and impairment	9, 10	756	1,308
Share-based payments	25	101	85
(Increase)/decrease in inventories		(196)	61
Increase in trade and other receivables		(144)	(133)
Increase/(decrease) in payables and provisions		12	(74)
Cash generated from continuing operations		3,501	3,675
Interest paid		(344)	(350)
Interest received		41	58
Tax paid		(897)	(700)
Net cash flows attributable to discontinued operations	30	(4)	(1)
Net cash generated from operating activities		2,297	2,682
Cash flows from investing activities			
Purchase of property, plant and equipment		(536)	(370)
Purchase of intangible assets	9	(79)	(95)
Proceeds from the sale of property, plant and equipment		23	14
Proceeds from the sale of intangible assets and related businesses, net of cash disposed	29	1,786	57
Other investing activities		1	(2)
Net cash generated from/(used in) investing activities		1,195	(396)

	Note	2025 £m	2024 £m
Cash flows from financing activities			
Treasury shares reissued	24	43	3
Purchase of ordinary shares by employee share ownership trust		(3)	(3)
Repurchase of ordinary shares	24	(879)	(1,328)
Proceeds from borrowings	17	1,412	1,768
Repayment of borrowings	17	(1,637)	(1,687)
Dividends paid to owners of the Parent Company	28	(1,403)	(1,381)
Dividends paid to non-controlling interests		(6)	(2)
Acquisition of non-controlling interest		–	(38)
Other financing activities ¹		40	(47)
Net cash used in financing activities		(2,433)	(2,715)
Net increase/(decrease) in cash and cash equivalents		1,059	(429)
Cash and cash equivalents at beginning of the year		879	1,380
Exchange gains/(losses)		14	(72)
Cash and cash equivalents at end of the year		1,952	879
Cash and cash equivalents comprise:			
Cash and cash equivalents per the Balance Sheet ²	16	1,952	880
Overdrafts	17	–	(1)
		1,952	879

¹ Cash flows from other financing activities are principally composed of cash receipts and payments on derivative contracts used to hedge foreign exchange gains or losses on non-sterling financing assets and financing liabilities between the Group's Treasury company and fellow Group subsidiaries

² Included within cash and cash equivalents is £182 million of cash (2024: £120 million) which is restricted for use by the Group but is available on demand and freely available for use within the relevant subsidiary (see Note 16)

Notes to the Financial Statements

1 Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated Financial Statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

Basis of preparation

These consolidated Financial Statements have been prepared in accordance with the recognition, measurement and presentation requirements of UK-adopted International Accounting Standards and in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB).

These consolidated Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss or other comprehensive income. A summary of the Group's accounting policies is set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of Financial Statements that conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the Balance Sheet date and revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge at the time, actual amounts may ultimately differ from those estimates.

New standards, amendments and interpretations

The following accounting standard amendments were adopted by the Group on 1 January 2025. They have not had a significant impact on the consolidated Financial Statements.

- Lack of exchangeability (Amendments to IAS 21)

Certain changes to IFRS will be applicable to the Group financial statements in future years, but are not expected to have a material effect on the reported net revenue, profit or equity in the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements is expected to change certain aspects of the Group's reporting of the income statement, balance sheet and cash flow statement and certain notes of the accounts, and will be implemented with effect from 1 January 2027, with retrospective application. The new standard will introduce additional defined subtotals with the income statement and "management-defined performance measures" requiring disclosure, explanation and reconciliation with the financial statements. The Group's evaluation of the effect of adopting IFRS 18 is ongoing.

Going concern

Having assessed the principal risks faced by the Group and other matters considered in the Board's Viability Review, the Directors deemed it appropriate to adopt the going concern basis of accounting in preparing the consolidated Financial Statements. In reaching this conclusion, the Directors took into account the Group's overall financial position, exposure to principal risks and future business forecasts.

At 31 December 2025, the Group had cash and cash equivalents (excluding restricted cash) of £1.8 billion. The Group also had access to undrawn committed borrowing facilities of £4.4 billion, all of which expire after more than two years. After the return of £1.6 billion to shareholders via special dividend in February 2026 following the sale of Essential Home in December 2025, the Directors are of the view that the Group can reasonably be expected to continue in operation and meet its obligations for at least 12 months from the date of the approval of the Annual Report and Accounts. Further detail is contained within the Viability Statement on page 52 and within the liquidity disclosures in Note 15.

Basis of consolidation

The consolidated Financial Statements include the results of Reckitt Benckiser Group plc, a company registered in the UK, and all its subsidiary undertakings made up to the same accounting date. Subsidiary undertakings are those entities controlled by Reckitt Benckiser Group plc. Control exists where the Group is exposed to, or has the rights to variable returns from its involvement with, the investee and has the ability to use its power over the investee to affect its returns.

Intercompany transactions, balances and unrealised gains on transactions between Group companies have been eliminated on consolidation. Unrealised losses have also been eliminated to the extent that they do not represent an impairment of a transferred asset. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with accounting policies adopted by the Group.

Climate Change

In preparing the Consolidated Financial Statements, management has considered the impact of climate change, specifically with reference to the disclosures included in the Strategic Report and the Group's 2030 Sustainability Ambitions, particularly in relation to impairment testing of intangible assets. These factors have not had a significant effect on the Group's critical accounting estimates and judgements made with respect to the current year.

Foreign currency translation

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated Financial Statements are presented in sterling, which is the Group's presentational currency.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated monetary assets and liabilities are recognised in the Income Statement, except where hedge accounting is applied.

Notes to the Financial Statements continued

1 Accounting Policies continued

Foreign currency translation continued

The Financial Statements of subsidiary undertakings with a non-sterling functional currency are translated into sterling on the following basis:

- Assets and liabilities: at the rate of exchange ruling at the year-end date
- Income Statement items: at the average rate of exchange for the year

Exchange differences arising from the translation of the net investment in subsidiary undertakings with a non-sterling functional currency, and of borrowings and other currency instruments designated as hedges of such investments, are recorded in equity on consolidation.

Business combinations

The acquisition method is used to account for the acquisition of subsidiaries and businesses. Identifiable net assets acquired (including intangible assets) in a business combination are measured initially at their fair values at the acquisition date.

Where the measurement of the fair value of identifiable net assets acquired is incomplete at the end of the reporting period in which the combination occurs, the Group will report provisional fair values. Final fair values are determined within a year of the acquisition date and retrospectively applied.

The excess of the consideration transferred and the amount of any non-controlling interest over the fair value of the identifiable assets (including intangibles), liabilities and contingent liabilities acquired is recorded as goodwill.

The consideration transferred is measured at the fair value of the assets given, equity instruments issued (if any), and liabilities assumed or incurred at the date of acquisition.

Acquisition-related costs are expensed as incurred.

The results of the subsidiaries and businesses acquired are included in the consolidated Financial Statements from the acquisition date.

Assets held for sale and disposal groups

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale and presented separately in the Balance Sheet when the following criteria are met: the Group is committed to selling the asset or disposal group; it is available for immediate sale in its current condition; an active plan of sale has commenced and been approved in line with Group policy; and in the judgement of Group management it is highly probable that the sale will be completed within 12 months.

Immediately before the initial classification of the assets and disposal groups as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the disposal groups) are measured in accordance with the applicable accounting standards. Goodwill (including cost and accumulated impairment) is allocated to the disposal group using a relative value approach, unless a different method better reflects goodwill associated with the disposal.

Assets held for sale and disposal groups are subsequently measured at the lower of their carrying amount and fair value less costs of disposal. Impairment losses on initial classification as held for sale, and subsequent gains and losses on remeasurement to fair value less costs of disposal, are recognised in the Income Statement. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

Disposals of intangible assets and subsidiaries

The financial performance of subsidiaries and businesses is included in the consolidated Financial Statements up to the point at which the Group ceases to have control over that subsidiary. Intangible assets not disposed of through the sale of shares in subsidiaries are treated as disposed at the point that the Group ceases to control the asset.

The difference between the fair value of the consideration (net of costs) and the carrying value of the assets and liabilities disposed is recognised as a gain or loss in the Income Statement. Any amounts previously recognised in other comprehensive income in respect of that subsidiary or asset, including exchange gains or losses on foreign currency translation, are accounted for as if the Group had directly disposed of related assets and liabilities. This results in a reclassification of amounts previously recognised in other comprehensive income to the Income Statement and included within the loss on disposal of intangible assets and related businesses.

Where the assets and liabilities disposed represent a partial disposal of a cash-generating unit to which goodwill has been allocated, goodwill is allocated using a relative value approach to the disposal group, unless a different method better reflects goodwill associated with the disposal.

Where the tax base will not be transferred with the disposed assets, the deferred tax balances relating to the intangible assets are not considered part of the assets disposed and are instead credited or charged to the Income Statement within income tax expense.

Liquidation of subsidiaries

The Group liquidates subsidiaries that are no longer required in order to simplify the Group structure. As part of this process, the Group ensures any outstanding matters relating to the subsidiary are resolved before liquidation. Any amounts previously recognised in other comprehensive income in respect of that subsidiary, including exchange gains and losses on foreign currency translation, are reclassified to the Income Statement on disposal which is typically on entering liquidation. The amounts previously recognised in other comprehensive income are included within finance income in the Income Statement.

Non-controlling interests

On an acquisition-by-acquisition basis, the non-controlling interest is measured at either fair value or a proportionate share of the acquiree's net assets.

Purchases of non-controlling interests are accounted for as transactions with the owners and therefore no goodwill is recognised as a result of such transactions.

Notes to the Financial Statements continued

1 Accounting Policies continued

Revenue

Revenue from the sale of products is recognised in the Group Income Statement as and when performance obligations are satisfied by transferring control of the product or service to the customer.

Net revenue is defined as the amount invoiced to external customers during the year and comprises, as required by IFRS 15, gross sales net of trade spend and customer allowances for credit notes, returns and consumer coupons. The methodology and assumptions used to estimate credit notes, returns and consumer coupons are monitored and adjusted regularly in light of contractual and legal obligations, historical trends, past experience and projected market conditions.

Trade spend, which consists primarily of customer pricing allowances, placement/listing fees and promotional allowances, is governed by sales agreements with the Group's trade customers (retailers and distributors). Trade spend also includes reimbursement arrangements under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), payable to the respective US state WIC agencies.

Accruals are recognised under the terms of these agreements to reflect the expected activity level and the Group's historical experience. These accruals are reported within trade and other payables.

Value-added tax and other sales taxes are excluded from net revenue.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee.

Research and development

Research expenditure is expensed in the year in which it is incurred.

Development expenditure is expensed in the year in which it is incurred, unless it meets the requirements of IAS 38 to be capitalised and then amortised over the useful life of the developed product.

Income tax

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted in each jurisdiction at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. Deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction (other than a business combination) that affects neither accounting nor taxable profit or loss at that time. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the Balance Sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the investor is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities within the same tax jurisdiction are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where there is an intention to settle these balances on a net basis.

Goodwill and other intangible assets

(i) Goodwill

Goodwill is allocated to the cash-generating unit (CGU), or group of CGUs (GCGU), to which it relates and is tested annually for impairment. Goodwill is carried at cost less accumulated impairment losses.

(ii) Brands

Separately acquired brands are shown at cost less accumulated amortisation and impairment. Brands acquired as part of a business combination, and that are separately identifiable, are recognised at fair value and amortised on a straight-line basis over their useful economic lives as determined at the acquisition date (up to 20 years), except when their life is determined as being indefinite.

Applying indefinite lives to certain acquired brands is appropriate due to the stable long-term nature of the Business and the enduring nature of the brands. A core element of the Group's strategy is to invest in building its brands through an ongoing programme of product innovation and continuing marketing investment. Within the Group, a brand typically comprises an assortment of base products and more innovative products. Both contribute to the enduring nature of the brand. The base products establish the long-term positioning of the brand while a succession of innovations attracts ongoing consumer interest and attention. Indefinite life brands are allocated to the CGUs or GCGUs to which they relate and are tested annually for impairment.

The Directors also review the useful economic lives of brands annually, to ensure that these lives are still appropriate. If a brand is considered to have a finite life, its carrying value is amortised on a straight-line basis over its remaining estimated useful economic life.

(iii) Software

Expenditure relating to the acquisition of computer software licences and systems is capitalised at cost. The assets are amortised on a straight-line basis over a period of seven years for systems and five years or less for all other software.

Notes to the Financial Statements continued

1 Accounting Policies continued

Goodwill and other intangible assets continued

(iv) Distribution rights

Payments made in respect of product registration and acquired and reacquired distribution rights are capitalised where the rights comply with the above requirements for recognition of acquired brands. If the registration or distribution rights are for a defined time period, the intangible asset is amortised over that period. If no time period is defined, the intangible asset is treated in the same way as acquired brands.

(v) Customer contracts

Acquired customer contracts are capitalised at cost. These costs are amortised on a straight-line basis over the period of the contract.

(vi) Customer relationships

Customer relationships are shown at cost less accumulated amortisation and impairment. Customer relationships acquired as part of a business combination, and that are separately identifiable, are recognised at fair value and amortised over their useful economic lives as determined at the acquisition date (up to 10 years).

(vii) Acquired intellectual property

Intellectual property rights acquired as part of a business and that are separately identifiable are recognised at fair value and amortised over their useful economic lives as determined at the acquisition date (up to 20 years).

Amortisation of intangible assets in (ii) to (vii) is charged to cost of goods sold or net operating expenses depending on the use of the asset.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment, with the exception of freehold land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. Except for freehold land and assets under construction, the cost of property, plant and equipment is depreciated on a straight-line basis over the period of the expected useful life of the asset. For this purpose, expected lives are determined within the following limits:

- freehold buildings: not more than 50 years;
- leasehold land and buildings: the lesser of 50 years or the life of the lease; and
- owned plant and equipment: not more than 15 years (except for environmental assets and spray dryers which are not more than 30 years).

In general, production plant and equipment and office equipment are depreciated over 10 years or less and motor vehicles and computer equipment over 5 years or less.

Assets' residual values and useful lives are reviewed annually, and adjusted if necessary. Property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be appropriate. Freehold land is reviewed for impairment on an annual basis.

Gains and losses on the disposal of property, plant and equipment are determined by comparing the asset's carrying value with any sale proceeds and are included in the Income Statement.

Leases

The Group has various lease arrangements for buildings (such as offices and warehouses), cars, and IT equipment. Lease terms are negotiated on an individual basis locally and subject to local rules and regulations. At the inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period in exchange for consideration, in which case it is identified as a lease. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. Low-value leases are those with an underlying asset value of US\$5,000 or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right of use assets

At commencement date, right of use assets are measured at cost, which comprises the following:

- the initial measurement of the lease liability;
- prepayments before commencement date of the lease;
- initial direct costs; and
- costs to restore at the termination of the lease.

Subsequent to initial recognition, right of use assets are depreciated on a straight-line basis over the duration of the contract. Right of use assets are assessed for impairment where indicators of impairment are present.

Lease liabilities

At commencement date, lease liabilities are measured at the present value of lease payments not yet paid, including:

- fixed payments excluding lease incentive receivables;
- future contractually agreed fixed increases; and
- payments related to renewals or early termination, when options to renew or for early termination are reasonably certain to be exercised.

Subsequent to initial recognition lease liabilities are increased by the interest costs on the lease liabilities and decreased by lease payments made. Lease liabilities are remeasured when required to account for revised future payments.

Notes to the Financial Statements continued

1 Accounting Policies continued

Impairment of assets

Assets that have indefinite lives, including goodwill and brands, are tested annually for impairment at the level where cash flows are considered to be largely independent. This testing is performed at either the CGU or GCGU level. All CGUs and GCGUs are tested for impairment if there is an event or circumstance that indicates that their carrying value may not be recoverable. If the carrying value exceeds its recoverable amount an impairment loss is recognised in the Income Statement. The recoverable amount is the higher of the CGU's or GCGU's value-in-use and its fair value less costs of disposal.

Value-in-use is calculated with reference to the future and terminal cash flows expected to be generated by each CGU or GCGU (or group of assets where cash flows are not identifiable to specific assets) and discounted to present value. The discount rates used in the impairment reviews are based on the weighted average cost of capital (WACC) specific to each CGU and GCGU, with the WACC converted to the implied pre-tax rates.

Fair value less costs of disposal is calculated using a discounted cash flow approach prepared on a market participant basis, with a post-tax discount rate applied to projected risk-adjusted post-tax cash flows and terminal value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and an appropriate portion of overhead expenses (based on normal operating capacity) required to get the inventory to its present location and condition. Inventory valuation is determined on a first in, first out (FIFO) basis. Net realisable value represents the estimated net selling price less applicable selling expenses.

Trade and other receivables

Trade and other receivables are initially recognised at the fair value of consideration plus transaction costs and subsequently held at amortised cost, less provision for discounts and doubtful debts. Allowance losses are calculated by reviewing lifetime expected credit losses using historical and forward-looking data on credit risk.

Trade and other payables

Trade and other payables are initially recognised at fair value less transaction costs and subsequently carried at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held with banks and other short term, highly liquid investments with original maturities of three months or less.

For the purpose of the Cash Flow Statement, bank overdrafts that form an integral part of the Group's cash management, and are repayable on demand, are included as a component of cash and cash equivalents. Bank overdrafts are included within short-term borrowings in the Balance Sheet.

Borrowings

Interest-bearing borrowings are recognised initially at fair value less, where permitted by IFRS 9, any directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest basis.

Cash flows relating to interest are presented within operating cash flows. Proceeds and repayment of principal amounts are presented as financing cash flows and are presented gross, except for borrowings with maturities of less than three months (including commercial paper), which are presented net.

Derivative financial instruments and hedging activity

The Group may use derivatives to manage its exposures to fluctuating interest and foreign exchange rates. These instruments are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

At the inception of designated hedge relationships, the Group documents its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows or fair values of hedged items.

The Group designates certain derivatives as either:

- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedges); or
- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges).

Derivatives designated as cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the hedging reserve. Any gain or loss relating to the ineffective portion is recognised immediately in the Income Statement.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised. For all other transactions, the amounts accumulated in the hedging reserve are recycled to the Income Statement in the period (or periods) when the hedged item affects the Income Statement.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. The amount that has been accumulated in the hedging reserve remains in equity until it is either included in the cost of a non-financial item or recycled to the Income Statement.

Notes to the Financial Statements continued

1 Accounting Policies continued

Derivative financial instruments and hedging activity continued

Derivatives designated as fair value hedges

Fair value hedges are used to manage the currency and/or interest rate risks to which the fair value of certain assets and liabilities are exposed. Changes in the fair value are recognised in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If such a hedge relationship no longer meets hedge accounting criteria, fair value movements on the derivative continue to be taken to the Income Statement while any fair value adjustments made to the underlying hedged item to that date are amortised through the Income Statement over its remaining life using the effective interest rate method.

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Income Statement.

Net investment hedges

Gains and losses on those hedging instruments designated as hedges of the net investments in foreign operations are recognised in other comprehensive income to the extent that the hedging relationship is effective. Gains and losses accumulated in the foreign currency translation reserve are recycled to the Income Statement when the foreign operation is disposed of.

Equity investments

Equity investments are investments that are neither held for trading nor classified as investments in subsidiaries, associates or joint venture arrangements. Subsequent to their initial recognition, equity investments are stated at their fair value. Gains and losses arising from subsequent changes in the fair value are recognised in the Income Statement or in other comprehensive income on a case-by-case basis. Accumulated gains and losses included in other comprehensive income are not recycled to the Income Statement. Dividends from equity investments are recognised in the Income Statement.

Investment in associates

Investments in associates are accounted for using the equity method. An associate is an entity over which the Group has significant influence, being the power to participate in the investee's financial and operating policy decisions without control or joint control.

Interests in associates are stated in the consolidated Balance Sheet at cost, adjusted for the movement in the Group's share of their net assets and liabilities. The Group's share of the profit or loss after tax of associates is included in the Group's consolidated profit before taxation. Unrealised intragroup profits or losses from transactions are offset against the carrying amount of the investment on a pro-rata basis during consolidation, if material.

When the Group's share of losses exceeds its interest in an associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Financial Statements of the companies accounted for using the equity method are prepared in accordance with uniform accounting and measurement methods throughout the Group.

Employee share schemes

Incentives in the form of shares are provided to employees under equity-settled share option and restricted share plans, which have various combinations of market-based and non-market performance conditions, service conditions, and non-vesting conditions.

The fair value determined at the award grant date takes into account the probability of any relevant market-based performance conditions and non-vesting conditions being satisfied and is subsequently expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. This estimate takes into account the expected outcome for relevant non-market performance conditions and service conditions but assumes satisfaction of all market-based performance conditions and non-vesting conditions. At each Balance Sheet date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Additional employer costs, including social security taxes, in respect of options and awards are charged to the Income Statement over the same period with a corresponding liability recognised.

Pension commitments

Group companies operate defined contribution and (funded and unfunded) defined benefit pension plans.

The cost of providing pensions to employees who are members of defined contribution plans is charged to the Income Statement as contributions are made. The Group has no further payment obligations once the contributions have been paid.

The deficit or surplus recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the Balance Sheet date, less the fair value of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows by the yield on high-quality corporate bonds denominated in the currency in which the benefits will be paid and that have a maturity approximating to the terms of the pension obligations. The costs of providing these defined benefit plans are accrued over the period of employment. Actuarial gains and losses are recognised immediately in other comprehensive income.

Past service costs are recognised immediately in the Income Statement.

The net interest amount is calculated by applying the discounted rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/asset.

The net pension plan interest is presented within other finance income/other finance expense.

Notes to the Financial Statements continued

1 Accounting Policies continued

Post-retirement benefits other than pensions

Some Group companies provide post-retirement medical care and other benefits to their retirees. The costs of providing these benefits are accrued over the period of employment and the liability recognised in the Balance Sheet is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related asset is deducted.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that there will be an outflow of resources to settle that obligation; and the amount can be reliably estimated. Provisions are valued at the present value of the Directors' best estimate of the expenditure required to settle the obligation at the Balance Sheet date. Where it is possible that an outflow of resources may be required to settle the obligation or it is not possible to make a reliable estimate of the financial impact, appropriate disclosure is made but no provision recognised.

Repurchase and reissuance of ordinary shares

When shares recognised as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a charge to equity. Repurchased shares are classified as Treasury shares and are presented in retained earnings. When Treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and any resulting surplus is presented within share premium or deficit presented within retained earnings.

Cancellation of ordinary shares

The nominal value of shares cancelled is transferred from share capital to the capital redemption reserve.

Dividend distribution

Dividends to owners of the Parent Company are recognised as a liability in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Dividend payments are recorded at fair value. Where non-cash dividend payments are made, gains arising as a result of fair value remeasurements are recognised in the Income Statement in the same period.

Accounting estimates and judgements

In preparing these consolidated Financial Statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts and results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Over the course of the year, management has made a number of critical judgements in the application of the Group's accounting policies. These include the following:

- management has identified matters (including the Korea Humidifier Sanitiser, Necrotizing Enterocolitis, Phenylephrine and UK Securities issues) that may incur liabilities in the future but does not recognise these liabilities when it is too early to determine the likely outcome or make a reliable estimate (Note 18, Note 20);
- the continuing enduring nature of the Group's brands supports the indefinite life assumption for certain of these assets (Note 9);
- assumptions are made as to the recoverability of tax assets especially as to whether there will be sufficient future taxable profits in the same jurisdictions to fully utilise losses in future years (Note 12); and
- assessment of whether Essential Home is a discontinued operation under IFRS 5 (note 29).

Key sources of estimation uncertainty

Each year, management is required to make a number of assumptions regarding the future. The related year-end accounting estimates will, by definition, seldom equal the final actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Goodwill and indefinite life intangible assets:

Under IFRS, goodwill and other indefinite life intangible assets must be tested for impairment on at least an annual basis. As disclosed further in Note 9, this testing generally requires management to make multiple estimates, for example around individual market pressures and forces, future price and volume growth, future margins, terminal growth rates and discount rates.

The recoverability of the Group's goodwill and indefinite life intangible assets in relation to the Mead Johnson Nutrition (MJN) cash-generating unit is sensitive to reasonably possible changes in key assumptions. Further information on key estimates and assumptions, including details on the sensitivities of the value-in-use estimates to reasonable changes in key assumptions, is included in Note 9.

Notes to the Financial Statements continued

1 Accounting Policies continued

Accounting estimates and judgements continued

Key sources of estimation uncertainty continued

Tax:

The actual tax paid on profits is determined based on tax laws and regulations that differ across the numerous jurisdictions in which the Group operates. Assumptions are made in applying these laws to the taxable profits in any given period in order to calculate the tax charge or credit for that period. Where the eventual tax paid or reclaimed is different to the amounts originally estimated, the difference is charged or credited to the Income Statement in the period in which it is determined (Note 7).

The Group operates in an international tax environment and is subject to tax examinations and uncertainties in a number of jurisdictions. The issues involved can be complex and disputes may take a number of years to resolve. Each uncertainty is separately assessed and management applies judgement in the recognition and measurement of the uncertainty based on the relevant circumstances. The exposure recognised is calculated based on the expected value method or the most likely outcome method, depending on whether there are a wide range of possible outcomes or if resolution of the uncertainty is concentrated on one outcome. In particular, the range of possible outcomes relating to transfer pricing exposures can be wide and, in these scenarios, the expected value method is employed. The accounting estimates and judgements considered include:

- status of the unresolved matter;
- clarity of relevant legislation and related guidance;
- pre-clearances issued by taxing authorities;
- advice from in-house specialists and opinions of professional firms;
- resolution process and range of possible outcomes;
- past experience and precedents set by the particular taxing authority;
- decisions and agreements reached in other jurisdictions on comparable issues;
- unutilised tax losses, tax credits and availability of mutual agreement procedures between tax authorities; and
- statute of limitations.

Management is of the opinion that the carrying values of the liability for uncertain tax positions made in respect of these matters represent its best estimate once all facts and circumstances have been taken into account. Nevertheless, the final amounts paid to discharge the liabilities arising (either through negotiated settlement or litigation) may be different from the position recognised. The liabilities recognised in respect of uncertain tax positions as at 31 December 2025 are £604m (2024: £711m) (Note 22).

Trade spend:

The Group provides for amounts payable to its trade customers for promotional activity and government reimbursement arrangements. Where an activity spans the year end, an accrual is reflected in the consolidated Financial Statements based on our estimation of customer and consumer uptake during the relevant period and the extent to which temporary funded activity has occurred. As there is a timing difference between that initial estimation and final settlement of trade spend with our customers, differences can result on final settlement. As at 31 December 2025, the Group recognised total accruals of £921 million (2024: £1,074 million) in respect of amounts payable to trade customers and government bodies for trade spend. The Group's trade spend arrangements vary considerably by market and category, and the Group's trade spend accruals are made up of many individually small accruals. Therefore, an aggregated disclosure of sensitivity analysis on the key inputs to trade spend accrual estimates would not be practicable or meaningful. Nevertheless, a 15% (2024: 13%) difference between those initial estimates and final settlement would cause a material charge or credit to the Income Statement in the next financial year. During 2025, adjustments to trade spend accruals as at 31 December 2024, due to changes in accounting estimates, were £78 million (2024: £77 million adjustment to trade spend accruals as at 31 December 2023, due to changes in accounting estimates).

Legal provisions:

The Group recognises legal provisions when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that there will be an outflow of resources to settle that obligation; and the amount can be reliably estimated. The level of provisioning in relation to civil and/or criminal investigations is an area where management and legal judgement are important, with individual provisions being based on best estimates of the possible loss, considering all available information, external advice and historical experience. As at 31 December 2025, the Group recognised legal provisions of £108 million (2024: £112 million) in relation to a number of historical regulatory and other matters in various jurisdictions.

2 Operating Segments

On 1 January 2025, the Group's operating segments changed from Hygiene, Health and Nutrition to Core Emerging Markets, Core Europe, Core North America, Essential Home and Mead Johnson Nutrition.

This change aligns the operating segments with the strategic update announced on 24 July 2024 and subsequent reorganisation effective 1 January 2025. From 1 January 2025 information is presented to, and reviewed by, the Group's Chief Operating Decision Maker (CODM) for the purposes of making strategic decisions and assessing Group-wide performance on this basis.

The CODM is the Group Executive Committee. This Committee is responsible for the implementation of strategy (approved by the Board), the management of risk (delegated by the Board) and the review of Group operational performance and ongoing business integration.

The Group Executive Committee assesses the performance of these operating segments based on net revenue from external customers and segment profit being adjusted operating profit. Intercompany transactions between operating segments are eliminated. Finance income and expense are not allocated to segments, as each is managed on a centralised basis.

Notes to the Financial Statements continued

2 Operating Segments continued

The segment information for the operating segments for the year ended 31 December 2025 and year ended 31 December 2024 is as follows:

	Core North America £m	Core Europe £m	Core Emerging Markets £m	Total Core Reckitt £m	Essential Home £m	Mead Johnson Nutrition £m	Adjusting items £m	Total £m
Year ended 31 December 2025								
Net Revenue	2,559	3,384	4,291	10,234	1,852	2,119	–	14,205
Depreciation and amortisation (Notes 9 and 10)	(83)	(130)	(123)	(336)	(21)	(79)	(63)	(499)
Gain on disposal ¹	–	–	–	–	–	–	1,245	1,245
Operating profit	771	1,064	896	2,731	379	433	674	4,217
Net finance expense								(379)
Profit before income tax								3,838
Income tax charge								(635)
Net profit from continuing operations								3,203
	Core North America £m	Core Europe £m	Core Emerging Markets £m	Total Core Reckitt £m	Essential Home £m	Mead Johnson Nutrition £m	Adjusting items £m	Total £m
Year ended 31 December 2024²								
Net Revenue	2,641	3,487	3,884	10,012	2,046	2,111	–	14,169
Depreciation and amortisation	(69)	(116)	(120)	(305)	(43)	(88)	(25)	(461)
Operating profit	804	1,049	731	2,584	492	399	(1,050)	2,425
Net finance expense								(321)
Profit before income tax								2,104
Income tax charge								(672)
Net profit from continuing operations								1,432

¹ Gain on disposal comprises a gain of £1,245 million on the disposal of Essential Home. Further details can be found in note 29

² Net Revenue, depreciation and amortisation and operating profit have been restated for the new operating segments

Reckitt's brand portfolio is managed on a category basis. The Group's GCGUs are defined on this basis and represent the lowest level at which goodwill is monitored for internal management purposes (Note 9).

Net revenue by product category for the year ended 31 December 2025 and year ended 31 December 2024 is as follows:

	2025 £m	2024 £m
Self Care	3,306	3,290
Germ Protection	3,224	3,086
Household Care	2,189	2,254
Intimate Wellness	1,515	1,382
Total Core Reckitt	10,234	10,012
Essential Home	1,852	2,046
Mead Johnson Nutrition	2,119	2,111
Total Group Revenue	14,205	14,169

Notes to the Financial Statements continued

2 Operating Segments continued

Financial information for the operating segments is presented on an adjusted basis which excludes certain cash and non-cash items. These items have a pattern of recognition that is largely uncorrelated with the trading performance of the Business. Financial information on an adjusted basis is consistent with how management reviews the Business for the purpose of making operating decisions. Further detail on adjusting items, which includes in the year to 31 December 2025 a £175 million impairment of Biofreeze intangible assets, a gain of £1,245 million on the disposal of Essential Home, and restructuring/other project costs of £195 million linked to the Group strategic announcements in 2024, is included on page 208.

The Company is domiciled in the UK. The split of net revenue from external customers and non-current assets (other than equity instruments, deferred tax assets and retirement benefit surplus assets) between the UK, the US (being the biggest country outside the country of domicile) and all other countries is:

2025	UK £m	US £m	All other countries £m	Total £m
Net Revenue	814	4,070	9,321	14,205
Goodwill and other intangible assets	1,908	7,535	6,368	15,811
Property, plant and equipment	286	827	1,395	2,508
Other non-current receivables (excluding derivative financial instruments) and investments in associates	223	17	171	411

2024	UK £m	US £m	All other countries £m	Total £m
Net Revenue	886	4,183	9,100	14,169
Goodwill and other intangible assets	1,911	8,980	6,674	17,565
Property, plant and equipment	283	788	1,314	2,385
Other non-current receivables (excluding derivative financial instruments) and investments in associates	6	19	88	113

Major customers are typically large grocery chains, distributors and e-commerce platforms. The Group's customer base is diverse with no individual customer accounting for more than 10% of net revenue (2024: no individual more than 10% of revenue).

3 Analysis of Net Operating Expenses

	2025 £m	2024 £m
Gain on disposal ⁴	1,245	–
Distribution costs ¹	(3,553)	(3,537)
Research and development costs	(316)	(325)
Other administrative expenses ²	(1,539)	(1,474)
Impairment of intangible assets ³	(256)	(839)
Other net operating income	2	5
Net operating expenses	(4,417)	(6,170)

1 Included in distribution costs is an amount of £2,337 million (2024: £2,162 million) relating to marketing costs

2 Other administrative expenses includes a net foreign exchange gain of £5 million (2024: loss of £13 million) and £195 million (2024: £167 million) of restructuring and other project costs linked to the group strategic announcements in 2024. This principally includes professional advisor fees and severance costs relating to business transformation and portfolio changes

3 Impairment of intangible assets includes £175 million relating to Biofreeze trademarks and licences, £23 million relating to other brands, £52 million relating to Sustagen and Digestive Advantage trademarks and licences and £6 million relating to software (2024: £838 million impairment relating to the MJN and Biofreeze businesses). Further details can be found in Note 9

4 Gain on disposal comprises a gain of £1,245 million on the disposal of Essential Home. Further details can be found in note 29

4 Auditor Remuneration

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's Auditor and its associates:

	2025 £m	2024 £m
Audit services pursuant to legislation		
Audit of the Group's Annual Report and Financial Statements	8.2	8.0
Audit of the Financial Statements of the Group's subsidiaries	11.8	11.7
Audit-related assurance services	1.1	0.9
Total audit and audit-related services	21.1	20.6
Fees payable to the Company's Auditor and its associates for other services		
Other assurance services	7.4	3.6
Total non-audit services	7.4	3.6
	28.5	24.2

Notes to the Financial Statements continued

5 Employee Costs

Total employee costs, including those for Directors, were:

	Note	2025 £m	2024 £m
Wages and salaries		1,895	2,026
Social security costs		278	272
Other pension costs	23	59	63
Share-based payments	25	101	85
Total staff costs		2,333	2,446

Executive and Non-Executive Directors' aggregate emoluments are disclosed on pages 84 to 111 of the Directors' Remuneration Report. Compensation awarded to key management (defined as the members of the Group Executive Committee and the Non-Executive Directors) was:

	2025 £m	2024 £m
Short-term employee benefits	23	26
Post-employment and other long-term benefits	-	-
Share-based payments	21	22
	44	48

Staff numbers

The monthly average number of people employed by the Group, including Directors, during the year was:

	2025 '000	2024 ¹ '000
North America	5.0	5.0
Europe	12.7	13.5
Emerging Markets	18.5	19.4
	36.2	37.9

1 The analysis of staff numbers by geographic area has been restated due to the Group reorganisation announced on 24 July 2024 and effective 1 January 2025

6 Net Finance Expense

	2025 £m	2024 £m
Finance income		
Interest income on cash and cash equivalents	41	53
Pension net finance income	7	5
Finance income on tax balances	2	15
Other finance income	1	8
Total finance income	51	81
Finance expense		
Interest payable on borrowings	(375)	(363)
Forward purchase agreement interest expense	(35)	(17)
Interest payable on leases	(13)	(13)
Other finance expense	(7)	(9)
Total finance expense	(430)	(402)
Net finance expense	(379)	(321)

7 Income Tax Expense

	2025 £m	2024 £m
Current tax ²	1,040	952
Adjustment in respect of prior periods ²	(193)	(252)
Total current tax	847	700
Origination and reversal of temporary differences	(268)	(66)
Adjustments in respect of previous periods	54	36
Impact of changes in tax rates	2	2
Total deferred tax	(212)	(28)
Income tax charge	635	672

2 The 2024 comparative has been restated for a £205m reclassification from current tax to adjustments in respect of prior periods. This has been made to present prior year movements in respect of uncertain tax positions consistently in 2025 and 2024

Notes to the Financial Statements continued

7 Income Tax Expense continued

Current tax includes tax incurred by UK entities of £146 million (2024: £97 million). This is comprised of UK corporation tax of £97 million (2024: £62 million) and overseas tax suffered of £49 million (2024: £35 million). UK current tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the year, net of relief for overseas taxes where available. Taxation in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Cash tax paid in the year was £897 million (2024: £700 million). The variance from the current year tax charge of £1,040 million is attributable to movements on uncertain tax positions (shown in Note 22) and timing differences arising between the accrual and payment of current income tax liabilities payable to taxing authorities.

The net benefit in respect of prior periods of £139m is primarily attributable to the reassessment of several uncertain tax positions following the receipt of new information during the year. Further progress has been made on resolving tax authority audits in 2025 and certain statutes of limitation relating to uncertain tax positions carried on balance sheet at 31 December 2024 expired in the year. None of the uncertain tax positions subject to reassessment were individually material to the Financial Statements.

The total tax charge on the Group's profit for the year can be reconciled to the notional tax charge calculated at the UK tax rate as follows:

Continuing operations	2025 £m	2024 £m
Profit before income tax	3,838	2,104
Tax at the notional UK corporation tax rate of 25% (2024: 25%)	959	526
Effect of:		
Overseas tax rates	1	8
Movement in provision related to uncertain tax positions (Note 22) ¹	31	62
Net impact of divestments and assets reclassified to held for sale	(351)	(3)
Unrecognised tax losses, other unrecognised tax assets and deferred tax liability on unremitted earnings	35	36
Withholding and local taxes	65	30
Reassessment of prior year estimates ¹	(139)	(216)
Impact of changes in tax rates	2	2
Non-deductible impairment of goodwill	–	174
Other permanent differences	32	53
Income tax charge	635	672

¹ The 2024 comparative has been restated for a £205m reclassification from movement in provision related to uncertain tax positions to reassessment of prior year estimates. This has been made to present prior year movements in respect of uncertain tax positions consistently in 2025 and 2024

Our effective tax rate in any given financial year reflects a variety of factors that may not be present in succeeding financial years and may be affected by variations in profit mix and changes in tax laws, regulations and related interpretations.

The net impact of divestments and assets reclassified to held for sale is attributable to the non-taxable treatment of a significant component of the Essential Home disposal. In addition, there is a favourable deferred tax impact of Essential Home intangible assets disposed, net of cumulative foreign exchange recycled to the income statement. Further details on the disposal are provided at Note 29.

The Group is within the scope of the OECD Pillar Two rules which took effect on 1 January 2024. The Company recorded a Pillar Two current tax expense of £4 million for 2025 (2024: £1 million). The Group has applied the temporary mandatory exception from accounting for deferred taxes arising from the Pillar Two model rules as set out in 'International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)' issued by the IASB in May 2023.

The effect of overseas tax rates represents the impact of profits arising outside the UK that are taxed at different rates to the UK rate. Withholding and local taxes suffered in the year are adjusted for previously accrued deferred tax liabilities on unremitted earnings.

The 2024 impact of non-deductible goodwill impairment is attributable to MJN.

We conduct business operations in a number of countries and are therefore subject to tax and intercompany pricing laws in multiple jurisdictions. We have in the past faced, and may in the future face, audits and challenges brought by tax authorities, and we are involved in ongoing tax investigations in a number of countries. If material challenges were to be successful, our effective tax rate may increase, we may be required to modify structures at significant costs to us, we may also be subject to interest and penalty charges and we may incur costs in defending litigation or reaching a settlement. Any of the foregoing could materially and adversely affect our Business, financial condition and results of operations.

Notes to the Financial Statements continued

7 Income Tax Expense continued

The tax credited /(charged) relating to components of other comprehensive income is as follows:

	2025			2024		
	Before tax £m	Tax credit /(charge) £m	After tax £m	Before tax £m	Tax (charge) /credit £m	After tax £m
Net exchange losses on foreign currency translation	(129)	(1)	(130)	(438)	(4)	(442)
Reclassification of foreign currency translation reserves on disposals or liquidation of foreign operations	(202)	66	(136)	(11)	-	(11)
(Gains)/losses on cash flow and net investment hedges	(103)	5	(98)	123	-	123
Remeasurement of defined benefit pension plans (Note 23)	16	(5)	11	(13)	-	(13)
Revaluation of equity instruments	(6)	(13)	(19)	(27)	(1)	(28)
Other comprehensive (expense)/income	(424)	52	(372)	(366)	(5)	(371)
Current tax		(14)			-	
Deferred tax (Note 12)		66			(5)	
		52			(5)	

8 Earnings Per Share

	2025 pence	2024 pence
Basic earnings per share		
From continuing operations	470.7	204.2
From discontinued operations	(2.4)	(0.6)
Total basic earnings per share	468.3	203.6
Diluted earnings per share		
From continuing operations	469.5	203.8
From discontinued operations	(2.3)	(0.6)
Total diluted earnings per share	467.2	203.2

Basic

Basic earnings per share is calculated by dividing the net income attributable to owners of the Parent Company from continuing operations (2025: £3,198 million income, 2024: £1,430 million income) and discontinued operations (2025: £16 million expense; 2024: £4 million expense) by the weighted average number of ordinary shares in issue during the year (2025: 679,416,359; 2024: 700,386,007).

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has the following categories of potentially dilutive ordinary shares: Executive Share Awards (including Executive Share Options and Executive Restricted Share Scheme Awards) and Employee Sharesave Scheme Options. The options only dilute earnings when they result in the issue of shares at a value below the market price of the share and when all performance criteria (if applicable) have been met as at the Balance Sheet date. As at 31 December 2025, there were 15,334,155 (2024: 16,237,641) Executive Share Awards excluded from the dilution because the exercise price for the options was greater than the average share price for the year or the performance criteria have not been met.

	2025 average number of shares	2024 average number of shares
On a basic basis	679,416,359	700,386,007
Dilution for Executive Share Awards	1,480,042	1,261,552
Dilution for Employee Sharesave Scheme Options	246,313	94,701
On a diluted basis	681,142,714	701,742,260

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets

	Brands £m	Goodwill £m	Software £m	Other £m	Total £m
Cost					
At 1 January 2024	13,817	10,393	753	313	25,276
Additions	–	–	95	–	95
Arising on business combinations	–	2	1	–	3
Disposals	–	(8)	(5)	–	(13)
Reclassifications	5	(4)	–	(1)	–
Exchange adjustments	(118)	(40)	(10)	7	(161)
At 31 December 2024	13,704	10,343	834	319	25,200
Additions	–	–	78	1	79
Arising on business combinations	–	–	–	–	–
Disposals	(929)	(4)	(20)	–	(953)
Reclassifications	–	–	–	–	–
Exchange adjustments	(419)	(419)	(1)	(13)	(852)
At 31 December 2025	12,356	9,920	891	307	23,474
Accumulated amortisation and impairment					
At 1 January 2024	311	5,815	412	150	6,688
Amortisation	21	–	79	8	108
Impairment	143	696	–	–	839
Disposals	(1)	–	(1)	–	(2)
Exchange adjustments	(7)	11	(5)	3	2
At 31 December 2024	467	6,522	485	161	7,635
Amortisation	57	–	78	8	143
Impairment ¹	250	–	6	–	256
Disposals	–	–	(12)	–	(12)
Reclassifications	–	–	–	–	–
Exchange adjustments	(17)	(335)	–	(7)	(359)
At 31 December 2025	757	6,187	557	162	7,663
Net book value					
At 31 December 2024	13,237	3,821	349	158	17,565
At 31 December 2025	11,599	3,733	334	145	15,811

1 Includes impairment of Biofreeze. See Annual Impairment Review section below

The amount stated for brands represents the fair value of brands acquired since 1985 at the date of acquisition. Other includes product registration, distribution rights, capitalised product development costs and customer contracts.

Software includes intangible assets under construction of £82 million (2024: £107 million).

The net book values of significant brand intangible assets acquired through business combinations are as follows:

Acquisition	Acquisition year	2025 £m	2024 £m
Mead Johnson Nutrition Company	2017	4,222	4,503
SSL International	2010	1,835	1,790
Boots Healthcare International	2006	1,383	1,363
Adams Respiratory Therapeutics	2008	1,143	1,230
Schiff Nutrition International	2012	921	1,050
L&F Household	1994	543	846
Lanai Holdings	2021	299	511
American Home Products Corporation	1990	41	440
Bristol-Myers Squibb OTC	2013	312	297
K-Y	2014	280	280

The majority of brands, all of goodwill and certain other intangible assets are considered to have indefinite lives (see Note 1) and therefore are subject to an annual impairment review. In 2025, following the announcement of the disposal of Essential Home which included 84 brands, the Group performed a review of the remaining non-Power Brands and identified a number of brand intangible assets which should no longer be treated as indefinite life. Brands with a carrying value of £748 million previously considered indefinite life have been reallocated to finite life assets. The amortisation is recognised in net operating expenses.

The net book values of indefinite and finite life intangible assets are as follows:

Net book value	2025 £m	2024 £m
Indefinite life assets		
Brands	10,906	13,166
Goodwill	3,733	3,821
Other	106	115
Total indefinite life assets	14,745	17,102
Finite life assets		
Brands	693	71
Software	334	349
Other	39	43
Total finite life assets	1,066	463
Total net book value of intangible assets	15,811	17,565

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets continued

Cash-generating units

Goodwill is allocated to either individual cash-generating units (CGUs) or groups of cash-generating units.

After considering all the evidence available, including how brand and production assets generate cash inflows and how management monitors the Business, the Directors have concluded that for the purpose of impairment testing of goodwill, the level at which goodwill is monitored is on a category basis, being Household Care, Germ Protection, Intimate Wellness, Self Care, and Mead Johnson Nutrition (MJN). This is distinct from the Group's operating segments which are on a geographical area basis for Core Reckitt and a category basis for MJN. This reflects the matrix structure of Core Reckitt, with financial reporting on both bases. Reckitt's brand portfolio is managed on a category basis. Goodwill occurs as brands are acquired and is integrated into the wider Business over time. Hence categories represent the lowest level within the entity at which goodwill is monitored for internal management purposes. Certain indefinite life brands are tested at a lower level, including Sexual Wellbeing (previously called Intimate Wellness) and Biofreeze, due to the manufacturing footprint.

Prior to 1 January 2025, the Group's GCGUs/CGUs were Health, Hygiene and MJN for the purpose of testing both goodwill and other intangible assets. Goodwill has been reallocated from Health and Hygiene to the Reckitt core categories. The Health goodwill has been split amongst Self Care and Intimate Wellness on the basis of relative values. The Hygiene goodwill has been split amongst Germ Protection and Household Care on the basis of relative values. This is reflective of the brands within the categories.

Goodwill and indefinite life assets are allocated to GCGUs/CGUs as follows:

GCGU/CGU	2025		
	Indefinite life assets £m	Goodwill £m	Total £m
Germ Protection	642	23	665
Household Care	236	17	253
Self Care	3,665	2,375	6,040
Intimate Wellness	2,264	1,318	3,582
Reckitt Core	6,807	3,733	10,540
MJN ¹	4,205	–	4,205
Total Group	11,012	3,733	14,745

GCGU/CGU	2024		
	Indefinite life assets £m	Goodwill £m	Total £m
Health ²	6,981	3,776	10,757
Hygiene	1,828	45	1,873
MJN	4,472	–	4,472
Total Group	13,281	3,821	17,102

1 The IFCN CGU has been renamed Mead Johnson Nutrition (MJN). The composition of the CGU has not changed

2 The indefinite lived intangible assets and goodwill for VMS, and goodwill for Biofreeze, were transferred to the Health GCGU in 2023

The indefinite life brands held in the CGUs shown below are considered significant within the total carrying amounts of indefinite life brands as at 31 December 2025:

Indefinite life assets excluding goodwill	2025 £m
Sexual Wellbeing	1,907
Biofreeze	299

Indefinite life assets excluding goodwill	2024 £m
Sexual Wellbeing ³	2,083
Biofreeze	481

3 The Sexual Wellbeing CGU was previously called Intimate Wellness in 2024

Annual impairment review

Goodwill and other indefinite life intangible assets must be tested for impairment on at least an annual basis. An impairment loss is recognised when the recoverable amount of a GCGU or CGU falls materially below its net book value at the date of testing.

The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, is inherently judgemental and requires management to make multiple estimates, for example around individual market pressures and forces, future price and volume growth, future margins, terminal growth rates and discount rates.

When forecasting the annual cash flows that support the recoverable amount, the Group generally uses its short-term budgets and medium-term strategic plans, with additional senior management and Board-level review. Cash flows beyond the five-year period are projected using terminal growth rates. These rates do not exceed the long-term average growth rate for the products and markets in which the GCGU or CGU operates.

The cash flows are discounted back to their present value using a pre-tax discount rate considered appropriate for each GCGU or CGU. These rates have been derived from management's views on the relevant weighted average cost of capital and subsequently converted to the pre-tax equivalent discount rate.

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets continued

Annual impairment review continued

Following the goodwill impairment assessment, for the four Reckitt core category GCGUs/CGUs, as at 31 December 2025 any reasonably possible change in the key valuation assumptions would not lead to a possible impairment. The recoverable amount for each of these GCGUs/CGUs was determined utilising the value-in-use basis, with key assumptions given below.

GCGU/CGU	Terminal growth rates	Discount rates (pre-tax)
Germ Protection	2.5%	10.5%
Household Care	2.5%	10.5%
Self Care	2.0%	10.5%
Intimate Wellness	2.5%	10.5%

Following the indefinite life brands impairment assessment, for the Sexual Wellbeing CGU, as at 31 December 2025 any reasonably possible change in the key valuation assumptions would not lead to a possible impairment. The recoverable amount was determined utilising the value-in-use basis, with key assumptions given below.

GCGU/CGU	Terminal growth rates	Discount rates (pre-tax)
Sexual Wellbeing	2.5%	10.5%

MJN

Since the disposal of the MJN China business in September 2021, the MJN CGU has represented the Group's remaining MJN business principally in North America, Latin America and ASEAN. In impairment assessments conducted in both 2021 and 2022, management determined that the recoverable amount of MJN was higher than its carrying value such that no impairment was required.

During 2023 the market environment for MJN continued to be influenced by the infant formula supply shortages in the US which resulted from the temporary closure of a major factory belonging to a competitor. The infant formula supply shortages have resulted in an evolving regulatory environment, which developed over the course of 2023 and 2024. Compliance with enhanced regulatory requirements is expected to increase the capital requirement for the MJN business and to impact the cost of manufacture in future periods.

In 2023, as a result of these regulatory factors and to incorporate the effect of higher interest rates, management increased the pre-tax discount rate used to determine the value-in-use of the MJN CGU. This resulted in the MJN net book value exceeding its recoverable amount, and so management recorded an impairment loss against MJN goodwill of £810 million.

During 2024, management further developed its response to the changing regulatory environment to provide greater resilience to the supply network which included significantly more capital expenditure and the accelerated replacement of capital equipment. This capital investment programme over the next five years includes the delivery of replacement spray dryer capacity.

This resulted in the MJN net book value exceeding its recoverable amount, therefore management recorded an impairment loss against MJN goodwill of £696 million to record the MJN CGU at its recoverable amount of £3,890 million.

In 2025, the recoverable amount for MJN has been calculated on a value-in-use basis (2024: value-in-use basis). The value-in-use of MJN was determined utilising a discounted cash flow approach with future cash flows derived from a detailed five-year financial plan. Cash flows beyond the five-year plan are projected using a terminal growth rate. The valuation used a pre-tax discount rate of 11% (2024: 11%) and an MJN-specific terminal growth rate of 2.0% (2024: 2.0%).

The determination of the recoverable amount for MJN at 31 December 2025 incorporates certain key assumptions, some of which are subject to considerable uncertainty. These assumptions include, but are not limited to, the costs of complying with the evolving regulatory landscape, execution of the capital programme, ongoing resilience risk within the supply network, net revenue growth rates, the commercial success of new product launches and the expansion of speciality nutrition. The value-in-use does not include any possible net cash outflows in respect of current and future NEC litigation (Note 20).

The key assumptions used in the estimation of value-in-use of MJN are outlined below.

	2025
Pre-tax discount rate	11%
Terminal growth rate	2.0%
Net revenue compound annual growth rate (CAGR) for the period 2025-2030 ¹	3.3%
Gross margin CAGR for the period 2025-2030 ¹	3.0%
	2024
Pre-tax discount rate	11%
Terminal growth rate	2.0%
Net revenue compound annual growth rate (CAGR) for the period 2024-2029 ¹	3.2%
Gross margin CAGR for the period 2024-2029 ¹	2.7%

¹ These have been determined on a constant FX basis

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets continued

MJN continued

The key estimates incorporated within the determination of the MJN recoverable amount in 2025 are summarised below:

Key estimates	Commentary
Capital expenditure	A significant capital investment programme has commenced to meet regulatory requirements and to build greater resilience in the wider supply network.
Market	In the US, management expects birth rates to be relatively stable. Tendering for WIC contracts continues to be competitive. Within LATAM and ASEAN, management expects birth rate declines.
Net Revenue	In the short to medium term, the valuation model assumes a five-year CAGR of 3.3%. This is expected to be achieved through ongoing premiumisation, inflationary price increases and revenues from new products/category launches including the expansion of speciality nutrition.
Margins	In the short to medium term, the valuation model assumes MJN margins (both gross and operating) to increase over the medium term as MJN drives efficiencies and improved product mix.
Discount rate	Management determined an MJN-specific weighted average cost of capital (WACC) and the implied pre-tax discount rate with the support of a third-party expert. In addition, management performed benchmarking against other comparable companies. The specific risk premium reflects the risk associated with the delivery of the capital investment programme over the next five years and the continued impact of the evolving regulatory environment.
Terminal growth rate	Management engaged a third-party expert to help calculate an MJN-specific terminal growth rate. Management is satisfied with the reasonableness of the terminal growth rate when compared against independent market growth projections and long-term country inflation rates.

The table below shows the sensitivity of the recoverable amount to reasonably possible changes in key assumptions. The table assumes no related response by management (for example, to drive further cost savings) and is hence theoretical in nature.

	2025 £m
Expected net revenue growth rates (2026 to 2030) adjusted by 100bps	+235/-230
Expected EBIT growth rates (2026 to 2030) adjusted by 100bps	+240/-235
Terminal growth rate (applied from 2031) adjusted by 50bps	+340/-295
Pre-tax discount rate adjusted by 50bps	+295/-265
	2024 £m
Expected net revenue growth rates (2025 to 2029) adjusted by 100bps	+475/-460
Expected EBIT growth rates (2025 to 2029) adjusted by 100bps	+220/-215
Terminal growth rate (applied from 2030) adjusted by 50bps	+330/-280
Pre-tax discount rate adjusted by 50bps	+280/-250

The movement in the pre-tax discount rate that would be required to reach the point at which the MJN value-in-use approximates its carrying value is a 120 bps increase.

Biofreeze

On 12 July 2021, the Group acquired 100% of the equity interests in Lanai Holdings, owner of the Biofreeze and TheraPearl brands, for cash consideration of US\$1,060 million (£766 million). Biofreeze is a leader in over-the-counter topical pain relief, with a strong footprint in the North America retail and clinical channels and an international presence.

During 2022, Biofreeze performed below expectations following a short-term category slowdown, in part due to macroeconomic conditions. This underperformance, together with the macroeconomic environment, introduced additional uncertainty into future Biofreeze cash flows. To reflect this uncertainty, management increased the pre-tax discount rate used to determine value-in-use to 12.0%. This resulted in the book value of the Biofreeze CGU exceeding its recoverable amount at 31 December 2022, therefore in 2022 management recorded a goodwill impairment of £152 million (US\$184 million) to record Biofreeze at its recoverable amount of £698 million (US\$843 million). Following this impairment, at 31 December 2022 no headroom remained between the Biofreeze recoverable amount and net book value.

During the second half of 2023, the integration of Biofreeze into the Health business was completed. Following this integration, Biofreeze goodwill is monitored at the Health GCGU level and Biofreeze goodwill has accordingly been transferred to the Health GCGU. An impairment review of the Biofreeze CGU inclusive of goodwill was performed immediately prior to the transfer of the goodwill, with this review performed as at 30 September 2023. Biofreeze goodwill was deemed recoverable immediately prior to transfer to the Health GCGU.

Notes to the Financial Statements continued

9 Goodwill and Other Intangible Assets continued

Biofreeze continued

During 2024, Biofreeze performed below expectations following a reduction in the level of displays present in the category, competitive pressure from both private label and branded competitors as well as new entrants to the market. This resulted in Biofreeze net book value exceeding its recoverable amount at 31 December 2024, therefore management recorded an impairment against the brand intangibles of £142 million (US\$178 million) to record Biofreeze at its recoverable amount of £531 million (US\$664 million).

During 2025, Biofreeze continued to perform below expectations as a result of declining short and medium term category growth rates which resulted in Biofreeze net book value exceeding its recoverable amount at 31 December 2025, therefore management has recorded an impairment against the brand intangibles of £175 million (US\$228 million) to record Biofreeze at its recoverable amount of £310 million (US\$426 million). The recoverable amount for the Biofreeze CGU has been determined on a value-in-use basis using a discounted cash flow approach, with future cash flows derived from a detailed five-year plan. Cash flows beyond the five-year plan have been projected using a terminal growth rate of 2.0% (2024: 2.5%).

The determination of the recoverable amount for Biofreeze in the 2025 impairment assessment incorporates certain key assumptions, some of which are subject to considerable uncertainty. These assumptions include but are not limited to anticipated market share improvement, the commercial success of new product launches and international market expansion.

The key assumptions used in the estimation of the value-in-use of Biofreeze are outlined below:

	31 December 2025
Pre-tax discount rate	10%
Terminal growth rate	2%
Net revenue compound annual growth rate (CAGR) for the period 2025-2030	3%
Gross margin CAGR for the period 2025-2030	3%
	31 December 2024
Pre-tax discount rate	11%
Terminal growth rate	2.5%
Net revenue compound annual growth rate (CAGR) for the period 2024-2029	8%
Gross margin CAGR for the period 2024-2029	8%

The key estimates incorporated within the determination of the Biofreeze recoverable amount in 2025 are summarised below:

Key estimates	Commentary
Net Revenue	In the short to medium term, the valuation model assumes a five-year CAGR of 3%, to be delivered through category growth and market share growth driven by a mix of innovation arising from format expansion of existing products and international expansion.
Margins	In the short to medium term, the valuation model assumes Biofreeze margins (both gross and operating) remain stable.
Discount rate	Management determined the Biofreeze-specific weighted average cost of capital (WACC) and the implied pre-tax discount rate with the support of a third-party expert. For valuation purposes management used the mid-point of the calculated range to reflect uncertainty in certain key assumptions.
Terminal growth rate	Management is satisfied with the reasonableness of the terminal growth rate when compared against independent market growth projections and long-term country inflation rates.

The table below shows the sensitivity of the recoverable amount to reasonably possible changes in key assumptions. The table assumes no related response by management (for example, to drive further cost savings) and hence is theoretical in nature.

	31 December 2025 £m
Expected net revenue growth rates (2026-2030) adjusted by 100bps	+20/-20
Expected EBIT growth rates (2026-2030) adjusted by 100bps	+20/-20
Terminal growth rate (applied from 2031) adjusted by 50bps	+30/-25
Pre-tax discount rate adjusted by 50bps	+30/-25
	31 December 2024 £m
Expected net revenue growth rates (2025-2029) adjusted by 100bps	+45/-40
Expected EBIT growth rates (2025-2029) adjusted by 100bps	+30/-25
Terminal growth rate (applied from 2030) adjusted by 50bps	+45/-40
Pre-tax discount rate adjusted by 50bps	+45/-40

Notes to the Financial Statements continued

10 Property, Plant and Equipment

	Land and buildings £m	Plant and equipment £m	Right of use assets £m	Assets under construction £m	Total £m
Cost					
At 1 January 2024	1,463	2,530	567	329	4,889
Additions	34	52	70	266	422
Disposals	(23)	(100)	(57)	–	(180)
Reclassifications (including held for sale)	66	196	–	(242)	20
Exchange adjustments	(35)	(63)	(16)	(5)	(119)
At 31 December 2024	1,505	2,615	564	348	5,032
Additions	43	72	78	427	620
Disposals	(60)	(292)	(76)	(13)	(441)
Reclassifications (including held for sale)	44	110	2	(157)	(1)
Exchange adjustments	(36)	(30)	(4)	(12)	(82)
At 31 December 2025	1,496	2,475	564	593	5,128
Accumulated depreciation and impairment					
At 1 January 2024	595	1,628	263	4	2,490
Charge for the year	66	202	85	–	353
Disposals	(13)	(91)	(42)	–	(146)
Impairment	3	3	–	2	8
Reclassifications (including held for sale)	(1)	8	–	2	9
Exchange adjustments	(16)	(42)	(9)	–	(67)
At 31 December 2024	634	1,708	297	8	2,647
Charge for the year	64	212	80	–	356
Disposals	(42)	(239)	(53)	–	(334)
Impairment	–	1	–	–	1
Reclassifications (including held for sale)	–	(1)	1	–	–
Exchange adjustments	(19)	(21)	(6)	(4)	(50)
At 31 December 2025	637	1,660	319	4	2,620
Net book value					
As at 31 December 2024	871	907	267	340	2,385
As at 31 December 2025	859	815	245	589	2,508

At 31 December 2025, the Group's right of use assets included land and buildings of £223 million (2024: £232 million) and other assets of £22 million (2024: £35 million). The depreciation charged on the right of use assets comprises £65 million (2024: £71 million) on the land and buildings and £15 million (2024: £14 million) on the other assets.

At 31 December 2025, the Group has commitments to purchase property, plant and equipment of £148 million (2024: £70 million).

11 Equity Instruments

	2025				2024			
	Equity method £m	Fair value through profit or loss £m	Fair value through other comprehensive income £m	Total £m	Equity method £m	Fair value through profit or loss £m	Fair value through other comprehensive income £m	Total £m
Equity investments	–	58	36	94	–	57	51	108
Investments in associates	68	–	–	68	–	–	–	–
	68	58	36	162	–	57	51	108

Equity investments at 31 December 2025 and 2024 are composed of a number of listed and unlisted equity investments in which the Group has a minority stake.

In 2025, equity investments include investments of £58 million (2024: £57 million) principally in equity mutual funds which are made in the name of the Group, but the proceeds of which are provided to employees as part of their compensation arrangements.

On 31 December 2025, the Group completed the sale of Essential Home and retained a 30% shareholding in Lavender Dutch TopCo B.V. Lavender Dutch TopCo B.V. is not publicly listed and its principal place of business is the Netherlands. The 30% shareholding is considered to be an investment in an associate, measured using the equity method, with a carrying amount at 31 December 2025 of £68 million.

The Group also holds one other individually immaterial investment in associate over which it exercises a significant influence. In 2025, there are no impairments and gains or losses associated with this investment.

The following table summarises the preliminary financial information of Lavender Dutch TopCo B.V. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the associate. A summary of the Statement of Comprehensive Income has not been included given the total comprehensive income is £nil as the sale of Essential Home completed on 31 December 2025.

Notes to the Financial Statements continued

11 Equity Instruments continued

	31 December 2025 £m
Summarised Statement of Financial Position:	
Total current assets	799
Total non-current assets	1,632
Total current liabilities	(719)
Total non-current liabilities excluding borrowings	(8)
Total borrowings	(1,989)
Net liabilities	(285)
Group's share in %	30%
Group's share of net liabilities	(86)
Elimination of unrealised profit	-
Implied goodwill ¹	154
Carrying amount	68

¹ Implied goodwill is the difference between the carrying amount of the investment in associate and the Group's share of Lavender Dutch TopCo B.V.'s identifiable net assets (see Note 29)

12 Deferred Tax

Deferred tax	Accelerated capital allowances £m	Intangible assets £m	Short-term temporary differences £m	Tax losses £m	Retirement benefit obligations £m	Total £m
At 1 January 2025	(83)	(3,090)	534	45	(12)	(2,606)
Credited/(charged) to the Income Statement	4	297	(91)	2	-	212
Credited/(charged) to other comprehensive income	-	-	5	-	(5)	-
Foreign exchange recycling - other comprehensive income	-	66	-	-	-	66
Acquisitions and disposals	(1)	(24)	(10)	(2)	-	(37)
Exchange differences	8	97	(13)	(1)	(4)	87
At 31 December 2025	(72)	(2,654)	425	44	(21)	(2,278)

2025	Accelerated capital allowances £m	Intangible assets £m	Short-term temporary differences £m	Tax losses £m	Retirement benefit obligations £m	Total £m
Deferred tax assets	24	(20)	231	43	9	287
Deferred tax liabilities	(96)	(2,634)	194	1	(30)	(2,565)
Deferred tax	(72)	(2,654)	425	44	(21)	(2,278)

Deferred tax	Accelerated capital allowances £m	Intangible assets £m	Short-term temporary differences £m	Tax losses £m	Retirement benefit obligations £m	Total £m
At 1 January 2024	(60)	(3,121)	511	64	(6)	(2,612)
(Charged)/credited to the Income Statement	(18)	19	46	(13)	(6)	28
Charged to other comprehensive income	-	-	(5)	-	-	(5)
Exchange differences	(5)	12	(18)	(6)	-	(17)
At 31 December 2024	(83)	(3,090)	534	45	(12)	(2,606)

2024	Accelerated capital allowances £m	Intangible assets £m	Short-term temporary differences £m	Tax losses £m	Retirement benefit obligations £m	Total £m
Deferred tax assets	18	(27)	197	44	11	243
Deferred tax liabilities	(101)	(3,063)	337	1	(23)	(2,849)
Deferred tax	(83)	(3,090)	534	45	(12)	(2,606)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority. Deferred tax on short-term temporary differences of £425 million (2024: £534 million) comprise accrued expenses deductible for tax on a cash basis of £326 million (2024: £362 million), other short-term temporary differences of £156 million (2024: £205 million) and net of deferred tax liabilities on unremitted earnings of £57 million (2024: £33 million).

Unrecognised deferred tax assets

Deferred tax assets on certain corporation tax losses and other short-term temporary differences totalling £4,622 million gross (2024: £4,738 million gross) have not been recognised at 31 December 2025 as the likelihood of future economic benefit is not sufficiently assured. These assets will be recognised if utilisation of the losses and other temporary differences becomes probable.

Unrecognised deferred tax liabilities

The aggregate amount of gross temporary differences associated with investments in subsidiaries, branches and associates and interest in joint ventures, for which deferred tax liabilities have not been recognised at 31 December 2025 is £8,385 million (2024: £7,405 million).

Notes to the Financial Statements continued

13 Inventories

	2025 £m	2024 £m
Raw materials and consumables	339	359
Work in progress	85	87
Finished goods and goods held for resale	1,049	1,071
Total inventories	1,473	1,517

The total cost of inventories recognised as an expense and included in cost of sales amounted to £5,326 million (2024: £5,324 million). This includes inventory write-offs and losses of £99 million (2024: £112 million).

The Group inventory provision at 31 December 2025 was £82 million (2024: £153 million).

14 Trade and Other Receivables

Amounts falling due within one year	Note	2025 £m	2024 £m
Trade receivables		1,580	1,783
Less: Provision for impairment of receivables		(22)	(33)
Trade receivables – net		1,558	1,750
Other receivables	14b	436	218
Prepayments and accrued income		130	123
Trade and other receivables		2,124	2,091

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

Currency analysis	2025 £m	2024 £m
US dollar	497	616
Euro	355	283
Sterling	210	169
Mexican peso	175	135
Other currencies	887	888
Trade and other receivables	2,124	2,091

The maximum exposure to credit risk at the year end is the carrying value of each class of receivable mentioned above.

a. Trade receivables

Trade receivables consist of amounts due from customers. The Group's customer base is large and diverse and consequently there is limited concentration of credit risk. Credit risk is assessed at a subsidiary and Group level and takes into account the financial positions of customers, past experience, future expectations and other relevant factors. Individual credit limits are established based on those factors.

The following table provides an ageing analysis of trade receivables at year end:

	2025 £m	2024 £m
Not overdue	1,294	1,514
Up to three months overdue	239	219
Over three months overdue	47	50
Trade receivables	1,580	1,783

At 31 December 2025, a provision of £22 million (2024: £33 million) was recorded against certain trade receivables based on a forward-looking assessment of the lifetime expected credit loss as required by IFRS 9. This assessment considered the ageing profiles of specific trade receivable balances along with the risk of future customer defaults.

As at 31 December 2025, trade receivables of £264 million (2024: £236 million) were past due but not impaired. These receivables were not impaired because having considered their nature and historical collection, recovery of the unprovided amounts is expected in due course.

b. Other receivables

Other receivables include recoverable indirect tax of £201 million (2024: £156 million), amounts owed by related parties of £169 million (2024: £nil). See Note 27 for further details.

c. Other non-current receivables

Other non-current receivables consist of:

	2025 £m	2024 £m
Vendor loan note	223	–
Other receivables	70	63
Prepayments	26	22
Non-current tax recoverable	24	28
Derivative financial instruments	38	17
Other non-current receivables	381	130

d. Financial instruments (Note 15)

At 31 December 2025, £2,034 million (2024: £1,853 million) of the current and non-current receivables totalling £2,505 million (2024: £2,221 million) are financial assets. These mainly related to amounts owed from customers or government bodies and are typically non-interest bearing. Amounts that are not financial assets are mostly prepayments, recoverable sales tax and employee benefit assets.

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management

Financial instruments by category

	Note	At 31 December 2025					At 31 December 2024				
		Amortised cost £m	Derivatives used for hedging £m	Fair value through profit or loss £m	Fair value through other comprehensive income £m	Carrying value total £m	Amortised cost £m	Derivatives used for hedging £m	Fair value through profit or loss £m	Fair value through other comprehensive income £m	Carrying value total £m
Assets as per the Balance Sheet											
Current and non-current trade and other receivables ¹	14d	1,811	-	223	-	2,034	1,853	-	-	-	1,853
Derivative financial instruments											
FX forward exchange contracts	17	-	9	15	-	24	-	30	31	-	61
Cross currency interest rate swaps	17	-	38	-	-	38	-	17	-	-	17
Equity instruments	11	-	-	58	36	94	-	-	57	51	108
Cash and cash equivalents	16	1,952	-	-	-	1,952	880	-	-	-	880
Liabilities as per the Balance Sheet											
Current and non-current trade and other payables	21	4,409	-	-	-	4,409	5,050	-	-	-	5,050
Share repurchase liability	24	101	-	-	-	101	477	-	-	-	477
Borrowings (loans, overdrafts and other non-current borrowings) ²	17	13	-	-	-	13	157	-	-	-	157
Lease liabilities	19	274	-	-	-	274	300	-	-	-	300
Senior notes	17	393	-	-	-	393	1,307	-	-	-	1,307
Bonds	17	7,750	-	-	-	7,750	6,302	-	-	-	6,302
Commercial paper	17	-	-	-	-	-	592	-	-	-	592
Derivative financial instruments											
FX forward exchange contracts	17	-	17	20	-	37	-	19	19	-	38
Interest rate swaps	17	-	95	-	-	95	-	158	-	-	158
Cross-currency interest rate swaps	17	-	14	-	-	14	-	15	-	-	15

1 Included in this line is a vendor loan note receivable of £223m. At initial recognition, the Group has irrevocably designated the financial asset as measured at fair value through profit or loss given it is managed, and its performance is evaluated on a fair value basis. The maximum exposure to credit risk at the year end is the carrying value of the financial asset

2 The categories in this disclosure are determined by IFRS 9. Lease liabilities are outside the scope of IFRS 9, but they remain within the scope of IFRS 7, and therefore have been shown separately

The fair value measurement hierarchy levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (level 3)

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

The following table categorises the Group's financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

	At 31 December 2025				At 31 December 2024			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets as per the Balance Sheet								
Derivative financial instruments								
FX forward exchange contracts	-	24	-	24	-	61	-	61
Interest rate swaps	-	-	-	-	-	-	-	-
Cross currency interest rate swaps	-	38	-	38	-	17	-	17
Equity instruments	18	58	18	94	25	57	26	108
Vendor loan note receivable designated upon initial recognition to be measured at fair value through profit or loss	-	223	-	223	-	-	-	-
Liabilities as per the Balance Sheet								
Derivative financial instruments								
FX forward exchange contracts	-	37	-	37	-	38	-	38
Interest rate swaps	-	95	-	95	-	158	-	158
Cross-currency interest rate swaps	-	14	-	14	-	15	-	15

The fair value of forward foreign exchange contracts was determined using forward exchange rates derived from market-sourced data at the Balance Sheet date, with the resulting value discounted back to present value (level 2 classification). The fair value of the interest rate swap contracts and the cross-currency interest rate swaps was calculated using discounted future cash flows at floating market rates (level 2 classification).

The fair value of the vendor loan note receivable was determined using discounted cash flows, with the discount rate derived from Lavender Dutch TopCo B.V.'s cost of senior debt adjusted for subordination using observable market data from other comparable traded debt instruments exhibiting similar contractual terms and credit risk profiles (level 2 classification).

The fair value of equity instruments at 31 December 2025 and 31 December 2024 was determined using quoted share price information (level 1 classification), other observable market data (level 2 classification) and other non-market information (level 3 classification).

Except for the bonds and senior notes, the carrying values of other financial assets and liabilities held at amortised cost approximate their fair values. The fair value of the bonds as at 31 December 2025 is a liability of £7,751 million (2024: £6,189 million) and the fair value of the senior notes as at 31 December 2025 is a liability of £329 million (2024: £1,191 million). The fair value of the bonds and senior notes was derived using quoted market rates in an active market (level 1 classification).

Offsetting financial assets and financial liabilities

The majority of the Group's derivative agreements are entered into under International Swaps and Derivatives Association (ISDA) master netting agreements. In certain circumstances – for example, when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the Statement of Financial Position. This is because the Group does not currently have any legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default event.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Gross amounts of recognised financial assets/(liabilities) in the Balance Sheet £m	Related financial instruments that are not offset £m	Net amount £m
At 31 December 2025			
Financial assets			
Derivative financial instruments	62	(20)	42
Financial liabilities			
Derivative financial instruments	(146)	20	(126)
At 31 December 2024			
Financial assets			
Derivative financial instruments	77	(31)	46
Financial liabilities			
Derivative financial instruments	(211)	31	(180)

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

Financial risk management

The Group's multinational operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, market prices, interest rates, credit risks and liquidity. The Group has in place a risk management programme that uses foreign currency financial instruments, including debt, and other instruments, to limit the impact of these risks on the financial performance of the Group.

The Group's financing and financial risk management activities are centralised into Group Treasury (GT) to achieve benefits of scale and control. GT manages financial exposures of the Group centrally in a manner consistent with underlying business risks. GT manages only those risks and flows generated by the underlying commercial operations; speculative transactions are not undertaken.

GT also monitors conditions in the debt capital markets on an ongoing basis and may, from time to time, seek to purchase its outstanding bonds or other debt securities through cash purchases and/or exchanges for equity or debt, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, would be made in accordance with applicable laws and the terms of the relevant securities, and be upon such terms and at such prices as Group may determine, and will depend on prevailing market conditions, the Group's liquidity requirements, contractual restrictions, and other factors. The amounts involved in any such transactions, individually or in aggregate, may be material.

The Board of Directors reviews and agrees policies, guidelines and authority levels for all areas of Treasury activity and individually approves significant activities. The GT function is subject to periodic independent reviews and audits, both internal and external.

1. Market risk

(a) Currency risk

The Group operates internationally and enters into transactions in many currencies and as such is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group's policy is to align interest costs and operating profit of its major currencies in order to provide some protection against the translation exposure on foreign currency profits after tax. The Group may undertake borrowings and other hedging methods in the currencies of the countries where most of its assets are located.

It is the Group's policy to monitor and, where appropriate, hedge its foreign currency transaction exposure. These transaction exposures arise mainly from foreign currency receipts and payments for goods and services and from the remittances of foreign currency dividends and loans. Where the Group enters into hedges and applies hedge accounting, hedges are documented and tested for effectiveness on an ongoing basis with any ineffectiveness recorded in the Income Statement.

The local business units enter into forward foreign exchange contracts with GT to manage these exposures where practical and allowed by local regulations. GT matches the Group exposures, and hedges the position where possible, using spot and forward foreign currency exchange contracts.

The Group's strategy is to minimise Income Statement volatility by monitoring foreign currency balances, external financing, and external hedging arrangements. The Group's hedging profile is regularly reviewed to ensure it is appropriate and to mitigate these risks as far as possible.

The notional principal amount of the outstanding forward foreign exchange contracts at 31 December 2025 was £6,979 million receivable (2024: £7,565 million) and £6,999 million payable (2024: £7,546 million).

These forward foreign exchange contracts are mainly expected to mature over the period January 2026 to December 2026 (2024: January 2025 to December 2025).

Cash flow hedging is applied with the economic relationship and expected effectiveness being assessed at inception, with any ineffectiveness recognised in the Income Statement. The ineffective portion recognised in the Income Statement arising from cash flow hedges is immaterial (2024: immaterial).

Gains and losses recognised in other comprehensive income and the hedging reserve on forward exchange contracts in 2025 of £9 million gain, net of tax (2024: £9 million gain, net of tax), are recognised in the Income Statement in the periods in which the hedged forecast transaction affects the Income Statement.

At 31 December 2025, the Group had forward contracts used for cash flow hedging with a total fair value of £8 million liability (2024: £14 million asset). These contracts are denominated in a diverse range of currency pairings, where a fluctuation of 5% in any one of the contract pairings, with all others remaining constant, would have a maximum effect of £5 million (2024: £4 million) on shareholder equity, until the point at which the contracts mature and the forecast transaction occurs. The four largest contract pairings in order of nominal value were Euro/Polish zloty, British pound sterling/Euro, Australian dollar/Euro and US dollar/Thai baht.

Where the Group is exposed to currency risk on its borrowings, the Group seeks to minimise the impact of foreign exchange on the Income Statement through placing debt within a net investment hedge or using financial instruments.

The net gain or loss under these arrangements is recognised in other comprehensive income. The net effect on other comprehensive income for the period ended 31 December 2025 was a £79 million loss (2024: £85 million gain).

In 2020, the Group issued a €850 million bond due in 2026. Concurrent with the issue of the bond, the Group entered into a €850 million cross-currency interest rate swap on similar terms to the 2026 bond to mitigate foreign exchange currency risk, for which hedge accounting has been applied. Sources of ineffectiveness on this hedge relationship will come from a difference in credit ratings between the counterparties.

In 2023, the Group issued a €650 million bond due in 2028 and a €750 million bond due in 2033. Concurrent with the issue of these bonds, the Group also entered into a cross-currency interest rate swap on similar terms to the 2028 bond and the 2033 bond, to mitigate foreign exchange currency risk, for which hedge accounting has been applied. Sources of ineffectiveness on these hedge relationships will come from a difference in credit ratings between the counterparties and modifications to the terms of either hedged item or instrument. At 31 December 2025 no material ineffectiveness (2024: no material ineffectiveness) has been recognised in the Income Statement. The interest rate element of the swap is discussed in interest rate risk below.

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

Financial risk management continued

1. Market risk continued

(a) Currency risk continued

In 2024, the Group issued two new bonds comprising €900 million and £300 million bonds due to expire in June 2029 and December 2032 respectively. The bonds carry fixed interest rates of 3.625% and 5.000% respectively. No hedging instruments were issued in relation to these bonds.

In 2025, the Group issued three new bonds comprising €700 million, €650 million and £250 million bonds due to expire in September 2028, September 2034 and September 2031 respectively. The bonds carry fixed interest rates of 2.625%, 3.5% and 4.875% respectively. The Group entered into interest rate swaps to hedge interest rate risk on the two euro-denominated bonds, for which hedge accounting is applied.

The gains and losses from fair value movements on derivatives held at fair value through profit or loss, recognised in the Income Statement in 2025, was a £25 million loss (2024: £63 million loss). These derivatives are used to hedge foreign exchange gains and losses on non-sterling financing assets and financing liabilities between the Group's Treasury company and fellow Group subsidiaries.

The remaining major monetary financial instruments (liquid assets, receivables, interest and non-interest-bearing liabilities) are either denominated in the functional currency of the Group or the functional currency of the local entity.

(b) Cost inflation risk

Due to the nature of its business the Group is exposed to commodity, freight and other inflation risks. Short-term volatility in pricing of these products is mitigated through medium-term contracts, inventories of key materials and financial hedging. Over the medium and long term, the Group mitigates the impact of inflation through: implementing pricing and revenue growth management; identifying productivity and efficiency opportunities; and improving sales mix.

(c) Interest rate risk

The Group has both interest-bearing and non-interest bearing assets and liabilities. The Group monitors its interest income and expense rate exposure on a regular basis. The Group sets its desired level of fixed and floating rate exposure as part of its interest risk management strategy. The mix of fixed and floating exposure on interest-bearing assets or liabilities is managed by using a mixture of fixed and floating rate deposits, borrowings and interest rate derivatives.

In 2020 the Group issued two €850 million bonds due in 2026 and 2030. In order to maintain a level of floating rate debt in line with the Group's interest management strategy the Group entered into an €850 million cross-currency interest rate swap on similar terms to the 2026 bond and an interest rate swap on the coupon payments due on the 2030 bond. The accounting for the foreign exchange element of the cross-currency swap is described above. The interest rate element swaps the fixed coupon payments on the bond for floating rate (the cross-currency interest rate swap with reference to adjusted reference rates following GBP LIBOR cessation, and the interest rate swap with reference to EURIBOR). The interest rate swaps have been placed into a fair value hedge relationship with the related bonds.

During 2023, the Group entered into a £747 million nominal value floating-to-fixed interest rate swap due in 2026 to reduce the level of exposure to floating interest rates. This interest rate swap has been designated as a cash flow hedge against the payments made on the floating leg of the Group's existing cross-currency interest rate swap. Sources of ineffectiveness on this hedge relationship may come from modifications to the terms of either the hedged item or the hedging instrument. At 31 December 2025, no material ineffectiveness has been included in the income statement (2024: no material ineffectiveness).

In 2023 the Group issued a €650 million bond due in 2028 and a €750 million bond due in 2033. In order to maintain a level of fixed or floating rate debt in line with the Group's interest management strategy the Group entered into €650 million of cross-currency interest rate swaps on similar terms to the 2028 bond and €750 million cross-currency interest rate swaps on similar terms to the 2033 bond. The accounting for the foreign exchange and interest rate element of the cross-currency swaps has been described above.

On the €650 million bond due in 2028, the cross-currency interest rate swaps the fixed euro coupon payments on the bond for fixed GBP payments. On the €750 million bond due in 2033, the cross-currency interest rate swap swaps the fixed euro coupon payments on the bond for a GBP floating rate (with reference to SONIA) payments. The €650 million cross-currency interest rate swap has been placed into a cash flow hedge relationship with the bond due in 2028, and the €750 million has been placed into a fair value hedge relationship with the bond due in 2033. Sources of ineffectiveness on this hedge relationship may come from modifications to the terms of either the hedged item or the hedging instrument. At 31 December 2025, no material ineffectiveness has been included in the income statement (2024: no material ineffectiveness).

In 2025, the Group issued a fixed rate €650 million bond maturing in 2034 and a fixed rate €700 million bond maturing in 2028. To align the overall mix of fixed and floating rate debt with the Group's interest rate risk management strategy, the Group entered into interest rate swap agreements of €650 million and €700 million, respectively. This results in the fixed euro coupon payments of both bonds being swapped for a euro floating rate (EURIBOR). The terms of these swaps are structured to match the critical terms of the bonds issued in 2025. Both swaps have been placed into fair value hedge relationships with the respective bonds. Sources of ineffectiveness on this hedge relationship may come from modifications to the terms of either the hedged item or the hedging instrument. At 31 December 2025, no material ineffectiveness has been included in the income statement (2024: no material ineffectiveness).

Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on the Income Statement of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies, calculated on a full year and pre-tax basis.

The scenarios are only run for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on the Income Statement of a 50 bps shift in interest rates would be a maximum increase of £17 million (2024: £10 million) or decrease of £17 million (2024: £10 million), respectively for the liabilities covered. The simulation is done on a periodic basis to verify that the maximum loss simulated is within the limit given by management. There is also an impact on the Income Statement of a 50 bps shift of £4 million (2024: £4 million) on an asset that is inherently linked to a liability included above, resulting in a net impact of £13 million.

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

Financial risk management continued

2. Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers. The assessment of lifetime expected credit losses relating to trade and other receivables is detailed in Note 14. Financial institution counterparties are subject to approval under the Group's counterparty risk policy and such approval is limited to financial institutions with a BBB rating or above. The Group uses BBB and higher rated counterparties to manage risk and only uses sub-BBB rated counterparties by exception. The amount of exposure to any individual counterparty is subject to a limit defined within the counterparty risk policy, which is reassessed annually by the Board of Directors. Derivative financial instruments are only traded with counterparties approved in accordance with the approved policy. Derivative risk is measured using a risk weighting method.

The Group has counterparty risk from asset positions held with financial institutions. This comprises of short-term investments, cash and cash equivalents and derivative positions. For risk management purposes the Group assesses the exposure to major financial institutions by looking at the deposits, cash and cash equivalents and a percentage of the nominal amount of derivative contracts taking into account the time to maturity and the nature of the product. The following table summarises the Group's assessment of its exposure.

Credit ratings	2025		2024	
	Limit £m ¹	Exposure £m	Limit £m	Exposure £m
AAA+ to AAA-	5,815	987	3,156	26
AA+ to AA-	825	262	550	196
A+ to A-	4,050	1,155	3,750	1,118
BBB+ and below	5	-	205	116

¹ The year-on-year increase in credit limits mainly reflects a temporary uplift approved by the Board to accommodate the proceeds from the Essential Home disposal and the subsequent investment of cash prior to its return to shareholders

3. Liquidity risk

Liquidity risk is the risk that the Group cannot repay financial liabilities as and when they fall due. The Group's liquidity risk is concentrated towards bond and senior note principal repayments due between 2025 and 2044.

The Group has various borrowing facilities available to it. The Group has bilateral credit facilities provided by high-quality international banks which include a financial covenant and is not expected to restrict the Group's future operations.

At the end of 2025, the Group had long-term debt excluding lease liabilities of £7,411 million (2024: £7,014 million), of which £5,552 million (2024: £6,325 million) is repayable in more than two years. In addition, the Group has committed borrowing facilities totalling £4,400 million (2024: £4,450 million), of which £4,400 million (2024: £3,500 million) expires after more than two years. The committed borrowing facilities, together with central cash and investments, are considered sufficient to meet the Group's projected cash requirements.

All borrowing facilities are at floating rates of interest.

The facilities have been arranged to cover general corporate purposes, including support for commercial paper issuance. All facilities incur commitment fees at market rates.

The Group's borrowing limit at 31 December 2025 calculated in accordance with the Articles of Association was £23,238 million (2024: £20,097 million).

The following tables analyse the Group's financial liabilities and derivatives which will be settled on a net basis into relevant maturity groupings based on the remaining period between the Balance Sheet date and the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows which have been calculated using spot rates and interest rates at the relevant Balance Sheet date, including interest to be paid.

At 31 December 2025	Total £m	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
Bonds	(9,046)	(968)	(2,052)	(3,106)	(2,920)
Commercial paper	-	-	-	-	-
Senior notes	(686)	(17)	(17)	(51)	(601)
Other financial liabilities	(4,422)	(4,338)	(78)	-	(6)
Share repurchase liability	(101)	(101)	-	-	-

At 31 December 2024	Total £m	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
Bonds	(7,450)	(179)	(882)	(3,640)	(2,749)
Commercial paper	(594)	(594)	-	-	-
Senior notes	(1,834)	(656)	(33)	(98)	(1,047)
Other financial liabilities	(5,207)	(5,118)	(89)	-	-
Share repurchase liability	(477)	(477)	-	-	-

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

Financial risk management continued

3. Liquidity risk continued

The table below analyses the Group's derivative financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period between the Balance Sheet date and the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows which have been calculated using spot rates at the relevant Balance Sheet date.

	Less than 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Over 5 years £m
At 31 December 2025				
FX forward exchange contracts				
Outflow	(6,999)	-	-	-
Inflow	6,979	-	-	-
Cross-currency interest rate swaps				
Outflow	(826)	(61)	(677)	(724)
Inflow	790	46	663	730
Interest rate swaps				
Outflow	(70)	(56)	(124)	(68)
Inflow	55	41	92	79
At 31 December 2024				
FX forward exchange contracts				
Outflow	(7,527)	(19)	-	-
Inflow	7,546	19	-	-
Cross-currency interest rate swaps				
Outflow	(111)	(88)	(1,472)	(776)
Inflow	46	46	1,352	717
Interest rate swaps				
Outflow	(58)	(43)	(86)	(14)
Inflow	40	22	16	5

Cash flow forecasting is performed by the local business units and on an aggregated basis by GT. GT monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities. Funds over and above those required for short-term working capital purposes by the local businesses are generally remitted to GT. The Group uses the remittances to settle obligations, repay borrowings or, in the event of a surplus, invest in short-term instruments issued by institutions with a BBB rating or above.

4. Capital management

	Note	2025 £m	2024 £m
Cash and cash equivalents including overdrafts		1,952	879
Financing liabilities	17	(8,510)	(8,793)
Net debt		6,558	7,914
Total equity		7,781	6,720
		14,339	14,634

The Group considers capital to be net debt plus total equity. Net debt is calculated as total financing liabilities less cash and cash equivalents and short-term deposits. Total equity includes share capital, reserves and retained earnings as shown in the Group Balance Sheet.

The objectives for managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimise the cost of capital.

In 2025, the Group provided returns to shareholders in the form of dividends and through buying back shares. Refer to Note 24 for further details.

The Group monitors net debt which at year end was £6,558 million (2024: £7,914 million). In 2023 the Group began a share buyback programme, which is still ongoing, in line with the Group's capital allocation policy of returning surplus cash to shareholders.

Supply chain finance

The Group participates in a supply chain finance (SCF) programme under which certain suppliers to the Group are able to access an SCF arrangement that enables them to fund their working capital. The principal purpose of this programme is to facilitate efficient payment processing and enable the willing suppliers to sell their receivables due from the Group to a bank before their due date. The Group does not incur any additional interest towards the bank on the amounts due to the suppliers.

The balance payable is recorded within trade payables on the Balance Sheet and all cash flows associated with the programme are included within operating cash flows as they continue to be part of the normal operating cycle of the Group and their principal nature remains operating, being payments for the purchase of goods and services. Security or guarantees have not been provided by Group.

Notes to the Financial Statements continued

15 Financial Instruments and Financial Risk Management continued

Supply chain finance continued

	2025 £m	2024 £m
Carrying amount of financial liabilities		
Presented in trade and other payables	277	437
– of which suppliers have received payment from finance provider	241	347
Range of payment due dates (goods and freight providers)¹		
Liabilities that are part of the arrangements	Cost of inventories: 45 days to 225 days (2024: 90 days to 210 days) Freight: 120 days to 210 days (2024: 60 days to 210 days) Net operating expenses: 120 days to 180 days (2024: 30 days to 210 days)	
Comparable trade payables that are not part of the arrangements ¹	Cost of inventories: 0 days to 210 days (2024: 30 days to 180 days) Freight: 7 days to 180 days (2024: 30 days to 150 days) Net operating expenses: 0 days to 180 days (2024: 0 days to 150 days)	

Non-cash changes

There were no material business combinations or foreign exchange differences in either period. There were non-cash transfers from trade payables to finance payables of £nil in 2025.

¹ Comparable payables have been identified based on the type of product supplied and legal entity who purchases the goods or services

16 Cash and Cash Equivalents

The Group operates in a number of territories where there are either foreign currency exchange restrictions or it is difficult for the Group to extract cash readily and easily in the short term. As a result, £182 million (2024: £120 million) of cash included in cash and cash equivalents is restricted for use by the Group, yet available for use in the relevant subsidiary's day-to-day operations.

	2025 £m	2024 £m
Cash at bank and in hand	557	504
Short-term bank deposits	408	350
Money market fund investments	987	26
Cash and cash equivalents	1,952	880

17 Financial Liabilities – Borrowings

	Note	2025 £m	2024 £m
Current			
Bank loans and overdrafts ¹		7	148
Commercial paper		–	592
Bonds		738	–
Senior notes		–	604
Lease liabilities	19	65	79
Total short-term borrowings		810	1,423
Non-current			
Bonds		7,012	6,302
Senior notes		393	703
Other non-current borrowings		6	9
Lease liabilities	19	209	221
Total long-term borrowings		7,620	7,235
Total borrowings		8,430	8,658
Derivative financial instruments – as shown below		80	136
Less overdrafts presented in cash and cash equivalents in the Cash Flow Statement		–	(1)
Total financing liabilities		8,510	8,793

¹ Bank loans are denominated in a number of currencies: all are unsecured and bear interest based on short-term market interest rates

The Group uses derivative financial instruments to hedge certain elements of interest rate and exchange rate risk on its financing liabilities. The split between these items and other derivatives on the Balance Sheet is shown below:

2025 (£m)	Assets		Liabilities	
	Current	Non-current ¹	Current	Non-current ²
Derivative financial instruments (financing liabilities)	15	33	(33)	(95)
Derivative financial instruments (non-financing liabilities)	9	5	(18)	–
At 31 December 2025	24	38	(51)	(95)

¹ Included within other non-current receivables on the Balance Sheet

² Included within other non-current liabilities on the Balance Sheet

Notes to the Financial Statements continued

17 Financial Liabilities – Borrowings continued

2024 (£m)	Assets		Liabilities	
	Current	Non-current ¹	Current	Non-current ²
Derivative financial instruments (financing liabilities)	32	14	(25)	(157)
Derivative financial instruments (non-financing liabilities)	29	3	(13)	(16)
At 31 December 2024	61	17	(38)	(173)

¹ Included within other non-current receivables on the Balance Sheet

² Included within other non-current liabilities on the Balance Sheet

Reconciliation of movement in financing liabilities to the Cash Flow Statement	2025 £m	2024 £m
At 1 January	8,793	8,670
Proceeds from borrowings	1,412	1,768
Repayment of borrowings	(1,637)	(1,687)
Other financing cash flows	40	(47)
Total financing cash flows	(185)	34
New lease liabilities	71	70
Exchange, fair value and other movements	(161)	19
Divestment of leases	(8)	–
Total non-cash financing items	(98)	89
At 31 December	8,510	8,793

Maturity of borrowings (excluding lease liabilities)	2025 £m	2024 £m
Bank loans and overdrafts repayable:		
Within one year or on demand	7	148
Other borrowings repayable:		
Within one year:		
Commercial paper	–	592
Bonds	738	–
Senior notes	–	604
After one year and in less than five years:		
Bonds	4,460	3,949
Senior notes	–	–
After five years or longer:		
Bonds	2,552	2,353
Senior notes	393	703
Other non-current borrowings	6	9
	8,149	8,210
Gross borrowings (unsecured)	8,156	8,358

18 Provisions for Liabilities and Charges

	Legal provisions £m	Other provisions £m	Total provisions £m
At 1 January 2024	137	62	199
Charged to the Income Statement	23	18	41
Utilised during the year	(7)	–	(7)
Released to the Income Statement	(36)	(17)	(53)
Reclassification	–	–	–
Exchange adjustments	(5)	(1)	(6)
At 31 December 2024	112	62	174
Charged to the Income Statement	12	16	28
Utilised during the year	(5)	(6)	(11)
Released to the Income Statement	(7)	(19)	(26)
Reclassification ¹	–	(8)	(8)
Divestment	–	(7)	(7)
Exchange adjustments	(4)	(1)	(5)
At 31 December 2025	108	37	145

Provisions have been analysed between current and non-current as follows:

	2025 £m	2024 £m
Current	90	112
Non-current	55	62
Total	145	174

¹ Relates to reclassifications to other payables accounts

Provisions are recognised when the Group has a present or constructive obligation as a result of past events, it is more likely than not that there will be an outflow of resources to settle that obligation, and the amount can be reliably estimated. As at 31 December 2025, the Group recognised legal provisions of £108 million (2024: £112 million) in relation to a number of historical regulatory and other matters in various jurisdictions.

These provisions relate to matters where the Group is currently involved with, or potentially will be involved in, litigation. The provision represents the Group's best estimate of the likely settlement. Due to the uncertain nature of the resolution of a majority of these matters, £75 million (2024: £82 million) is recorded as a current provision as it is possible the matters could be settled in the next 12 months; however, it is possible that they may not be. Legal provisions include £33 million (2024: £30 million) relating to the Humidifier Sanitiser (HS) issue in Korea (see Note 20).

Other provisions include environmental and other obligations throughout the Group, the majority of which are expected to be utilised within five years.

Notes to the Financial Statements continued

19 Lease Liabilities

	2025 £m	2024 £m
Maturity analysis – contractual undiscounted cash flows		
Within one year	67	87
Later than one and less than five years	170	172
After five years	83	99
Total undiscounted lease liabilities at 31 December	320	358
Lease liabilities included in the Statement of Financial Position at 31 December		
Current	65	79
Non-current	209	221

Interest charged on lease liabilities amounted to £13 million (2024: £13 million).

20 Contingent Liabilities and Assets

Humidifier Sanitiser issue

The Humidifier Sanitiser (HS) issue in South Korea was a tragic event. The Group continues to make both public and personal apologies to the victims who have suffered lung injury as a result of the Oxy HS product and the role that the Oxy HS product played in the issue.

As previously reported, the South Korean government had designated a number of diseases as HS injuries, in addition to the HS lung injury for which Reckitt Korea's CP was established. These include asthma, toxic hepatitis, child interstitial lung disease (ILD), bronchitis, upper airway disease, pneumonia, skin disease (accompanied by respiratory injuries) and depression (accompanied by respiratory injuries).

The Korean National Assembly passed a bill on 6 March 2020 to amend the HS law with the main changes in the amendment relating to: (i) the definition of HS injury (essentially allowing the MOE to recognise a variety of disease as IRF injury based on individual review of each IRF application); (ii) the legal presumption of causation (shifting the burden of proof for causation to the defendant if the plaintiff demonstrates 'epidemiological correlation' between HS exposure and their injury); and (iii) amendments to the fund set up by the government and funded by the government and HS companies (the Special Relief Fund (SRF), now called the Injury Relief Fund (IRF)) to provide expanded support payments to HS victims which would cover all elements of court awarded damages except mental distress, aside from KRW 134 million consolation payments for death cases, and partial lost income.

On 24 December 2025 a Bill proposing amendment to the current HS special law was introduced to the National Assembly. The Bill proposes a number of changes, including a new compensation system to replace the IRF. At this stage the Bill is still in review and we are unable to provide a reliable estimate on the potential impact to Reckitt Korea.

The Group currently has a provision of £33 million (2024: £30 million) in relation to the HS issue in South Korea. In addition, there are further potential costs that are not considered probable and cannot be reliably estimated at the current time. The impact of the existing HS law amendments will require further monitoring and analysis, in particular those which will be subject to court interpretation, such as the new epidemiological correlation standard, any limitation applied by courts to damage awards, the interest rate applied by individual courts to damage awards and external factors such as the rate of future IRF applications/recognitions. Accordingly, it is not possible to make any reliable estimate of liability for individuals recognised by the government as having HS injuries.

Necrotizing Enterocolitis (NEC)

Product liability actions relating to NEC have been filed against certain Group subsidiary companies, or against certain Group subsidiary companies and Abbott Laboratories, in state and federal courts in the United States. The actions allege injuries relating to NEC in preterm infants. Plaintiffs contend that human milk fortifiers (HMF) and preterm formulas containing bovine-derived ingredients cause NEC, and that preterm infants should receive a diet of exclusively breast milk. The Company has denied the material allegations of the claims. It contends that its products provide critical tools to expert neonatologists for the nutritional management of preterm infants for whom human milk, by itself, is not available or nutritionally sufficient. The products are used under the supervision of medical doctors.

Any potential costs relating to the product liability actions are not considered probable and cannot be reliably estimated at the current time. Given the uncertainty on the number of cases and range of possible outcomes on each case, the possible economic outflow cannot be reliably estimated, but may be significant.

Currently, there are two state court trials scheduled, both involving a single plaintiff. The first is in St. Louis, Missouri, with a June 2026 trial date, and the second in Las Vegas, Nevada, with a November 2027 trial date. Mead Johnson's first federal court trial in the MDL is scheduled for July 2026. However, dates are subject to change and additional trials could be scheduled.

In June 2025, a putative class action securities fraud lawsuit was filed in the US District Court for the Southern District of New York against Reckitt Benckiser Group plc and several current and former executives, which alleges that the Company and the named individuals failed to warn investors and consumers that preterm infants were at an increased risk of developing NEC from consuming the Company's cow's milk-based formula products and of the attendant impact on sales of Enfamil and the Company's exposure to legal claims, and that as a result there was allegedly a decline in the market value of the Company's stock shares causing losses to the class members. We intend to vigorously defend against these allegations. Any possible economic outflow is not considered probable and cannot be reliably estimated at the current time.

Whitfield case

On 31 October 2024, a state court jury in the city of St. Louis, Missouri, ruled in favour of Mead Johnson. The case involved a child who was born prematurely, developed NEC and has allegedly experienced subsequent long term health issues. Given the verdict, an economic outflow is not considered probable. In March 2025, the court granted the plaintiff's post-trial motion and ordered a new trial. Mead Johnson is appealing that ruling.

Notes to the Financial Statements continued

20 Contingent Liabilities and Assets continued

Watson Case

On 13 March 2024, a state court jury in Belleville, Illinois, awarded US\$60 million to the mother of a child who was born prematurely and died 25 days later from Necrotizing Enterocolitis (NEC). Mead Johnson believes the allegations from the plaintiff's lawyers in this case were not supported by the science or the experts in the medical community. Mead Johnson is appealing the verdict, and at this time, an economic outflow is not considered probable.

There is a possible outcome that may be unfavourable; however, the Group expects to benefit from relevant product liability insurance subject to limits and deductibles that the Group considers to be reasonable.

Phenylephrine

Starting in September 2023, putative class action lawsuits have been filed against the Group and competitor companies in various United States jurisdictions that generally allege that the defendants made misrepresentations about the effectiveness of products containing Phenylephrine. In December 2023, the Judicial Panel on Multidistrict Litigation (JPML) transferred all pending federal court cases and any similar, subsequently filed cases to a coordinated multi-district litigation (MDL) in the Eastern District of New York for pre-trial purposes. In October 2024, a motion to dismiss the lawsuits was granted, dismissing all claims. The plaintiffs are appealing that ruling. Potential costs relating to these actions are not considered probable and cannot be reliably estimated at the current time.

UK Securities Action

In June 2025, the Supreme Court of the United Kingdom declined to hear an appeal against a High Court decision, which had been upheld by the Court of Appeal of England and Wales, striking out a representative action in civil proceedings brought by shareholders against the Company under s90A of FSMA 2000, in which it was alleged that the Company failed to give adequate disclosure of matters that were the subject of the Company's 2019 settlement of a US Department of Justice investigation into Suboxone (the Representative Proceeding). As a result, the Representative Proceeding has now concluded.

Similar civil proceedings were also issued in the form of a multi-party action where all the claimants are named parties to the proceedings (the Multi-Party Proceedings), which had been stayed whilst the Company litigated the Representative Proceeding. When the Supreme Court declined to hear the appeal in respect of the Representative Proceeding in June 2025, ending those proceedings, the stay on the Multi-Party Proceedings automatically lifted, and the Company was then served with the Multi-Party Proceedings. The Company intends to vigorously defend the claims advanced in the Multi-Party Proceedings; however, the proceedings are subject to numerous uncertainties, and as such, the Company cannot make any reliable assessment of outcomes.

Other

From time to time, the Group is involved in discussions in relation to ongoing tax matters in a number of jurisdictions around the world. Where appropriate, the Directors make provisions based on their assessment of each case (see Note 22).

21 Trade and Other Payables

	2025 £m	2024 £m
Trade payables	2,127	2,268
Other payables ¹	309	151
Forward share purchase liability ²	191	133
Other tax and social security payable	185	161
Interest accrued on tax balances	115	101
Indemnity provisions for disposed businesses	6	47
Accruals	2,139	2,430
Trade and other payables	5,072	5,291

1 Includes amounts owed by related party (see Note 27)

2 Relates to an agreement signed in May 2023 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

Included within accruals is £921 million (2024: £1,074 million) in respect of amounts payable to trade customers and government bodies for trade spend.

Other non-current liabilities

	2025 £m	2024 £m
US employee-related payables	58	57
Indemnity provisions for disposed businesses	-	2
Other	27	22
Other non-current liabilities	85	81

Financial Instruments (Note 15)

At 31 December 2025, £4,409 million (2024: £5,050 million) of the current and non-current trade and other payables totalling £5,157 million (2024: £5,372 million) are financial liabilities. These mainly relate to amounts owed to suppliers in respect of goods or services and are typically non-interest bearing. Amounts that are not financial instruments comprise employee-related liabilities, social security liabilities and accrued interest.

Notes to the Financial Statements continued

22 Uncertain tax positions

	2025 £m	2024 £m
Uncertain tax positions offset against current tax assets	290	116
Uncertain tax positions reported in current tax liabilities	314	595
Total uncertain tax positions	604	711

Certain tax positions taken by us are based on industry practice, tax advice and drawing similarities from our facts and circumstances to those in case law. In particular, international transfer pricing is an area of taxation that depends heavily on the underlying facts and circumstances and generally involves a significant degree of judgement.

Tax assets and liabilities are offset where there is a legally enforceable right to do so. £231 million (2024: £368 million) relates to uncertain tax positions recognised using the most likely outcome method, where the resolution of the uncertainty is concentrated on one binary outcome. There is one uncertain tax position of £187m relating to discontinued operations that is calculated with this method and is material to the Financial Statements.

£373 million (2024: £343 million) relates to amounts recognised using the expected value method. The liabilities calculated using this method are not material in isolation, are individually assessed and cover multiple jurisdictions and issues. Therefore, it is not meaningful to provide aggregated sensitivity estimates. The sources of estimation uncertainty underlying this amount are shown in Note 1.

The recognition of uncertain tax positions is reviewed regularly for changes in circumstances and estimates are updated as potential resolutions for the tax uncertainties are encountered through specific audits or wider case law. As a result, given the size, possible range of outcomes and timing of resolution, there is a significant risk of material adjustment to the aggregate carrying amount of these liabilities within the next financial year.

The disputes underlying the liability recognised in respect of uncertain tax positions may take several years to resolve (see Note 1). Notwithstanding this, the carrying liability amount of £314 million (2024: £595 million) has been presented as a current liability. The associated interest accrued on uncertain tax positions of £115 million (2024: £101 million) is also presented as a current liability.

23 Pension and Post-Retirement Commitments

Plan details

The Group operates a number of defined benefit and defined contribution pension plans around the world covering many of its employees. The majority of these plans are funded. The Group's most significant pension plan (UK) is set up under trust and is a separate entity from the Group. The defined benefits section of this plan closed to accrual from 31 December 2017. Members have a normal retirement age of 65. The majority of the Trustees of the plan are appointed by the Group with the remaining Trustees appointed by the membership in line with the Trustees Member Nominated Trustee policy. The Trustees are responsible for the governance of the plan, including paying all administrative costs of the defined benefit section and compliance with regulations. The defined benefit section of the plan is funded by the payment of contributions

as required, following each triennial valuation. The principal UK plan also had a defined contribution section which was closed on 31 March 2024; from that date, UK employees were moved into a separate master trust arrangement and their funds within the defined contribution section were transferred over to the master trust in July 2024.

For the principal UK plan, a full independent actuarial valuation is carried out on a triennial basis. As the plan was in surplus on its technical provisions funding basis at the 5 April 2022 actuarial valuation, no contributions were required to be paid by the Group in 2025. The preliminary results of the 5 April 2025 actuarial valuation indicate the plan remains in surplus on its technical provisions funding basis and therefore no contributions are expected to be required in 2026. Funding levels are monitored on an annual basis.

Following UK High Court rulings clarifying the requirements to equalise the Guaranteed Minimum Pension element of benefits for men and women within the UK Pension schemes from Guaranteed Minimum Pension accrued from post 17 May 1990 pensionable service, a method has been agreed with the pension trustees from all defined benefit schemes in the UK. Benefit changes and back payments have been made to members of the two smaller UK schemes, with work continuing on the other schemes to calculate the required adjustments to benefits.

The Group also operates a number of other post-retirement plans in certain countries. The two major plans are the US Retiree Health Care Plan and the Mead Johnson & Company, LLC Medical Plan (together, the US (Medical) plans). In the US Retiree Health Care Plan, salaried participants become eligible for retiree healthcare benefits after they reach a combined 'age and years of service rendered' figure of 70, although the age must be a minimum of 55. This plan closed to new members in 2009. In the Mead Johnson & Company, LLC Medical Plan, acquired as part of the acquisition of MJN on 15 June 2017, participants become eligible for retiree healthcare benefits if they leave employment after the age of 65, leave after the age of 55 and have completed 10 years of service, or have their employment involuntarily terminated after the age of 55. A Benefits Committee is appointed by the Group for both of these plans, responsible for the governance of the US plans, including paying all administrative costs and compliance with regulations. Both of these plans are unfunded.

For the US (Medical) plans, a full independent actuarial valuation is carried out on an annual basis. The most recent valuation was carried out on 1 January 2025. For both of these plans, funding levels are monitored on an annual basis with contributions made equal to the claims made each year. It is expected that the combined contributions in 2026 will be £7 million (2025: £6 million).

For the purpose of IAS 19, the projected unit valuation method was used for the UK and US plans, as per the principal UK plan's preliminary triennial valuation results (at 5 April 2025) and the US (Medical) plan annual valuations to 31 December 2024.

For the UK plans, the weighted average duration of the deferred benefit obligation is 10.8 years (2024: 11.3 years). The decrease from the prior year has been driven by the ageing population and (for the largest plan) changes in demographic assumptions, offset to some extent by changes in bond yields.

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

Significant actuarial assumptions

The significant actuarial assumptions used in determining the Group's defined benefit obligation for the UK and US (Medical) plans as at 31 December were:

	2025		2024	
	UK %	US (Medical) %	UK %	US (Medical) %
Rate of increase in pensionable salaries	N/A	-	N/A	-
Rate of increase in deferred pensions during deferment	2.6	-	2.9	-
Rate of increase in pension payments	2.7	-	3.2	-
Discount rate	5.5	5.2	5.6	5.4
Inflation assumption – RPI	2.9	-	3.3	-
Annual medical cost inflation	-	5.0-8.0	-	5.0-7.0

Assumptions regarding future mortality experience are set in accordance with published statistics and experience in each territory. The expected lifetime of a participant aged 60 and the expected lifetime of a participant who will be aged 60 in 15 years (20 years in the US) are detailed below:

	2025		2024	
	UK years	US years	UK years	US years
Number of years a current pensioner is expected to live beyond 60:				
Male	26.2	25.2	27.0	25.1
Female	27.6	27.4	28.6	27.3
Number of years a future pensioner is expected to live beyond 60:				
Male	27.5	26.9	28.3	26.8
Female	29.0	29.0	29.9	28.9

For the principal UK plan, the mortality assumptions were based on the standard SAPS mortality table 4NMA (middle) for males (scaled by 105%) and table 4NFA (heavy) for females (scaled by 115%). Allowance is made for future improvements in mortality by adopting the CMI's published 2024 improvement tables with a long-term improvement trend of 1.5% per annum from 2017 onwards, an initial addition to mortality improvements of 0.25% pa, the default half-life parameter and core period smoothing parameter, reflecting a 'fitted overlay' instead of the 'weight' parameters used in CMI_2020 to CMI_2023. Instead of a smoothed projection which ignores the peaks of mortality in 2020 and 2021, and the need to subjectively allocate weights to data in recent years, the new overlay recognises the increase in mortality rates in 2020, and the return to a more normal pattern of mortality over subsequent years. For the US plan the mortality assumptions were determined using the Pri-2012 Total Dataset and projected with Mortality Improvement Scale MP-2021.

Amounts recognised on the Balance Sheet

The amounts recognised on the Balance Sheet are as follows:

	2025 £m	2024 £m
Balance Sheet liability for:		
US (Medical)	(56)	(64)
Other	(161)	(171)
Liability on Balance Sheet	(217)	(235)
Balance Sheet assets for:		
UK	223	214
Other	61	55
Asset on Balance Sheet	284	269
Net pension asset	67	34

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

Amounts recognised on the Balance Sheet continued

The UK surplus of £223 million (2024: £214 million) relates mainly to the Reckitt Benckiser Pension Fund. This surplus has been recognised as the Group has concluded it has an unconditional right to a refund of any surplus once all member benefits have been paid. The Group's judgement is based on legal advice that the trustees would be unable to unconditionally wind up the plan or enhance members' benefits without the Group's consent.

The funded and unfunded amounts recognised on the Balance Sheet are determined as follows:

	2025				2024			
	UK £m	US (Medical) £m	Other £m	Total £m	UK £m	US (Medical) £m	Other £m	Total £m
Present value of funded obligations	(813)	–	(378)	(1,191)	(853)	–	(410)	(1,263)
Fair value of plan assets	1,039	–	399	1,438	1,070	–	419	1,489
Surplus of funded plans	226	–	21	247	217	–	9	226
Present value of unfunded obligations	–	(56)	(119)	(175)	–	(64)	(125)	(189)
Irrecoverable surplus	(3)	–	(2)	(5)	(3)	–	–	(3)
Net pension surplus/ (liability)	223	(56)	(100)	67	214	(64)	(116)	34

Group plan assets are as follows:

	2025				2024			
	UK £m	US (Medical) £m	Other £m	Total £m	UK £m	US (Medical) £m	Other £m	Total £m
Equities	58	–	91	149	68	–	97	165
Government bonds	100	–	77	177	123	–	74	197
Corporate bonds	292	–	163	455	289	–	168	457
Real estate/property – unquoted	2	–	2	4	8	–	6	14
Insurance contracts	228	–	–	228	249	–	–	249
Other assets	359	–	66	425	333	–	74	407
Fair value of plan assets	1,039	–	399	1,438	1,070	–	419	1,489

The Group plan assets do not include: (a) the Group's own transferable financial instruments and (b) property occupied by, or other assets used by, the Group.

In 2020 and 2021, the trustees of three of the UK pension plans entered into annuity buy-in agreements which cover, in aggregate, £228 million of pension liabilities valued under IAS 19 at 31 December 2025 (£249 million of pension liabilities valued under IAS 19 at 31 December 2024). The agreements involved the purchase of bulk annuity policies under which the insurer will pay the UK pension funds amounts equivalent to the benefits payable to members. These purchases were conducted by the trustees to ensure the pension fund had an asset that would match its obligation to members. The policies are valued in accordance with IAS 19 by the plans' actuary such that the fair value on the annuity policies is deemed to be the present value of the related obligation measured using the assumptions underpinning the valuation of the defined benefit obligation. The pension liabilities remain with, and the matching annuity policies are held within, the UK pension funds. As this was an investment decision by the trustees, the immaterial reduction in the valuation of plan assets (due to the difference between the purchase price of the annuity policy and the accounting value of the buy-in asset) arising on each buy-in was recorded within other comprehensive income. The trustees have not entered any such buy-in agreements in the years 2022 to 2025.

At 31 December 2025 the Group has not committed to any buy-out arrangements in respect of any of the UK pension schemes.

Included in other assets is £270 million (2024: £273 million) relating to liability driven investment funds. This is a bespoke pooled investment vehicle, a unit linked insurance policy (ULIP) with underlying listed bonds, equities and structured notes. The fair value of the vehicle is provided by the fund manager based on the underlying value of the securities held within the vehicle. The trustees purchased these investments in 2021 to lower risk within the portfolio without reducing potential returns. These investments have a low leverage percentage and sufficient capital collateral in place. The remaining other assets are cash.

The present value of obligations for the combined UK plans and the US (Medical) plans at last valuation date is attributable to participants as follows:

	2025		2024	
	UK £m	US (Medical) £m	UK £m	US (Medical) £m
Active participants	–	(11)	–	(14)
Participants with deferred benefits	(252)	–	(286)	(1)
Participants receiving benefits	(561)	(45)	(567)	(49)
Present value of obligation	(813)	(56)	(853)	(64)

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

Amounts recognised on the Balance Sheet continued

The movement in the Group's net surplus/(deficit) is as follows:

	Present value of obligation				Fair value of plan assets			
	UK £m	US (Medical) £m	Other £m	Total £m	UK £m	US (Medical) £m	Other £m	Total £m
At 1 January 2024	969	73	539	1,581	(1,178)	–	(443)	(1,621)
Current service cost	–	–	12	12	–	–	–	–
Administrative costs	3	–	–	3	–	–	2	2
Interest expense/(income)	44	4	21	69	(54)	–	(20)	(74)
	47	4	33	84	(54)	–	(18)	(72)
Remeasurements:								
Return on plan assets, excluding amounts included in interest income	–	–	–	–	103	–	17	120
(Gains)/losses from changes in demographic assumptions	(8)	(4)	11	(1)	–	–	–	–
Gains from changes in financial assumptions	(81)	(3)	(11)	(95)	–	–	–	–
Experience (gains)/losses	(15)	–	4	(11)	–	–	–	–
	(104)	(7)	4	(107)	103	–	17	120
Exchange differences	–	–	(3)	(3)	–	–	(1)	(1)
Contributions – employers	–	–	–	–	–	(6)	(12)	(18)
Benefit payments	(59)	(6)	(38)	(103)	59	6	38	103
As at 31 December 2024	853	64	535	1,452	(1,070)	–	(419)	(1,489)
Current service cost	–	–	10	10	–	–	–	–
Administrative costs	3	–	–	3	–	–	2	2
Interest expense/(income)	46	6	22	74	(59)	–	(22)	(81)
	49	6	32	87	(59)	–	(20)	(79)
Remeasurements:								
Return on plan assets, excluding amounts included in interest income	–	–	–	–	26	–	(6)	20
(Gains)/losses from changes in demographic assumptions	(17)	(1)	–	(18)	–	–	–	–
(Gains)/losses from changes in financial assumptions	(15)	1	(9)	(23)	–	–	–	–
Experience losses/(gains)	7	–	–	7	–	–	(2)	(2)
	(25)	–	(9)	(34)	26	–	(8)	18
Exchange differences	–	(4)	(19)	(23)	–	–	20	20
Contributions – employers	–	–	–	–	–	(7)	(9)	(16)
Benefit payments	(64)	(10)	(37)	(111)	64	7	37	108
As at 31 December 2025	813	56	502	1,371	(1,039)	–	(399)	(1,438)

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

Amounts recognised in the Income Statement

The charge for the year ended 31 December is shown below:

	2025 £m	2024 £m
Defined contribution plans	44	48
Defined benefit plans (net charge excluding interest)		
UK	3	3
Other	12	12
Total pension costs included in operating profit (Note 5) ¹	59	63
Pension net finance income included in net finance expense (Note 6)	(7)	(5)
Income Statement charge included in profit before income tax	52	58
Remeasurement gains/(losses) for²:		
UK	(1)	1
US (Medical)	-	7
Other	17	(21)
	16	(13)

1 The Income Statement charge recognised in operating profit includes current service cost, past service cost and administrative costs

2 Remeasurement gains/(losses) exclude £1 million (2024: £nil) recognised in OCI for irrecoverable surplus

Sensitivity of significant actuarial assumptions

The sensitivity of the UK defined benefit obligation to changes in the principal assumptions is shown below:

2025	Change in assumption	Change in defined benefit obligation
Discount rate	Increase 0.1%	Decrease by 1.0%
Discount rate	Increase 1.0%	Decrease by 9.4%
RPI increase	Increase 0.1%	Increase by 0.6%
RPI increase	Increase 1.0%	Increase by 7.7%
Life expectancy	Members live 1 year longer	Increase by 3.9%
2024	Change in assumption	Change in defined benefit obligation
Discount rate	Increase 0.1%	Decrease by 1.1%
Discount rate	Increase 1.0%	Decrease by 9.9%
RPI increase	Increase 0.1%	Increase by 0.9%
RPI increase	Increase 1.0%	Increase by 7.7%
Life expectancy	Members live 1 year longer	Increase by 3.1%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Impact of medical cost trend rates

A 1% change in the assumed healthcare cost trend rates would have an immaterial impact on the service cost, interest cost and post-retirement benefit obligation.

Risk and risk management

Through its defined benefit pension plans and post-employment medical plans, the Group is exposed to a number of risks, the most significant of which are detailed as follows:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If plan assets underperform this yield, this will create a deficit/reduce the surplus. The US plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term. However, the Group believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to manage the plans efficiently.

Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A portion of assets consists of unit linked insurance policies with underlying investments in quoted equities and quoted bonds, although the Group also invests in property and cash. The Group believes that quoted equities offer the best returns over the long term with an acceptable level of risk. The trustees of all the UK funds have moved the majority of their assets to low-cost investment funds in consultation with the Group whilst maintaining prudent diversification and appropriate interest and inflation hedging. The trustees of the principal UK plan and the Group have aligned goals in respect of climate risk which includes a 50% reduction in carbon footprint ambition by 2030. The trustees of the principal UK plan have carried out climate change scenario analysis to help them understand and quantify the potential effects of climate change on the plan's assets and liabilities and identify possible actions to address the risks and opportunities presented.

Changes in bond yields

A decrease in government and corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Some of the Group's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). In order to manage inflationary risks, the trustees' investment strategy within the UK plan provides a high level of protection against higher expected long-term inflation through investments in index-linked gilts, liability driven investments and insurance contracts. In the US plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Notes to the Financial Statements continued

23 Pension and Post-Retirement Commitments continued

Risk and risk management continued

Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member. Whilst the plans allow for an increase in life expectancy, increases above this assumption will result in an increase in the plans' liabilities. This is particularly significant in the UK plan, where inflationary increases to benefits result in higher sensitivity to improvements in life expectancy. In 2020 the principal UK scheme reduced its exposure by purchasing an insurance product that will pay the pensions of some of the plan's pensioners. In 2021 two other UK pension schemes purchased a similar insurance policy covering 100% of their members' benefits.

Change in regulations

The Group is aware that future changes to the regulatory framework may impact the funding basis of the various plans in the future. The Group's pensions department monitors the changes in legislation and analyses the risks as and when they occur.

In June 2023, the High Court in England handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Limited against aspects of the June 2023 decision. The conclusions reached by the court in this case may have had implications for other UK defined benefit plans; hence the Group and pension trustees have been considering the implications of the case for the Group's UK plans and legal advice has been sought pertaining to this matter for each of the UK plans. On 2 September 2025, the government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain actuarial certificates if required. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law. Following the publication of draft legislation, the Directors do not expect the Virgin Media ruling to give rise to any additional liabilities and so the defined benefit obligation has not been adjusted and continues to reflect the benefits currently being administered.

The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered and, given government intervention, the Directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

24 Share Capital

	Number of equity ordinary shares	Nominal value £m
Issued and fully paid		
At 31 December 2024	736,535,179	74
Cancellations	(34,445,840)	(4)
At 31 December 2025	702,089,339	70

The holders of ordinary shares (par value 10 pence) are entitled to receive dividends (Note 28) as declared from time to time and are entitled to one vote per share at meetings of the Parent Company.

Repurchase of ordinary shares

In July 2025, the Group announced a new share buyback programme of an amount of £1 billion to be effected over 12 months. During 2025, as part of this share buyback programme, the Group entered into commitments to purchase £500 million of ordinary shares.

A share repurchase liability of £101 million has been recognised in the Balance Sheet as at 31 December 2025 (2024: £477 million), reflecting contractual obligations to purchase ordinary shares (including associated costs).

During the period to 31 December 2025, 16,382,499 shares have been purchased at a total cost of £879 million. Repurchased ordinary shares have been included in the Treasury shares (see below).

Allotment of ordinary shares and release of Treasury shares

During the year nil ordinary shares (2024: nil ordinary shares) were allotted and 34,445,840 ordinary shares were cancelled from Treasury (2024: nil ordinary shares).

During the year 2,139,883 ordinary shares were released from Treasury (2024: 1,083,133), and 16,382,499 ordinary shares (2024: 28,488,957 ordinary shares) were bought back, to satisfy vesting/exercises under the Group's various share schemes as follows:

	2025		2024	
	Number of shares	Consideration £m	Number of shares	Consideration £m
Ordinary shares of 10p				
Released from Treasury				
Executive Share Options – exercises	–	–	18,117	1
Restricted Shares Awards – vesting	1,165,886	–	1,013,180	–
Total under Executive Share Option and Conditional Award Schemes	1,165,886	–	1,031,297	1
Savings-related Share Option Schemes – exercises	973,997	43	51,836	2
Total released from Treasury	2,139,883	43	1,083,133	3
Bought into Treasury				
Repurchase of shares	(16,382,499)	(879)	(28,488,957)	(1,328)
Total	(14,242,616)	(836)	(27,405,824)	(1,325)

In 2025, 2,139,883 Treasury shares were released (2024: 1,083,133) and 16,382,499 ordinary shares (2024: 28,488,957 ordinary shares) were bought back, and 34,445,840 shares were cancelled (2024: nil ordinary shares), leaving a balance held at 31 December 2025 of 29,709,130 (2024: 49,912,354). Proceeds received from the reissuance of Treasury shares to exercise share options were £43 million (2024: £3 million).

Notes to the Financial Statements continued

25 Share-Based Payments

The Group operates a number of incentive schemes, including a Long-Term Incentive Plan (LTIP) and various other share plans. All awards under these plans are equity settled. The total expense recognised in respect of share-based payments for the year was £101 million (2024: £85 million).

Executive share awards

Executive share awards granted to the senior management team under the LTIP consist of Performance Share Options, Performance Shares, and Time-Vested Shares. For Performance Share Options and Performance Shares, vesting is conditional on achievement of specified performance targets over a three-year period as well as continued employment. For Time-Vested Shares, vesting is conditional only on continued employment, typically over three years from grant. For Performance Share Options, the exercise price is determined on the grant date and becomes payable on exercise, which may be up to seven years after the options have vested. Performance Shares and Time-Vested Shares entitle the recipient to receive shares at no cost following satisfaction of the vesting conditions.

The performance metrics and associated weightings for LTIP awards from 2022 onwards are as follows:

LTIP performance metrics – 2022 to 2025 awards	Weighting
Like-for-like Net Revenue growth	40%
Return on capital employed (ROCE)	25%
Relative total shareholder return (TSR)	25%
Sustainability	10%

Other share awards

Other share awards include savings-related share options (offered to all staff within the relevant geographic area) and a number of Senior Executive Share Ownership Policy Plan (SOPP) awards. Other share awards have contractual lives of between three and eight years and are generally not subject to any vesting conditions other than the employee's continued employment.

Individual tranches of these other share awards are not material for detailed disclosure and therefore information about these awards is presented only on an aggregated basis.

Valuation of share awards

The fair value of share options granted is calculated using a Black-Scholes model. Performance Share Options and Performance Shares which include the market TSR performance target are valued by a third-party expert using a Monte Carlo model. For Performance Shares with non-market-based performance conditions and for Time-Vested Shares, the fair value is the share price on the date of grant. No adjustment is made to the market price at grant because all Performance Shares and Time-Vested Shares accrue dividend equivalents. Performance Options do not accrue dividend equivalents.

The weighted average fair value of the LTIP Performance Share Options granted in the year and the key assumptions made in arriving at that fair value were as follows:

	Performance Share Options	
	2025	2024
Exercise price	£52.48	£50.90
Performance period	2025 to 2027	2024 to 2026
Share price on grant date	£52.94	£50.14
Volatility	23.5%	22.3%
Dividend yield	3.9%	3.9%
Expected life	7.1 years	6.9 years
Risk-free interest rate	4.4%	3.9%
Weighted average fair value per award	£10.13	£7.68

An estimate of future volatility is made with reference to historical volatility over a similar time period to the expected life of the option. Historical volatility is calculated based on the annualised standard deviation of the Group's daily share price movement, which approximates the continuously compounded rate of return on the share.

The weighted average fair value of the LTIP Performance Shares granted in the year was £48.09 per award (2024: £41.65 per award).

Movements in the year

The following table shows movements in the total number of outstanding awards across all award types:

	Year ended 31 December 2025		Year ended 31 December 2024	
	Number of awards	Weighted average exercise price	Number of awards	Weighted average exercise price
Outstanding at 1 January	19,271,188	£42.73	18,562,750	£45.24
Granted	5,926,529	£30.45	6,449,300	£31.65
Exercised	(2,082,357)	£20.86	(1,112,643)	£2.90
Lapsed	(4,640,135)	£46.54	(4,628,219)	£46.90
Outstanding at 31 December	18,475,225	£40.36	19,271,188	£42.73
Exercisable at 31 December	4,447,017	£63.53	4,273,783	£63.35

The weighted average share price over the year was £53.60 (2024: £47.28).

Notes to the Financial Statements continued

25 Share-Based Payments continued

Summary of outstanding awards

For awards outstanding at the year end the weighted average remaining contractual life is 4.2 years (2024: 5.0 years) and the range of exercise prices is as follows:

	Price to be paid £		Number of awards outstanding	
	From	To	At 31 December 2025	At 31 December 2024
LTIP – Performance Share Options	42.01	78.00	10,936,627	11,621,996
LTIP – Performance Shares	–	–	3,110,384	3,404,027
LTIP – Time-Vested Shares	–	–	1,551,693	1,197,033
SOPP	–	–	167,040	141,400
Savings-related share options	40.49	62.44	2,709,481	2,906,732
Total			18,475,225	19,271,188

For LTIP awards with non-market performance conditions, assumptions regarding the number of awards that will eventually vest are based on the Directors' expectations in light of the Group's business model and relevant published targets.

There has been no material modification of outstanding awards such as would impact the expense recognised in respect of share-based payments.

26 Other Reserves

	Hedging reserve £m	Foreign currency translation reserve £m	Total other reserves £m
Attributable to owners of the Parent			
Balance at 1 January 2024	(26)	(1,034)	(1,060)
Other comprehensive income/(expense):			
Fair value gains on cash flow hedges, net of tax	9	–	9
Reclassification of cash flow hedges to the Income Statement	29	–	29
Net exchange losses on foreign currency translation, net of tax	–	(442)	(442)
Gains on net investment hedges, net of tax	–	85	85
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	–	(11)	(11)
Total other comprehensive income/(expense) for the year	38	(368)	(330)
Balance at 31 December 2024	12	(1,402)	(1,390)
Other comprehensive income/(expense):			
Fair value gains on cash flow hedges, net of tax	9	–	9
Reclassification of cash flow hedges to the Income Statement	–	–	–
Net exchange losses on foreign currency translation, net of tax	–	(128)	(128)
Losses on net investment hedges, net of tax	–	(79)	(79)
Reclassification of cash flow hedges to the income statement	(28)	–	(28)
Reclassification of foreign currency translation reserves on disposal or liquidation of foreign operations, net of tax	–	(136)	(136)
Total other comprehensive expense for the year	(19)	(343)	(362)
Balance at 31 December 2025	(7)	(1,745)	(1,752)

The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedge transactions that are extant at year end.

The foreign currency translation reserve contains the accumulated foreign exchange differences from the translation of the Financial Statements of the Group's foreign operations arising when the Group's entities are consolidated. The reserve also contains the translation of liabilities that hedge the Group's net exposure in a foreign currency.

During the year ended 31 December 2025, a net gain of £136 million (2024: £11 million net gain) was reclassified to the Income Statement from foreign currency reserves following the disposal or liquidation of foreign operations, of which a £nil net gain (2024: £nil net gain) related to the liquidation of subsidiaries (see Note 6 for further details).

Notes to the Financial Statements continued

27 Related Party Transactions

The Group has related party relationships with its Directors and key management personnel (Note 5).

On 31 December 2025, Lavender Dutch TopCo B.V. and its subsidiaries (the Vestacy Group) became related entities to the Group. Balances with related entities are set out in the table below. The payables and receivables relate to pre-existing trading balances between Reckitt subsidiaries acquired by Lavender Bidco B.V. and other subsidiaries. As explained in Note 29, consideration also included a vendor loan note.

Amounts relating to Vestacy Group included in Group Balance Sheet	2025 £m
Included in other payables	(134)
Included in other receivables	169
Included in vendor loan note receivable	223

A vendor loan note certificate was issued on 31 December 2025 by Lavender Dutch MidCo 1 B.V. with an initial aggregate principal face-value amount of US \$300 million. The vendor loan note matures on 31 December 2034 subject to earlier prepayment and accrues interest at the following rates:

Rate per annum	Period
9.0%	31 December 2025 to 31 December 2028
10.0%	1 January 2029 to 31 December 2029
11.0%	1 January 2030 to 31 December 2031
12.0%	1 January 2032 to 31 December 2034

28 Dividends

	2025 £m	2024 £m
Cash dividends on equity ordinary shares:		
2024 final paid: 121.7p (2023: final paid: 115.9p) per share	830	820
2025 interim paid: 84.4p (2024: interim paid: 80.4p) per share	573	561
Total dividends for the year	1,403	1,381

The Directors are proposing a final dividend in respect of the financial year ended 31 December 2025 of 127.8 pence per share which will absorb an estimated £825 million of shareholders' funds. If approved by shareholders it will be paid on 12 June 2026 to shareholders who are on the register on 10 April 2026, with an ex-dividend date of 9 April 2026.

29 Acquisitions and Disposals

Acquisitions

There were no acquisitions material to the Group during 2025 and 2024.

Disposals

On 31 December 2025, the Group completed the sale of Essential Home for total consideration, net of disposal costs, of £2.2 billion. The consideration was principally represented by cash of £2.1 billion, a vendor loan note issued by the acquirer and shares in Lavender Dutch TopCo B.V., representing 30% of ordinary share capital. The disposal followed the Group's strategy announcement in July 2024 to reshape into a more efficient, world-class consumer health and hygiene company, focused on a portfolio of 11 high-growth, high-margin Powerbrands. The transaction was structured as a sale of the Essential Home and Argentina business, including the factories in Derby, United Kingdom, Florencio, Argentina, Granollers, Spain, Porto Alto, Portugal, Tatabanya, Hungary, and Tijuana, Mexico. The sale did not include territories of Russia and Belarus.

On completion of the disposal, the Group recognised a pre-tax gain on disposal of £1.2 billion. The Essential Home business (presented as an operating segment) was established on 1 January 2025 solely to facilitate its disposal from the Group. The disposal of Essential Home does not meet the definition of a discontinued operation under IFRS as it does not represent the disposal of a separate major line of business or a geographical area of operations for Reckitt. As such, the results of the disposed business are included in the continuing operations up to the date of disposal.

Notes to the Financial Statements continued

29 Acquisitions and Disposals continued

Disposals continued

The following table sets out the effect of the disposal completed in the year ended 31 December 2025:

	Essential Home £m
Cash consideration	2,092
Non-cash consideration	
– Vendor loan note receivable ¹	223
– Shares in Lavender Dutch TopCo B.V. ²	68
– Vendor loan note fee	5
– Amounts due under completion accounts	(23)
Associated disposal and separation costs	(193)
Total consideration, net of disposal costs	2,172
Consideration deferred to future periods	(25)
Consideration recognised on disposal in year ended December 2025	2,147
Goodwill and other intangible assets	938
Property, plant and equipment and right of use assets	84
Inventories	210
Cash and cash equivalents	195
Trade receivables and other assets	400
Trade payables and other liabilities	(723)
Net assets disposed	1,104
Cumulative foreign exchange gain reclassified to the Income Statement	202
Gain on disposal, before tax	1,245

Amounts included in the Cash Flow Statement:

	£m
Cash consideration above	2,092
Cash transferred within disposal group	(195)
Cash costs incurred on disposal	(111)
Amount included in proceeds from sale of intangible assets and related businesses, net of cash disposed	1,786

- The fair value of the vendor loan note receivable was determined using discounted cash flows, with the discount rate derived from Lavender Dutch TopCo B.V.'s cost of senior debt adjusted for subordination using other observable market data
- Following the completion of the disposal of Essential Home on 31 December 2025, Reckitt retained a 30% interest in the issued share capital of Lavender Dutch TopCo B.V. (Topco). Topco's share capital comprises two classes of shares: A shares, held by the controlling shareholder, and B shares, held by Reckitt. Under the terms of the Shareholder Agreement, the A shares have priority in the distribution of returns and Reckitt's shareholding has a lack of marketability. This has been reflected as a reduction in its valuation.

The fair value of Reckitt's retained interest was determined using an option pricing model, under which the value of the B shares was modelled as a series of call options representing the present value of expected future returns to shareholders.

Key assumptions and inputs to the model included:

- Expected time to exit: five years, based on management's estimate of the likely investment horizon
- Volatility: based on historical share price data of comparable listed companies, adjusted for Topco's higher leverage and risk profile
- Risk-free rate: based on the US Treasury yield curve at the measurement date

The fair value measurement is categorised as Level 3 in the IFRS 13 fair value hierarchy and was performed on a non-recurring basis at the date Reckitt lost control of Essential Home.

30 Discontinued Operations

The expense in the current year from discontinued operations of £16 million (2024: £4 million) relates to interest accruing on an uncertain tax position and other provisions relating to the former RB Pharmaceuticals business (now Indivior plc).

31 Post Balance Sheet Events

The Directors are proposing a final dividend in respect of the financial year ended 31 December 2025. See note 28 for further details.

Following the announcement on 31 December 2025 confirming the completion of the divestment of the Essential Home business and following shareholder approval of the General Meeting held on 27 January 2026, the Group also returned £1.6 billion to shareholders on 20 February 2026 by way of special dividend of 235 pence per ordinary share.

With the aim of maintaining share price comparability before and after the special dividend, the Group also completed a share consolidation on 2 February 2026, as a result of which shareholders received 24 new ordinary shares with a nominal value of 10 5/12 pence for every 25 existing ordinary shares held. The new ordinary shares are traded on the London Stock Exchange in the same way as the previously existing ordinary shares and carry the same rights which were attached to the previously existing ordinary shares, as set out in the Parent Company's Articles of Association. After the share consolidation, the total number of ordinary shares in issue was 644,753,406.

In February 2026, the Group entered a new £350 million committed borrowing facility, which expires after three years.

Five-Year Summary (Unaudited)

The five-year summary below is presented on an IFRS basis. The years ended 31 December 2021, 31 December 2022, 31 December 2023, 31 December 2024 and 31 December 2025 show the results for continuing operations.

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Income Statement					
Net Revenue	14,205	14,169	14,607	14,453	13,234
Operating profit/(loss)	4,217	2,425	2,531	3,249	(804)
Net finance (expense)/income	(379)	(321)	(130)	(161)	547
Share of loss and impairment of equity-accounted investees, net of tax	-	-	-	(21)	(3)
Profit/(loss) before income tax	3,838	2,104	2,401	3,067	(260)
Income tax (charge)/credit	(635)	(672)	(753)	(711)	208
Attributable to non-controlling interests	(5)	(2)	(14)	(19)	(11)
Net profit/(loss) attributable to owners of the Parent Company from continuing operations	3,198	1,430	1,634	2,337	(63)
Balance Sheet					
Net assets	7,781	6,720	8,469	9,483	7,453
Key statistics – IFRS basis					
Operating margin	29.7%	17.1%	17.3%	22.5%	(6.1%)
Diluted earnings per share, continuing	469.5p	203.8p	227.4p	325.7p	(8.8p)
Declared total dividends per ordinary share	212.2p	202.1p	192.5p	183.3p	174.6p

Parent Company Balance Sheet

As at 31 December 2025

	Note	2025 £m	2024 £m
Fixed assets			
Investments	2	15,343	15,248
Current assets			
Debtors due within one year	3, 6	248	313
Debtors due after more than one year	4, 6	2	8
		250	321
Current liabilities			
Creditors due within one year	5, 6	(6,438)	(3,901)
Share repurchase liability	6	(101)	(477)
Net current liabilities		(6,289)	(4,057)
Total assets less current liabilities		9,054	11,191
Provisions for liabilities and charges	7	(27)	(25)
Net assets		9,027	11,166
Equity			
Share capital	8	70	74
Share premium		254	254
Capital redemption reserve		4	-
Retained earnings		8,699	10,838
Total equity		9,027	11,166

Reckitt Benckiser Group plc has made a loss of £374 million (2024: profit of £4,280 million) for the financial year.

The Financial Statements on pages 179 to 197 were approved by the Board of Directors and signed on its behalf on 4 March 2026 by:

Sir Jeremy Darroch

Director
Reckitt Benckiser Group plc

Company Number: 06270876

Kris Licht

Director
Reckitt Benckiser Group plc

Parent Company Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	74	254	-	9,362	9,690
Comprehensive income					
Profit for the financial year	-	-	-	4,280	4,280
Total comprehensive income	-	-	-	4,280	4,280
Transactions with owners					
Treasury shares reissued	-	-	-	3	3
Purchase of ordinary shares by employee share ownership trust	-	-	-	(2)	(2)
Repurchase of ordinary shares	-	-	-	(1,509)	(1,509)
Share-based payments	-	-	-	11	11
Capital contribution in respect of share-based payments	-	-	-	74	74
Cash dividends	-	-	-	(1,381)	(1,381)
Total transactions with owners	-	-	-	(2,804)	(2,804)
Balance at 31 December 2024	74	254	-	10,838	11,166
Comprehensive income					
Loss for the financial year	-	-	-	(374)	(374)
Total comprehensive loss	-	-	-	(374)	(374)
Transactions with owners					
Treasury shares reissued	-	-	-	43	43
Purchase of ordinary shares by employee share ownership trust	-	-	-	(3)	(3)
Repurchase of ordinary shares	-	-	-	(503)	(503)
Share-based payments	-	-	-	6	6
Capital contribution in respect of share-based payments	-	-	-	95	95
Cancellation of Treasury shares	(4)	-	4	-	-
Cash dividends	-	-	-	(1,403)	(1,403)
Total transactions with owners	(4)	-	4	(1,765)	(1,765)
Balance at 31 December 2025	70	254	4	8,699	9,027

Reckitt Benckiser Group plc has £7,672 million (2024: £9,912 million) of its retained earnings available for distribution. Details of Treasury shares and other equity transactions are included in Note 24 of the Group Financial Statements.

Notes to the Parent Company Financial Statements

1 Parent Company Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information and basis of accounting

Reckitt Benckiser Group plc is a company incorporated in the United Kingdom, registered in England and Wales under the Companies Act 2006, and is a public limited company. The address of the registered office is given on page 212.

The Company is the parent of the Reckitt Benckiser Group and its principal activity is to act as a holding company for the Group. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 1 to 52.

Statement of compliance

The Financial Statements have been prepared under the historical cost convention and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), and the Companies Act 2006.

The functional currency of Reckitt Benckiser Group plc is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

As permitted by s408 of the Companies Act 2006, a Statement of Comprehensive Income is not presented for Reckitt Benckiser Group plc.

Going concern

Having assessed the principal risks and other matters discussed in connection with the Group's Viability Statement as set out on page 52 of the Group Annual Report, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Company Financial Statements. When reaching this conclusion, the Directors took into account the Company's overall financial position and exposure to principal risks.

Financial Reporting Standard 102 – Reduced Disclosure Exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with.

The Company has taken advantage of the following exemptions:

- (i) from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and the Group Cash Flow Statement, included in these Financial Statements, includes the Company's cash flows; and
- (ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

The Company's results are included in the publicly available consolidated Financial Statements of Reckitt Benckiser Group plc and these Financial Statements may be obtained from 103-105 Bath Road, Slough, Berkshire SL1 3UH or at reckitt.com.

Foreign currency translation

Transactions denominated in foreign currencies are translated using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Taxation

The tax charge/credit is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax liabilities are provided for in full and deferred tax assets are recognised to the extent that they are considered recoverable.

A net deferred tax asset is considered recoverable if it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is measured on an undiscounted basis.

The Company has applied the temporary mandatory exception from accounting for deferred taxes arising from the Pillar Two model rules as set out in 'International Tax Reform – Pillar Two Model Rules (Amendments to FRS 102)' issued by the FRC in July 2023.

Notes to the Parent Company Financial Statements continued

1 Parent Company Accounting Policies continued

Fixed asset investments

Fixed asset investments are stated at the lower of cost or their recoverable amount, which is determined as the higher of net realisable value and value in use. A review of the potential impairment of an investment is carried out by the Directors if events or changes in circumstances indicate that the carrying value of the investment may not be recoverable. Such impairment reviews are performed in accordance with FRS 102 Section 27 'Impairment of assets'.

Employee share schemes

Incentives in the form of shares are provided to employees under equity-settled share option and restricted share schemes, which have various combinations of market-based and non-market performance conditions, service conditions and non-vesting conditions.

The fair value determined at the award grant date takes into account the probability of any relevant market-based performance conditions and non-vesting conditions being satisfied and is subsequently expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. This estimate takes into account the expected outcome for relevant non-market performance conditions and service conditions but assumes satisfaction of all market-based performance conditions and non-vesting conditions. At each Balance Sheet date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Comprehensive Income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Additional employer costs, including social security taxes, in respect of options and awards are charged to the Statement of Comprehensive Income over the same period with a corresponding liability recognised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the Company Financial Statements.

Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual obligations of the instrument.

(i) Financial assets

Basic financial assets are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts. Such assets are subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in comprehensive income or expense.

Financial assets are derecognised when: (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments. Debt instruments are subsequently carried at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Derivative financial Instruments

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair value.

The Company designates certain derivative financial instruments as fair value hedges against certain debtors in US\$. Gains or losses arising from changes in the foreign exchange retranslation of the hedged item and instrument are netted in profit or loss in the period in which they arise.

Notes to the Parent Company Financial Statements continued

1 Parent Company Accounting Policies continued

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that there will be an outflow of resources to settle that obligation; and the amount can be reliably estimated. Provisions are valued at the present value of the Directors' best estimate of the expenditure required to settle the obligation at the Balance Sheet date. Where it is possible that a settlement may be reached or it is not possible to make a reliable estimate of the estimated financial impact, appropriate disclosure is made but no provision recognised.

Where a company enters into a financial guarantee contract to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Company will be required to make a payment under the guarantee.

Share capital transactions

When the Company purchases equity share capital, the amount of the consideration paid, including directly attributable costs, is recognised as a charge to equity. Purchased shares are either held in Treasury in order to satisfy employee options, or cancelled and, in order to maintain capital, an equivalent amount to the nominal value of the shares cancelled is transferred from retained earnings.

Repurchase and reissuance of ordinary shares

When shares recognised as equity are repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a charge to equity. Repurchased shares are classified as Treasury shares and are presented in retained earnings. When Treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus is presented within share premium.

Cancellation of ordinary shares

The nominal value of shares cancelled is transferred from share capital to the capital redemption reserve.

Dividend distribution

Dividends to owners of the Parent Company are recognised as a liability in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Accounting estimates and judgements

In preparing these Financial Statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual amounts and results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Each year, management is required to make a number of assumptions regarding the future. The related year-end accounting estimates will, by definition, seldom equal the final actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Tax provisions

Current tax liabilities include an amount of £269 million (2024: £245 million) relating to uncertain tax positions in respect of tax deductibility of management expenses. The exposure recognised is calculated based on the expected value method and the most likely amount method. The accounting estimates and judgements considered include:

- status of the unresolved matter;
- clarity of relevant legislation and related guidance;
- advice from related party specialists and unrelated third parties;
- range of possible outcomes; and
- statute of limitations.

The recognition of uncertain tax positions is reviewed regularly for changes in circumstances and estimates are updated as potential resolutions for the tax uncertainties are encountered through specific audits or wider case law. As a result, given the size, possible range of outcomes and timing of resolution, there is a significant risk of material adjustment to the aggregate carrying amount of these liabilities within the next financial year.

Legal provisions

The Company recognises legal provisions in line with the Company's provisions policy. The level of provisioning in relation to civil and/or criminal investigations is an area where management and legal judgement is important, with individual provisions being based on best estimates of the probable loss, considering all available information, external advice and historical experience. As at 31 December 2025, the Company recognised legal provisions of £27 million (2024: £25 million) in relation to a number of historical regulatory matters. Refer to Note 7 of the Company Financial Statements for further information.

The Company's Directors are of the opinion that there are no other judgements and no further key sources of estimation uncertainty in applying the Company's accounting policies.

Notes to the Parent Company Financial Statements continued

2 Investments

	Shares in subsidiary undertakings £m
Cost	
At 1 January 2024	15,174
Additions during the year	74
At 31 December 2024	15,248
Additions during the year	95
At 31 December 2025	15,343
Provision for impairment	
At 1 January 2024	-
At 31 December 2025	-
Net book value	
At 31 December 2024	15,248
At 31 December 2025	15,343

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The subsidiary undertakings as at 31 December 2025, all of which are included in the Group Financial Statements, are shown in Note 12 of the Company Financial Statements.

With the exception of Reckitt Benckiser Limited, none of the subsidiaries are directly held by Reckitt Benckiser Group plc. All subsidiaries have a financial year ending 31 December with the exception of: Reckitt Benckiser (India) Private Limited, Reckitt Benckiser Healthcare India Private Limited, Mead Johnson Nutrition (India) Private Limited and Reckitt Piramal Private Limited which have a year ending 31 March; Reckitt Benckiser Health Kenya Limited which has a year ending 30 April; and Lloyds Pharmaceuticals which has a year ending 24 August.

Additions during the year, and in 2024, relate to the grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group.

3 Debtors Due Within One Year

	2025 £m	2024 £m
Amounts owed by Group undertakings	241	307
Other debtors	7	6
	248	313

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand (2024: same).

4 Debtors Due After More Than One Year

	2025 £m	2024 £m
Deferred tax assets	2	2
Other receivables	-	6
	2	8

Deferred tax assets consist of short-term timing differences.

5 Creditors Due Within One Year

	2025 £m	2024 £m
Amounts owed to Group undertakings	6,134	3,639
Taxation and social security	270	246
Derivative liabilities	-	1
Other creditors	34	15
	6,438	3,901

Included in the amounts owed to Group undertakings is an amount of £5,938 million (2024: £3,613 million) which is unsecured, carries interest at the official SONIA fallback rate and is repayable on demand (2024: interest at the official ISDA fallback rate and is repayable on demand). All other amounts owed to Group undertakings are unsecured, non-interest bearing and repayable on demand (2024: same).

Included within taxation and social security creditors is an amount recognised in respect of uncertain tax positions which may take several years to resolve (Note 1). Notwithstanding this, the presentation of corporation tax liabilities has been assessed to reflect that there is not an unconditional right to defer settlement of these liabilities and the carrying amount of £269 million (2024: £245 million) has been presented as a current liability.

Notes to the Parent Company Financial Statements continued

6 Financial instruments

	2025 £m	2024 £m
Financial assets measured at amortised cost		
Amounts owed by Group undertakings	241	307
Other receivables – current and non-current	7	12
	248	319
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss		
Derivative liabilities	–	(1)
Financial liabilities measured at amortised cost		
Amounts owed to Group undertakings	(6,134)	(3,639)
Share repurchase liability	(101)	(477)
	(6,235)	(4,117)

7 Provisions for Liabilities and Charges

	Legal provisions £m	Total provisions £m
At 1 January 2024	26	26
Charged to the Statement of Comprehensive Income	1	1
Utilised during the year	(1)	(1)
Released to the Statement of Comprehensive Income	(1)	(1)
At 31 December 2024	25	25
Charged to the Statement of Comprehensive Income	2	2
At 31 December 2025	27	27

Provisions have been analysed between current and non-current as follows:

	2025 £m	2024 £m
Current	27	25
Non-current	–	–
	27	25

Provisions relate to legal provisions in relation to a number of historical matters.

8 Share Capital

	Number of equity ordinary shares	Nominal value £m
Issued and fully paid		
At 31 December 2024	736,535,179	74
Cancellations	(34,445,840)	(4)
At 31 December 2025	702,089,339	70

The holders of ordinary shares (par value 10 pence) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Parent Company. Dividends proposed and paid are disclosed in Note 28 of the Group Financial Statements.

The allotment and cancellation of ordinary shares and release of Treasury shares are disclosed in Note 24 of the Group Financial Statements.

In addition, the Company announced a share buyback programme also disclosed in Note 24 of the Group Financial Statements.

9 Related Party Transactions

There were no transactions with related parties other than wholly owned companies within the Group.

Notes to the Parent Company Financial Statements continued

10 Contingent Liabilities

The Company has issued a guarantee to the trustees of the Reckitt Benckiser Pension Fund in respect of the obligations of certain UK subsidiaries that act as sponsoring employers of the Group's UK defined benefit pension scheme. The guarantee covers any amounts due to the pension fund from these subsidiaries should they fail to meet their pension obligations.

The Company has issued guarantees supporting the issuance of commercial paper under the Group's \$8,000 million USD-denominated commercial paper programme (2024: same) and the €3,000 million Euro commercial paper programme (2024: same).

The Company has also issued a guarantee on behalf of Reckitt Benckiser Treasury Services plc in respect of committed borrowing facilities totalling £4,400 million (2024: £4,450 million).

The Company has issued guarantees on behalf of wholly owned subsidiaries in respect of bonds and senior notes in issue totalling EUR 5,350 million (2024: 4,000 million), GBP 1,350 million (2024: 1,100 million) and USD 3,000 million (2024: 4,050 million).

Further details regarding the above debt issuances are provided in Note 15 of the Group Financial Statements.

During the year, the Company has issued guarantees on behalf of wholly owned subsidiaries relating to Property & Business Interruption and Public & Products Liability Insurances.

The Company has provided guarantees to certain subsidiary undertakings to exempt them from audit under Section 479A of the Companies Act 2006. The relevant subsidiaries are listed in Note 12 of the Group Financial Statements.

Other contingent liabilities are disclosed in Note 20 of the Group Financial Statements.

11 Post Balance Sheet Events

The Directors are proposing a final dividend in respect of the financial year ended 31 December 2025. See Note 28 of the Group Financial Statements for further details.

Following the announcement on 31 December 2025 confirming the completion of the divestment of the Essential Home business and following shareholder approval of the General Meeting held on 27 January 2026, the Group also returned £1.6 billion to shareholders on 20 February 2026 by way of special dividend of 235 pence per ordinary share.

With the aim of maintaining share price comparability before and after the special dividend, the Group also completed a share consolidation on 2 February 2026, as a result of which shareholders received 24 new ordinary shares with nominal value 10 5/12 pence for every 25 existing ordinary shares held. The new ordinary shares are traded on the London Stock Exchange in the same way as the previously existing ordinary shares and carry the same rights which were attached to the previously existing ordinary shares, as set out in the parent company's articles of association. After the share consolidation, the total number of ordinary shares in issue was 644,753,406.

In February 2026, the Company issued a guarantee on behalf of Reckitt Benckiser Treasury Services plc in relation to an additional committed borrowing facility totalling £350 million which expires after three years.

Subsidiary and Other Related Undertakings

Key: Registered address country different to country of registration ♦ Branch *

12 Subsidiary and Other Related Undertakings

In accordance with section 409 of the Companies Act 2006 (CA 2006) and schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, a full list of related undertakings as at 31 December 2025 is disclosed below. All undertakings are indirectly owned by Reckitt Benckiser Group plc, unless otherwise stated. All shares detailed below are 100% owned, unless specified otherwise. The percentage held by the Group reflects both the proportion of nominal capital and voting rights unless stated otherwise.

From time to time, management reviews the Group structure and seeks to remove redundant, dormant or non-trading entities. During the year ended 31 December 2025, 15 legal entities were dissolved or liquidated (2024: six legal entities). The removal of legal entities ultimately allows management to focus on the core business, reduces compliance obligations and cost, and improves transparency of the Group to external parties.

All subsidiary undertakings of Reckitt Benckiser Group plc are included in the consolidated Financial Statements of the Group.

Reckitt completed the divestment of its Essential Home business on 31 December 2025. As part of this transaction, several Reckitt subsidiaries were sold on that date and Reckitt no longer retains any ownership interest in those entities. The Company retains an indirect interest in the Essential Home business through a 30% equity stake.

Subsidiary Undertakings

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Australia			
<i>King & Wood Mallesons, 'Governor Phillip Tower' Level 61, 1 Farrer Place, Sydney NSW 2000, Australia</i>			
Mead Johnson Nutrition (Australia) Pty Ltd			Ordinary
<i>Level 47, 680 George Street, Sydney NSW 2000, Australia</i>			
Reckitt Benckiser (Australia) Pty Limited			Ordinary, Preference
Reckitt Benckiser Healthcare Australia Pty Limited			Ordinary
SSL Australia Pty Ltd			Ordinary, CRP
Austria			
<i>Guglgasse 15, 1110, Vienna, Austria</i>			
Reckitt Benckiser Austria GmbH			Ordinary
Bahrain			
<i>Building 330, Road 1506, Block 115, Bahrain International Investment Park, Hidd, Kingdom of Bahrain, Bahrain</i>			
Reckitt Benckiser Bahrain W.L.L			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Bangladesh			
<i>58-59 Nasirabad Industrial Area, Chittagong 4209, Bangladesh</i>			
Reckitt Benckiser (Bangladesh) PLC		82.96122751	Ordinary
Belarus			
<i>of. 166, 66, K Liebknekhta st., Minsk, 220036, Belarus</i>			
Reckitt Benckiser BY LLC			Charter capital
Belgium			
<i>Boulevard Industriel 13B, 1070 Bruxelles, Belgium</i>			
Reckitt Benckiser (Belgium) SA/NV			Ordinary
Bermuda			
<i>Clarendon House, Church Street, Hamilton HM11, Bermuda</i>			
Suffolk Insurance Limited			Common
Bolivarian Republic of Venezuela			
<i>Urb. Las Mercedes, Av. Orinoco cruce con Mucuchies Torre Nordic, Piso 1, Oficina 1 y 2, Municipio Baruta Caracas, Bolivarian Republic of Venezuela</i>			
Mead Johnson Nutrition Venezuela, S.C.A.			Common
<i>Avenida Mara con Calle San José, Centro Comercial Macaracuay Plaza, Nivel C3, Locales 5 y 12. Urb. Colinas de la California, Caracas, Bolivarian Republic of Venezuela</i>			
Reckitt Benckiser Venezuela S.A.			Ordinary
Brazil			
<i>Estrada Fukutaro Yida, n. 930, Bairro Cooperativa, Sao Bernardo Do Campo, Sao Paulo, 09852-060, Brazil</i>			
Apenas Boa Nutrição Indústria de Alimentos Ltda.			Ordinary
<i>Avenida Presidente Juscelino Kubitschek, 1.909, 24º andar, Parte D - Torre Norte - Condomínio Sao Pau, Sao Paulo, 04543 907, Brazil</i>			
Mead Johnson do Brasil Comércio e Importação de Produtos de Nutrição Ltda.			Ordinary
Reckitt Benckiser (Brasil) Comercial de Produtos de Higiene, Limpeza e Cosméticos Ltda.			Ordinary
Reckitt Benckiser Health Comercial Ltda			Ordinary
<i>Rodovia Raposo Tavares, 8015 km 18, 1º andar, Sala 2, Jardim Arpoador, Sao Paulo, CEP 05577-900, Brazil</i>			
Fenla Indústria, Comércio e Administração Ltda			Ordinary

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ◊ Branch *

Entity name	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser (Brasil) Ltda		Ordinary
<i>Est Dona Maria Jose Ferraz Prado, 1481, Armazém/Módulo 1, Chacaras Bartira, Embu, SP, 06845-070, Brazil</i>		
Reckitt Benckiser (Brasil) Comercial de Produtos de Higiene, Limpeza e Cosméticos Ltda. - Branch Embu	*	
<i>Av Guarapari, 200, Galpões Dos Modulos 13 e 14, Cond Log Viana, Viana, Es, 29.136-344, Brazil</i>		
Reckitt Benckiser (Brasil) Comercial de Produtos de Higiene, Limpeza e Cosméticos Ltda. - Branch Viana	*	
<i>Estrada Municipal Maria Margarida Pinto Dona Belinha, 742, Galpão 3, Bloco 1, Extrema, MG, 37642-558, Brazil</i>		
Reckitt Benckiser (Brasil) Comercial de Produtos de Higiene, Limpeza e Cosméticos Ltda. - Branch Extrema	*	
<i>Rua Vereador Germano Luiz Vieira, 500, Armazém 3, Sala 17, Bairro Itaipava, Itajaí, Santa Catarina, 88316-701, Brazil</i>		
Mead Johnson Do Brasil Comércio E Importação De Produtos De Nutrição Ltda.	*	
<i>Rod Dom Gabriel Paulino Bueno Couto, 1606, Brazil</i>		
Reckitt Benckiser (Brasil) Ltda - Branch Itupeva	*	
<i>Avenida Caio Cotrim, 1100, Sala 11A, Mezanino, Bairro Itaquí, Itapevi, SP, 06696060, Brazil</i>		
Reckitt Benckiser Health Comercial Ltda.	*	
Bulgaria		
<i>22 Zlaten rog Street, Floor 3, Office 4, District of Lozenets, City of Sofia, Bulgaria</i>		
Reckitt Benckiser Romania, representative office	*	
Canada		
<i>1680 Tech Avenue, Unit 2, Mississauga ON L4W 5S9, Canada</i>		
Reckitt Benckiser (Canada) Inc.		New (2018) common
<i>Suite 600, 1741 Lower Water Street, Halifax NS B3J 0J2, Canada</i>		
Mead Johnson Nutrition (Canada) Co.		Common
<i>Suite 2300, 550 Burard Street, Vancouver BC V6C 2B5, Canada</i>		
RB Health (Canada) Inc.		Common

Entity name	Overall % owned by Group, if not 100%	Share class name(s)
Cayman Islands		
<i>PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands</i>		
Reckitt Benckiser (Cayman Islands) Limited		Ordinary
Chile		
<i>Avenida Presidente Kennedy Lateral 5454, Oficina 1602, Vitacura, Región Metropolitana, Chile</i>		
Reckitt Benckiser Chile S.A.		Ordinary
China		
<i>Ketian Aquatic Science and Technology Industrial Park, No. 3949 Kunlunshan Avenue, Lanzhou New Area, Lanzhou City, Gansu Province, China</i>		
Lanzhou Keshi Xixili Healthcare Technologies Co. Ltd	80	Ordinary
<i>No.1-13 Shangma, Aodong Road, High-tech Industrial Development Zone, Qingdao City, Shandong Province, China</i>		
Qingdao London Durex Co., Limited		Ordinary
Qingdao New Bridge Corporate Management Consulting Company Limited		Ordinary
<i>Room 1701, No. 1033, Zhao Jia Bang Road, Xuhui District, Shanghai, China</i>		
RB & Manon Business Co. Limited	90	Capital contribution
<i>Card 13, Building A3, Innovation and Entrepreneurship Center, No. 2 Shuguang Road, Xihu Street, Jingzhou Economic and Technological Development Zone, Hubei, China</i>		
RB & Manon Business Co. Limited Jingzhou Branch	*	
<i>B01, Suite 401, Unit 2, No. 9 Dongdaqiao Road, Chaoyang District, Beijing, China</i>		
RB (China) Holding Co. Limited		Capital contribution
<i>Room 101, 102, 103, 2F, 4F and 5F, Building No.43, No. 1015 Tianlin Road, Minhang District, Shanghai, China</i>		
RB (Shanghai) Technology Co., Ltd		Ordinary
<i>No. 99, Changjiang Da Road, Fuqiao Town, Taicang City, China</i>		
RB (Suzhou) Co. Ltd		Capital contribution
<i>No. 3, Canglian 1 Road, ETDZ, Guangzhou, China</i>		
Reckitt & Colman (Guangzhou) Limited		Ordinary
<i>C6-8 Site 6F, No.333 Futexi Road, Waigaoqiao Free Trade Zone, Shanghai City, China</i>		
Reckitt Benckiser Home Chemical Products Trading (Shanghai) Co. Limited		Ordinary

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ♦ Branch *

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
<i>Room 1605, No.660 Shangcheng Road, Pudong District, Shanghai City, China</i>		
SSL Healthcare (Shanghai) Limited		Ordinary
<i>Room 2109, Floor 2, No.10 Chaoyangmenwai Street, Chaoyang District, Beijing City, China</i>		
Tai He Tai Lai Culture Communication Co Limited		Ordinary
<i>Unit 4205-4210, 42F, Gateway Building Hongqiao Road 3#, Xuhui District, Shanghai, China</i>		
RB (China) Holding Co. Ltd Shanghai Branch	*	
Colombia		
<i>Cr 12 A # 78 - 40 Fifth Floor, Bogota, Colombia</i>		
RB (Health) Colombia S.A.S.		Ordinary
Mead Johnson Nutrition Colombia Ltda.		Ordinary
<i>Carrera 6 #45-105, Cali, Colombia</i>		
Reckitt Benckiser Colombia S.A		Ordinary
Costa Rica		
<i>San Jose-Escazu En Escazu Corporate Center, Setimo Piso, Costado Sur De Multiplaza Escazu, Costa Rica</i>		
RBHCR Health Reckitt Costa Rica Sociedad Anónima		Common
Reckitt Benckiser (Centroamérica) S.A.		Ordinary
Croatia		
<i>Ulica Grada Vukovara 269d, 10 000 Zagreb, Hrvatska, Croatia</i>		
Reckitt Benckiser d.o.o.		Ordinary
Cyprus		
<i>1 Lampousas Street, P.C. 1095, Nicosia, Cyprus</i>		
Gainbridge Investments (Cyprus) Limited		Ordinary
Czech Republic		
<i>Vinohradská 2828/151, 130 00 Praha 3-Žižkov, Czech Republic</i>		
RB (Hygiene Home) Czech Republic, spol. s.r.o.		Ordinary
Reckitt Benckiser (Czech Republic) spol. s.r.o.		Partnership interests
Denmark		
<i>Vandtårnsvej 83 A, 2860, Søborg, Denmark</i>		
RB Health Nordic A/S		Ordinary
RB Health Nordic, NUF	*	
RB Hygiene Home Nordic A/S		Ordinary
RB Hygiene Home Nordic NUF	*	

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
Dominican Republic		
<i>Av. Winston Churchill No. 1099 Torre Acrópolis, Piso 12, Santo Domingo, República Dominicana</i>		
Mead Johnson Nutrition (Dominicana), S.A.	*	
Ecuador		
<i>Av Coruña N27-88 y Orellana, Edificio Coruña Plaza 7mo Piso, Quito, 170150, Ecuador</i>		
RB Health Ecuador Cía. Ltda		Ordinary
<i>Oficina 4C, Av. 12 de Octubre, #26-48 y Orellana, Edificio Mirage, Piso 4, Quito, 170525, Ecuador</i>		
Reckitt Benckiser Ecuador S.A.		Ordinary
Egypt		
<i>Polyom Building, 22 Off Road 90, Fifth District, Fifth Settlement, New Cairo, Cairo, Egypt</i>		
Reckitt Benckiser Egypt Limited		Ordinary
Estonia		
<i>Harju maakond, Rae vald, Rae küla, Raeküla tee 5, 75310, Estonia</i>		
Reckitt Benckiser (Latvia) SIA Eesti filiaal	*	
Finland		
<i>Itsehallintokuja 6, 02600 Espoo, Finland</i>		
RB Health Nordic A/S sivuliike Suomessa	*	
RB Hygiene Home Nordic A/S, sivuliike Suomessa	*	
France		
<i>38 rue Victor Basch- 91300 Massy, France</i>		
RB Holding Europe Du Sud SAS		Ordinary
Reckitt Benckiser France SAS		Ordinary
Reckitt Benckiser Healthcare France SAS		Ordinary
<i>102 rue de Sours, 28000, Chartres, France</i>		
Reckitt Benckiser Chartres SAS		Ordinary
Germany		
<i>Heinestrasse 9, 69469, Weinheim, Germany</i>		
Kukident GmbH		Common
<i>Robert-Koch-Straße 1, 69115, Heidelberg, Germany</i>		
Propack Produkte für Haushalt und Körperpflege GmbH		Ordinary
Reckitt Benckiser Global R&D GmbH		Common

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ♦ Branch *

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
<i>Darwinstrasse 2-4, 69115, Heidelberg, Germany</i>		
RB Hygiene Home Deutschland GmbH		Capital contribution
Reckitt & Colman Sagrotan Verwaltungsgesellschaft GmbH	98.62068966	Common
Reckitt Benckiser Detergents GmbH		Ordinary
Reckitt Benckiser Deutschland GmbH		Common
Reckitt Benckiser Holding GmbH & Co KG		Capital contribution
Greece		
<i>7 Taki Kavalieratou Street, Kifissia, 145 64, Greece</i>		
Reckitt Benckiser Hellas Healthcare S.A.		Ordinary
Guernsey		
<i>1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, GY1 1EW, Guernsey</i>		
Reckitt Benckiser Holdings (Channel Islands) Limited		Ordinary, Bonus
Hong Kong		
<i>Rooms 2206-11, 22 Floor, Chubb Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong</i>		
London International Trading (Asia) Limited		Ordinary
Reckitt Benckiser Hong Kong Limited		Ordinary
<i>Unit 2001, 20/F, Greenfield Tower Concordia Plaza, No. 1 Science Museum Road, Kowloon, Hong Kong</i>		
RB & Manon Business Limited	90	Ordinary
RB & Manon Hygiene Home Limited	80	Ordinary
Hungary		
<i>Bocskai út 134-146, Budapest, H-1113, Hungary</i>		
RB (Hygiene Home) Hungary Kft		Ordinary
Reckitt Benckiser Kereskedelmi Kft		Partnership interest
India		
<i>Unit No. 54, 5th Floor, Kalpataru Square, Andheri-Kurla Road, Andheri (East), Mumbai, Maharashtra, 400059, India</i>		
Mead Johnson Nutrition (India) Private Limited		Ordinary
Reckitt Piramal Private Limited	99.9999	Ordinary

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
<i>DLF Cyber Park, 6th & 7th Floor (Tower C), 405 B, Udyog Vihar Phase III, Sector 20, Gurugram, Haryana, 122016, India</i>		
Reckitt Benckiser (India) Private Limited		Ordinary
Reckitt Benckiser Healthcare India Private Limited	99.999934	Ordinary
Indonesia		
<i>Treasury Tower 58th Floor, District 8, SCBD, Jalan Jendral Sudirman Kav 52-53, Jakarta, 12190, Indonesia</i>		
PT Mead Johnson Indonesia		Ordinary
PT Reckitt Benckiser Indonesia		Ordinary
<i>Jl. Raya Narogong, Chamber A.I, Kel. Pasirangin, Kec Cileungsi, Kab. Bogor. Provinsi. Jawa Barat, 16820, Indonesia</i>		
PT Reckitt Benckiser Trading Indonesia		Ordinary
Islamic Republic of Iran		
<i>1st Floor, unit 11, No.88 Baran Building, Sayed Road, Opposite Mellat Park, Vali-e-Asr Avenue, Tehran, Islamic Republic of Iran</i>		
Reckitt Benckiser Pars PJSC		Ordinary
Ireland		
<i>c/o TMF Group, Ground Floor, Two Dockland Central, Guild Street, North Dock, Dublin, D01 K2C5, Ireland</i>		
Dorincourt Holdings (Ireland) Limited		Ordinary, Ordinary-A
Reckitt Benckiser Ireland Limited		Ordinary
Reckitt Benckiser Management Services Unlimited Company		Ordinary-A, B, C, D, E, F, G, H, I, J, K
Israel		
<i>6A Hangar Street, PO Box 6440, I.Z., Neve Nee'man B, Hod Hasharon, 457703, Israel</i>		
Reckitt Benckiser (Near East) Limited		Ordinary
Italy		
<i>Via Spadolini 7, 20141, Milano, Italy</i>		
Reckitt Benckiser Healthcare (Italia) S.p.A.		Ordinary
Reckitt Benckiser Holdings (Italia) S.r.l.		Quotas
Reckitt Benckiser Italia SpA		Ordinary

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ♦ Branch *

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
Japan		
<i>Sumitomo Fudosan Takanawa Park Tower 14F, 3-20-14 Higashi-Gotanda, Shinagawa-ku, Tokyo, 141-0022, Japan</i>		
Reckitt Benckiser Japan Ltd		Ordinary
<i>3-20-14 Higashi-Gotanda, Shinagawa-ku, Tokyo, 141-0022, Japan</i>		
Reckitt Benckiser Asia Pacific Limited	*	
Jersey		
<i>IFC 5, St. Helier, JE1 1ST, Jersey</i>		
Reckitt & Colman (Jersey) Limited		Ordinary
Reckitt & Colman Capital Finance Limited		Ordinary-A, Ordinary-B
Reckitt Benckiser Jersey (No.3) Limited		Ordinary
Reckitt Benckiser Jersey (No.5) Limited		Ordinary
Reckitt Benckiser Jersey (No.7) Limited		Ordinary-A, Redeemable preference-class A, D
<i>44 Esplanade, St Helier, JE4 9WG, Jersey</i>		
SSL Capital Limited		Ordinary
Kazakhstan		
<i>Bld. 15/A, Koktem-1, Almaty, 050040, Kazakhstan</i>		
Reckitt Benckiser Health Kazakhstan LLP		Charter capital
<i>Office 302, Building 15a, Koktem-1, Micro District, Almaty City, Kazakhstan</i>		
Reckitt Benckiser Kazakhstan LLP		Ordinary
Kenya		
<i>Plot 209/2462, Likoni Road, Nairobi, Kenya</i>		
Reckitt Benckiser East Africa Limited	99.98990909	Ordinary
<i>14 Riverside Drive, Arlington Building, 3rd Floor, Nairobi, 209/19, Kenya</i>		
Reckitt Benckiser Health Kenya Limited		Ordinary
Reckitt Benckiser Services (Kenya) Limited		Ordinary
Latvia		
<i>Strēlnieku iela 1A - 2, Rīga, LV-1010, Latvia</i>		
Reckitt Benckiser (Latvia) SIA		Ordinary

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
Lithuania		
<i>Vilniaus m. sav. Vilniaus m. Olimpiečių g. 1A, Lithuania</i>		
Reckitt Benckiser (Latvia) SIA LT filialas	*	
Luxembourg		
<i>1 Rue de la Poudrerie, Leudelange, L-3364, Luxembourg</i>		
Canterbury Square Holdings S.à.r.l		Ordinary-A
RB Holdings (Luxembourg) S.à.r.l		Ordinary-A
RB Holdings Luxembourg (2018) S.à.r.l		Ordinary
Reckitt Benckiser Investments (No. 1) S.à.r.l		Ordinary
Reckitt Benckiser Investments (No. 2) S.à.r.l		Ordinary
Reckitt Benckiser Investments (No. 4) S.à.r.l		Ordinary
Reckitt Benckiser Investments (No. 5) S.à.r.l		Ordinary
Reckitt Benckiser Investments (No. 7) S.à.r.l		Ordinary
Reckitt Benckiser Investments (No. 8) S.à.r.l		Ordinary
Reckitt Benckiser S.à.r.l.		Ordinary-A
Reigate Square Holdings S.à.r.l.		Ordinary
Reckitt Benckiser N.V.	*	
Reckitt Benckiser Holdings (USA) Limited	*	
Malaysia		
<i>Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights 50490, Wilayah Persekutuan, Kuala Lumpur, Malaysia</i>		
Mead Johnson Nutrition (Malaysia) Sdn Bhd		Ordinary
RB (Health) Malaysia Sdn Bhd		Ordinary
Reckitt Benckiser (Malaysia) Sdn Bhd		Ordinary
Mexico		
<i>Av. Ejercito Nacional, 769, Piso 6, Col. Granada, Del. Miguel Hidalgo, Mexico City, 11570, Mexico</i>		
Mead Johnson Nutricionales de México, S. de R.L. de C.V.		Ordinary-fixed/ variable
RB Health Services, S.A. de C.V.		Ordinary-fixed/ variable
Reckitt Benckiser Mexico, S.A. de C.V.		Ordinary-fixed/ variable
Servicios Nutricionales Mead Johnson S.de R.L. de C.V.		Ordinary-fixed/ variable

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ◊ Branch *

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<i>Av de las Granjas 972, Col. Santa Barbara, Azcapotzalco, CDMX, 02230, Mexico</i>			
Manufactura MJN, S. de R.L. de C.V.			Ordinary-fixed/variable
<i>Calzada de Tlalpan No. 2996, Col. Ex Hacienda Coapa, Del. Coyoacán, Cd. de México, C.P. 04980, Mexico</i>			
RB Salute Mexico S.A. de C.V.			Ordinary-fixed/variable
<i>Circuito Dr Gustavo Baz, 7, No. 7, Fracc Industrial El Pedregal, Atizapan de Zaragoza, Edomex, Mexico</i>			
Reckitt Benckiser Services S.A. de C.V.			Ordinary-fixed/variable
<i>Av. Ejército Nacional No.769, Corporativo Miyana Torre B, Piso 6, Alcaldía Miguel Hidalgo, Colonia Granada, CP 11520, Mexico</i>			
RB Health México, S.A. de C.V.			Ordinary-fixed/variable
Morocco			
<i>59 Boulevard Zerkouni, Residence Les Fleurs 6eme étage, Casablanca, Morocco</i>			
Reckitt Benckiser Morocco SARL/AU			Ordinary
Netherlands			
<i>Siriusdreef 14, 2132 WT, Hoofddorp, Netherlands</i>			
MJN Innovation Services B.V.			Ordinary
RB NL Brands B.V.			Ordinary
Reckitt Benckiser Brands Investments B.V.			Ordinary
Reckitt Benckiser Finish B.V.			Ordinary
Reckitt Benckiser Healthcare B.V.			Ordinary
Reckitt Benckiser Laundry Detergents (No. 2) B.V.			Ordinary
Reckitt Benckiser N.V.			Ordinary
Reckitt Benckiser Tiret B.V.			Ordinary
Reckitt Benckiser Vanish B.V.			Ordinary
<i>Schiphol Boulevard 267 1118BH Schiphol, Netherlands</i>			
Beleggingsmaatschappij Lemore B.V.			Ordinary
Central Square Holding B.V.			Ordinary
Grosvenor Square Holding B.V.			Ordinary
Hamol NL B.V.			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Maddison Square Holding B.V.			Ordinary
MJN Global Holdings B.V.			Ordinary
MJN Holdings (Netherlands) B.V.			Ordinary
New Bridge Holdings B.V.			Ordinary
RB LATAM Holding B.V.			Ordinary
Reckitt Benckiser (ENA) B.V.			Ordinary
Reckitt Benckiser (South America) Holding B.V.			Ordinary
Reckitt Benckiser (Spain) B.V.			Ordinary
Reckitt Benckiser Treasury Services (Nederland) B.V.			Ordinary
New Zealand			
<i>Level 2 AIA House, Smales Farm 74 Taharoto Road, Takapuna, Auckland, 0622, New Zealand</i>			
Reckitt Benckiser (New Zealand) Limited			Ordinary
SSL New Zealand Limited			Ordinary
Nigeria			
<i>11th Floor Heritage Place, 21 Lugard Avenue Ikoyi, Lagos State, Nigeria</i>			
Reckitt Benckiser Nigeria Limited			Ordinary
Pakistan			
<i>Tenancy 04 & 05, 3rd Floor, Corporate Office Block, Dolmen City, HC, Block 4, Scheme 5, Clifton, Karachi, 75600, Pakistan</i>			
Reckitt Benckiser Pakistan Limited		98.68464476	Ordinary
Panama			
<i>Apartment 6G, 6th Floor, Edificio Bladex, Calle Avenida La Rotonda. Business Park, Corregimiento de Juan Diaz, Urbanización Costa Del Este, Provincia De Panamá, Distrito de Panama, Panama</i>			
Mead Johnson Nutrition (Panama), S.de R.L.			Ordinary
Peru			
<i>Calle Dean Valdivia No. 148, Torre 1, Ofic. 501, Urb. Jardín, San Isidro, Lima, Peru</i>			
RB Health Peru S.R.L			Ordinary
<i>Calle Dean Valdivia Nro. 148 Int., 502 Urb. Jardín, (Edificio Platinum Plaza Torre I) San Isidro, Lima, Peru</i>			
Reckitt Benckiser Peru S.A.			Ordinary

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ◊ Branch *

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Philippines			
<i>2309 Don Chino Roces Avenue Extension, Makati City, PH 1321, Philippines</i>			
2309 Realty Corporation		37.998	Ordinary-A, Ordinary-B
Mead Johnson Nutrition (Philippines), Inc.		99.99964222	Ordinary
Sphinx Holdings Company, Inc.		32.8125	Common, Preference
<i>3rd Floor Mead Johnson Nutrition Philippines Inc., 2309 Don Chino Roces Extension, Makati City, 1231, Philippines</i>			
Reckitt Benckiser Healthcare (Philippines), Inc.		99.9978	Common, Preference
Poland			
<i>Wołoska 22, 02-675, Warsaw, Poland</i>			
Mead Johnson Nutrition Trading Poland Sp z.o.o.			Partnership interests
Reckitt Business Services sp. z.o.o.			Partnership interests
<i>Nowy Dwór Mazowiecki, Ul. Okunin 1, 05-100, Poland</i>			
RB (Hygiene Home) Poland Sp. z.o.o.			Ordinary
Reckitt Benckiser (Poland) S.A.			Ordinary
Reckitt Benckiser Production (Poland) SP Z.o.o.			Ordinary
Portugal			
<i>Rua D. Cristóvão da Gama, n.º 1, 1º, C/D, 1400-116, Lisboa, Portugal</i>			
Reckitt Benckiser Healthcare, Unipessoal Lda			Quotas
Puerto Rico			
<i>Los Frailes Industrial Park, Ave. Esmeralda, Calle C # 475, Guaynabo, 00969, Puerto Rico</i>			
Mead Johnson Nutrition (Puerto Rico) Inc.		*	
Republic of Korea			
<i>24th Floor, Two IFC, 10 Gukjegeumyung-ro, Youngdeungpo-gu, Seoul, 07326, Republic of Korea</i>			
Oxy Reckitt Benckiser LLC			Capital contribution
Romania			
<i>Iancu de Hunedoara Boulevard, Nr. 48, 12th Floor, Crystal Tower Building, 1st District, Bucharest, 011745, Romania</i>			
RB (Hygiene Home) Romania S.R.L			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
<i>Iancu de Hunedoara Boulevard, Nr. 48, 11th Floor, Crystal Tower Building, 1st District, Bucharest, 011745, Romania</i>			
Reckitt Benckiser (Romania) S.R.L			Partnership interests
Russian Federation			
<i>3rd Floor, 4 Shluzovaya emb., Zamoskvorechye Municipal district, Moscow, 115114, Russian Federation</i>			
Reckitt Benckiser Healthcare LLC			Charter capital
Reckitt Benckiser IP LLC			Charter capital
Reckitt Benckiser LLC			Charter capital
<i>Klin City, Tereshkovoy Street, 1, 14160052 /1, Moscow Region, Russian Federation</i>			
Branch of Reckitt Benckiser LLC in city Klin, Moscow Region, Russia		*	
Saudi Arabia			
<i>Office number 51, Fifth floor, Mukmal Plaza Center, Al Hamra District Palestine Street, Jeddah City, Saudi Arabia</i>			
Reckitt Sanabil for Trading Co LLC		51.00000036	Ordinary
Singapore			
<i>12 Marina Boulevard, #19-01 Marina Bay Financial Centre, 018982, Singapore</i>			
Mead Johnson Nutrition (Asia Pacific) Pte. Ltd.			Ordinary
Mead Johnson Nutrition (Singapore) Pte. Ltd.			Ordinary
Mead Johnson Nutrition Holdings (Singapore) Pte. Ltd.			Ordinary
Reckitt Benckiser (Singapore) Pte. Ltd			Ordinary
<i>138 Cecil Street, #13-02 Cecil Court, 069538, Singapore</i>			
RB & Manon Business Limited Singapore Branch		*	
Slovakia			
<i>Drieňová 3, 821 08 Bratislava, Slovakia</i>			
RB (Hygiene Home) Slovakia spol. s.r.o.			Ordinary
Reckitt Benckiser (Slovak Republic), spol s.r.o.			Partnership interests
South Africa			
<i>Ground Floor, North Wing, Allandale Building, 39 Magwa Crescent, Waterfall City, Midrand, Gauteng, 2090, South Africa</i>			
Reckitt Benckiser Pharmaceuticals (Proprietary) Limited			Ordinary

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ♦ Branch *

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
Reckitt Benckiser South Africa Health Holdings (Pty) Limited		Ordinary
Spain		
<i>Carrer de Mataró, 28, 08403, Granollers, Barcelona, Spain</i>		
Norwich Square Holdings S.L.U.		Ordinary
RB Square Holdings (Spain) S.L.		Ordinary-A, Ordinary-B
<i>Passeig de Gracia 9, 08007, Barcelona, Spain</i>		
Reckitt Benckiser Healthcare S.A.U.		Class A, Class B
Sri Lanka		
<i>No.25, Shrubbery Garden, COLOMBO-04, Sri Lanka</i>		
Reckitt Benckiser (Lanka) Limited	99.99905658	Ordinary
Sweden		
<i>c/o Convendum Stockholm City AB, Västra Järnväggsgatan 3, 11164 Stockholm, Sweden PO Box 815 - 101 36 Stockholm, Sweden</i>		
RB Health Nordic A/S, filial	*	
RB Hygiene Home Nordic A/S, filial	*	
SSL Healthcare Sverige AB		Ordinary
Switzerland		
<i>Richtistrasse 5, 8304 Wallisellen, Switzerland</i>		
Reckitt Benckiser (Switzerland) AG		Ordinary
Reckitt Benckiser AG		Ordinary
Taiwan		
<i>8 of 6F, No. 205, Section 1, Dunhua South Road, Da'an District, Taipei, Taiwan (Province of China)</i>		
RB & Manon Business Limited Taiwan Branch	*	
<i>Room A, 4 F, No 2, Sec. 3, Minsheng E. Road, Zhongshan District, Taipei, 10491, Taiwan</i>		
Reckitt Benckiser Hong Kong Limited Taiwan Branch	*	
Thailand		
<i>No. 388 Exchange Tower, 14th Floor, Sukhumvit Road, Klongtoey, Bangkok, TH 10110, Thailand</i>		
Mead Johnson Nutrition (Thailand) Ltd		Common
Reckitt Benckiser (Thailand) Limited	99.99	Ordinary
Reckitt Benckiser Holding (Thailand) Limited	45	Common, Preference

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
<i>65 Moo 12 Lardkrabang-Bangplee Road, Bangplee Yai District, Bangplee, Samutprakarn, 10540, Thailand</i>		
Reckitt Benckiser Healthcare Manufacturing (Thailand) Limited		Ordinary
<i>100 Moo 5, Bangsamak Sub-District, Bangpakong District, Chachoengsao Province 24180, Thailand</i>		
SSL Manufacturing (Thailand) Limited		Ordinary-A, Ordinary-B
Turkey		
<i>Orta Mahallesi Demokrasi Cad. Benckiser Sit. No: 92, Tuzla, Istanbul, Turkey</i>		
Reckitt Benckiser Ev ve Hijyen Ürünleri A.Ş.		Capital contribution
<i>Esentepe Mah. Büyükdere Cad. Tekfen Blok No: 209 İç Kapi No: 2 Şişli, Istanbul, Turkey</i>		
Reckitt Benckiser Temizlik Malzemesi Sanayi ve Ticaret A.S.		Capital contribution
Reckitt Benckiser Ev ve Hijyen Ürünleri Anonim Şirketi Levent Şubesi	*	
Ukraine		
<i>28A Stepana Bandery, Bld.G, Office 80, Kiev, 04073, Ukraine</i>		
Reckitt Benckiser Household and Health Care Ukraine LLC		Charter capital
Reckitt Benckiser Hygiene Home Ukraine LLC		Charter capital
United Arab Emirates		
<i>Level 27, Tower B, JAFZA One, Jebel Ali Free Zone, Dubai, PO Box 16834, United Arab Emirates</i>		
RB Hygiene Home Arabia FZE		Ordinary
Reckitt Benckiser Arabia FZE		Ordinary
<i>Unit 05, Level 3, Gate Village Building 04, Dubai Investment Financial Centre, PO BOX 677, United Arab Emirates</i>		
RB Investment Company Limited	0.5	Ordinary-A, Ordinary-B
<i>Al Seer Corporate Office, Behind Al Tayer Motors, Sheikh Zayed Road, Al Quoz Industrial Area 3, Dubai, 31587, United Arab Emirates</i>		
Reckitt Benckiser Arabia Trading LLC	48.68715084	Ordinary
<i>309, Floor 3, Dubai Science Park Laboratory Complex, Dubai, United Arab Emirates</i>		
Reckitt Benckiser Arabia	*	
<i>Office 1801, 1803, 1804, Emaar Real Estate Burj Khalifa, Dubai, United Arab Emirates</i>		
Reckitt Benckiser (RUMEA) Limited-Dubai Branch	*	

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ♦ Branch *

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
United Kingdom		
<i>103-105 Bath Road, Slough, Berkshire, SL1 3UH, United Kingdom</i>		
103-105 Bath Road Limited		Ordinary
Access VC Limited		Ordinary
Crookes Healthcare Limited		Ordinary, Bonus
Cupal, Limited		Ordinary, Bonus
Dakin Brothers Limited		Ordinary, Bonus
Durex Limited		Ordinary
eRB Trading Limited		Ordinary
Glasgow Square Limited		Ordinary, Bonus
Green, Young & Company Limited		Ordinary, Bonus
Hamol Limited		Ordinary, Bonus
Howard Lloyd & Company Limited		Ordinary
LI Pensions Trust Limited		Ordinary
Linden Germany A Limited		Ordinary
Linden Germany B Limited		Ordinary
Lloyds Pharmaceuticals		Euro ordinary shares, Bonus, Ordinary
London International Group Limited		Ordinary, 'B'
LRC Products Limited		Ordinary
LRC Secretarial Services Limited		Ordinary
MJ UK Holdings Limited		Ordinary
MJN International Holdings (UK), Ltd.		Ordinary
Nurofen Limited		Ordinary
Optrex Limited		Ordinary
Pharmalab Limited		Ordinary, Bonus
R&C Nominees Limited		Ordinary
R&C Nominees One Limited		Ordinary
R&C Nominees Two Limited		Ordinary
RB (China Trading) Limited		Ordinary, Class A
RB Asia Holding Limited		Ordinary
RB Holdings (Nottingham) Limited		Ordinary, Bonus

Entity name	Overall % owned by Key Group, if not 100%	Share class name(s)
RB Luxembourg (2016) Limited		Ordinary
RB Luxembourg Holdings (TFFC) Limited		Ordinary
RB Mexico Investments Limited		Ordinary
RB Reigate (2019) Ltd.		Ordinary
RB Reigate (UK) Limited		Ordinary, Bonus
RB UK Commercial Limited		Ordinary
RB USA (2019) Ltd.		Ordinary
Reckitt & Colman (Overseas) Health Limited		Ordinary, Bonus
Reckitt & Colman (UK) Limited		Ordinary, Irredeemable cumulative preference shares
Reckitt & Colman Holdings Limited		Ordinary, Bonus
Reckitt & Colman Pension Trustee Limited		Ordinary
Reckitt & Sons Limited		Ordinary
Reckitt Benckiser (Brands) Limited		Ordinary
Reckitt Benckiser (Grosvenor) Holdings Limited		Ordinary, Bonus
Reckitt Benckiser (Health) Holdings Limited		Ordinary
Reckitt Benckiser (Hygiene Home) Holdings Limited		Ordinary
Reckitt Benckiser (RUMEA) Limited		Ordinary
Reckitt Benckiser (USA) Limited		Ordinary
Reckitt Benckiser Asia Pacific Limited		Ordinary
Reckitt Benckiser Corporate Services Limited		Ordinary
Reckitt Benckiser Expatriate Services Limited		Ordinary
Reckitt Benckiser Finance (2005) Limited		Ordinary, Bonus
Reckitt Benckiser Finance (2007)		Ordinary
Reckitt Benckiser Finance (2010) Limited		Ordinary, Bonus
Reckitt Benckiser Finance Company Limited		Ordinary
Reckitt Benckiser Group plc		Ordinary
Reckitt Benckiser Health Limited		Ordinary
Reckitt Benckiser Healthcare (Central & Eastern Europe) Limited		Ordinary
Reckitt Benckiser Healthcare (CIS) Limited		Ordinary

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ◊ Branch *

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Reckitt Benckiser Healthcare (UK) Limited			Ordinary
Reckitt Benckiser Healthcare International Limited			Ordinary
Reckitt Benckiser Holdings (Luxembourg) Limited			Ordinary, Bonus
Reckitt Benckiser Holdings (Overseas) Limited			Ordinary
Reckitt Benckiser Holdings (TFFC) Limited			Ordinary, Bonus
Reckitt Benckiser Holdings (USA) Limited			Ordinary
Reckitt Benckiser Investments Limited			Ordinary, Bonus
Reckitt Benckiser Limited			Ordinary
Reckitt Benckiser Luxembourg (2010) Limited			Ordinary
Reckitt Benckiser Luxembourg (No.2) Limited			Ordinary
Reckitt Benckiser Luxembourg (No.3) Limited			Bonus
Reckitt Benckiser Luxembourg (No.4) Limited			Bonus
Reckitt Benckiser Service Bureau Limited			Ordinary
Reckitt Benckiser Treasury (2007) Limited			Ordinary-B
Reckitt Benckiser Treasury Services plc			Ordinary
Reckitt Benckiser Treasury Services (Nederland) B.V.	*		
Reckitt Benckiser USA Finance (No.1) Limited			Ordinary
Reckitt Benckiser USA Finance (No.2) Limited			Ordinary
Reckitt Benckiser USA Finance (No.3) Limited			Ordinary
Reckitt Colman Chiswick (OTC) Limited			Bonus
Reckitt Seton Limited			Ordinary, Convertible, Cumulative preference
Reckitt Sonet (UK) Limited			Ordinary
Reckitt UK Holdings Limited			Ordinary-A, Non-qualified preferred
Sonet Consumer Products Limited			Ordinary
Sonet Dormant Company No.1 Limited			Ordinary, Deferred
Sonet Investments Limited			Ordinary, Bonus
Sonet Overseas Investments Limited			Ordinary, Bonus
Sonet Prebbles Limited			Ordinary
Sonet Products Limited			Ordinary
SSL (RB) Products Limited			Ordinary

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
SSL International plc			Ordinary
SSL Products Limited			Bonus
Tubifoam Limited			Ordinary, Bonus
W.Woodward, Limited			Ordinary
Reckitt Benckiser Holdings (Channel Islands) Limited	*		
Reckitt Benckiser Jersey (No.3) Limited	*		
Reckitt Benckiser Jersey (No.5) Limited	*		
Reckitt Benckiser USA (2010) LLC	*		
Reckitt Benckiser USA (2013) LLC	*		
<i>Founders Factory (Level 7) Arundel Street Building, 180 Strand, 2 Arundel Street, London, England, WC2R 3DA, United Kingdom</i>			
FF Homecare & Hygiene Limited		75	Ordinary
United States			
<i>399 Interpace Parkway, Parsippany, New Jersey, NJ 07054-1115, USA</i>			
Biofreeze IP Holdings, LLC			Common
Blisa, L.L.C.			Ordinary
Exponential Health LLC			Ordinary
Lanai Holdings 1.5, Inc.			Common
Mead Johnson Nutrition (Dominicana) S.A.			Ordinary
Mead Johnson Nutrition (Puerto Rico) Inc.			Ordinary
Mead Johnson Nutrition (Venezuela) LLC			Ordinary
Mead Johnson Nutrition Nominees LLC			Membership interest
MJ USA Holdings LLC			Ordinary
MJN Asia Pacific Holdings LLC			Ordinary
MJN U.S. Holdings LLC			Ordinary
RB Health (US) LLC			Ordinary
RB Health Manufacturing (US) LLC			Ordinary
Reckitt Health Pain (US) LLC			Ordinary
TheraPearl LLC			Ordinary
<i>Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County DE 19808, United States</i>			
LRC North America Inc.			Common, Preference

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ◊ Branch *

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Mead Johnson Nutrition Venezuela SCA	*		
RB Manufacturing LLC			Ordinary
RB USA Holdings LLC			Ordinary
Reckitt Benckiser LLC			Ordinary
Reckitt Benckiser USA (2010) LLC			Ordinary
Reckitt Benckiser USA (2012) LLC			Membership shares
Reckitt Benckiser USA (2013) LLC			Ordinary
Reckitt US Holdings LLC			Membership shares
SSL Holdings (USA) Inc.			Ordinary
<i>2400 W. Lloyd Expressway, Evansville IN 47721, United States</i>			
Mead Johnson & Company, LLC			Membership
Mead Johnson Nutrition Company			Ordinary
<i>225 North Canal Street, Floor 25, Chicago IL 60606, United States</i>			
Mead Johnson One C.V.			Membership interest
Mead Johnson Two C.V.			Membership interest
<i>Princeton South Corporate Center, Suite 160, 100 Charles Ewing Boulevard, Ewing, NJ 08628, United States</i>			
Reckitt Urban Renewal LLC			Membership
Vietnam			
<i>Unit 401, 4th Floor, Metropolitan Building, No. 235 Dong Khoi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam</i>			
Mead Johnson Nutrition (Vietnam) Company Limited			Capital contribution
<i>Suite 402, 4th Floor, No. 235 Dong Khoi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam</i>			
The Representative Office of Reckitt Benckiser (Thailand) Ltd in Ho Chi Minh City	*		

Other Related Undertakings

Entity name	Key	Overall % owned by Group, if not 100%	Share class name(s)
Netherlands			
Lavender Dutch TopCo B.V.		30	Ordinary-B

Subsidiary and Other Related Undertakings continued

Key: Registered address country different to country of registration ◊ Branch *

Subsidiary audit exemptions

The following subsidiary undertakings are exempt from the requirements under section 479A of the CA 2006 relating to the audit of their individual accounts, as Reckitt Benckiser Group plc has guaranteed them under section 479C of the CA 2006.

Company	Company number
103-105 Bath Road Limited	7415344
Access VC Limited	12057280
eRB Trading Limited	12729353
Howard Lloyd & Company, Limited	124747
London International Group Limited	488344
MJ UK Holdings Limited	10698251
MJN International Holdings (UK), Limited	10773207
Optrex Limited	301618
R&C Nominees Limited	3646801
RB Holdings (Nottingham) Limited	4367123
RB Luxembourg Holdings (TFFC) Limited	8963782
RB Mexico Investments Limited	10141275
RB Reigate (2019) Ltd	10952298
RB USA (2019) Ltd	10996097
Reckitt & Colman (Overseas) Health Limited	11636337
Reckitt & Colman (UK) Limited	341605
Reckitt & Sons Limited	561576
Reckitt Benckiser (Grosvenor) Holdings Limited	5698731
Reckitt Benckiser (Health) Holdings Limited	11061440
Reckitt Benckiser (Hygiene Home) Holdings Limited	11061572
Reckitt Benckiser (RUMEA) Limited	8496512
Reckitt Benckiser Asia Pacific Limited	05184356
Reckitt Benckiser Finance Company Limited	4749202
Reckitt Benckiser Healthcare (Central & Eastern Europe) Limited	3368448
Reckitt Benckiser Healthcare (CIS) Limited	3376759
Reckitt Benckiser Holdings (Luxembourg) Limited	05291721

Company	Company number
Reckitt Benckiser Holdings (Overseas) Limited	4617051
Reckitt Benckiser Holdings (USA) Limited	4906543
Reckitt Benckiser Luxembourg (2010) Limited	7323959
Reckitt Benckiser Service Bureau Limited	3605068
Reckitt Benckiser Treasury (2007) Limited	6365837
Reckitt Benckiser USA Finance (No.1) Limited	4902703
Reckitt Benckiser USA Finance (No.2) Limited	4902747
Reckitt Benckiser USA Finance (No.3) Limited	4902776
Reckitt Colman Chiswick (OTC) Limited	593046
Reckitt Seton Limited	1914860
Reckitt Sonet (UK) Limited	2285039
Sonet Dormant Company No.1 Limited	220272
Sonet Overseas Investments Limited	3671350
SSL Products Limited	1026788

Climate-Related Financial Disclosures

Listing Rule 9.8.6R Compliance Statement

Reckitt plc complies with sections 414CA and 414CB of the Companies Act 2006, and the requirements of LR 9.8.6R by including material climate-related financial disclosures in this section (and by reference as indicated), consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our disclosures align with all TCFD recommendations and recommended disclosures.

In addition to these disclosures, we report environmental performance and greenhouse gas (GHG) emissions on page 44. Potential financial impacts of climate change are considered in scenario modelling within our Viability Statement (page 52) and impairment/intangibles note (page 137). Further detail on scenario modelling is available in our Basis of Reporting Criteria at reckitt.com/reporting-hub. The Financial Conduct Authority (FCA) has signalled a transition from TCFD to UK-endorsed IFRS S2 (UK SRS); our approach is designed to remain consistent with both TCFD 2021 and IFRS S2.

Governance

(a) Board oversight

The Board holds ultimate responsibility for overseeing Reckitt's ESG strategy, including climate-related risks and opportunities, as defined in its terms of reference (Schedule of Matters Reserved for the Board). Through regular review and monitoring, the Board ensures the integrity of the Group's corporate responsibility, sustainability, ethics and compliance strategies, policies and programmes.

ESG and climate matters are discussed by the Board at least biannually and more frequently, as required, alongside an annual review of Reckitt's Sustainability Ambitions. Progress against ESG and climate targets is regularly monitored, with the most recent review taking place at the November 2025 meeting.

As part of its annual assessment of principal and emerging risks, the Board considers sustainability and climate-related risks, focusing on ESG performance and evolving climate reporting regulations.

The Audit Committee supports the Board through its oversight of risk management and internal control systems, including the assurance framework established by management to identify and monitor risks.

📄 See pages 57-64 for more detail on our governance framework and mechanisms and Board activities during the year

(b) Management's role

The Chief Executive Officer (CEO) is accountable for sustainability performance at the executive level, including climate-related matters and the approval of any new sustainability and climate-related targets. The CEO chairs the Group Executive Committee (GEC), which oversees Reckitt's strategic and operational management, ensuring collaboration across functions and markets. The GEC recommends and implements strategy and related budgets as approved by the Board, drives business and cultural transformation, reviews business performance and approves major investments. It also ensures that sustainability is embedded within business operations.

Our Sustainability Ambitions are delivered through the GEC and the wider management team, which ensures appropriate action plans and investment are in place. While the Sustainability team sits within the Supply function, it leads sustainability strategy development and compliance across the organisation, with strategic direction agreed at the GEC. Programmes to achieve operational, product and value chain targets are implemented by our Brands, Supply Chain, R&D, Safety, Quality, Regulatory and Compliance teams.

Environmental performance is monitored through monthly reporting at site and regional levels. Progress against targets is reviewed monthly at supply chain leadership forums and quarterly through functional and global business risk reviews, enabling proactive management and response to emerging issues.

Executive ownership of ESG transition risk as a principal risk resides with the CEO and the Chief Supply Officer. Supporting these formal structures are cross-functional steering committees that provide governance and oversight of key transition risks and sustainable product initiatives.

As the reporting landscape continues to evolve, the GEC is actively preparing for future disclosure requirements under emerging legislation. Key priorities include major European Union initiatives such as Corporate Sustainability Reporting Directive (CSRD), EU Taxonomy and the EU Green Deal. In addition, Reckitt is actively reviewing local disclosure frameworks, including AASB S2 – Climate-related Financial Disclosures and California's Climate-Related Financial Risk Act (SB 261).

Risk management

Our risk management framework provides a consistent and structured approach to risk management across the organisation. It sets out clear principles, standards and accountabilities, guiding behaviour and ensuring risks are escalated and managed by the right people at the right level and at the right time. This enables decisions to be taken confidently and at pace.

Our Group risk management and reporting process is designed to be practical, proportionate and effective, supporting business operations while enabling management and the Board to fulfil their duties under the UK Corporate Governance Code. This process ensures that risks are appropriately prioritised and resources are focused on the areas of greatest significance.

Our Group Risk team, part of the wider internal audit and risk function, facilitates the process. This includes coordinating risk identification across functions and business areas, consolidating the Group view of principal risks, supporting senior engagement and sign-off, and reporting to the Board and its Committees.

The Group's risk profile is reviewed biannually and prioritised based on impact, likelihood and speed of impact, reflecting the time available to respond should a risk materialise. The output of this process informs the Viability Statement.

In 2025, we undertook a robust double materiality assessment (DMA) to reassess climate-related impacts, risks and opportunities across our value chain. Building on the work completed in 2024, the 2025 assessment aligns with the updated European Sustainability Reporting Standards (ESRS) requirements brought about by the EU Omnibus and considered the climate scenario risk model analysis as part of the scoring criteria. The updated DMA reconfirmed climate remains a material topic for Reckitt.

ESG transition risk, which includes climate-related impacts, is recognised as a principal risk, reflecting its significance and central role in Reckitt's growth strategy. We manage this risk by embedding sustainability strategy and targets within R&D and supply chain operations, through customer-facing programmes and partnerships, product innovation and initiatives focused on decarbonisation, packaging, ingredient management and sustainable sourcing.

📄 Further details on the Group's risk management approach and updates during the year can be found on page 48

Climate-Related Financial Disclosures continued

Scenario analysis and tools

Our approach to assessing climate-related risks and opportunities is grounded in robust scenario analysis. To understand long-term impacts and emerging risks, we leverage advanced climate and enterprise analytics technology from Resilience™, built on frameworks developed by the Cambridge Centre for Risk Studies, to generate quantitative insights that inform risk management and strategic decision making across the Group. This digital twin of our Business integrates financial, operational, emissions and raw material data, enabling us to assess multiple climate scenarios. This enhances our corporate risk management processes by addressing business continuity risks associated with extreme weather events and other climate-related factors.

Our analysis provides:

- quantitative earnings value at risk over 5- and 10-year horizons; and
- qualitative risk outlook up to 20 years.

In 2025, we updated our transition risk models, moving from Shared Socioeconomic Pathways (SSP) to scenarios published by the Network for Greening the Financial System (NGFS). This change ensures alignment with leading financial disclosure standards. Physical risk models continue to be based on SSP frameworks.

i. Scenarios used

We model five scenarios combining SSP for physical risks and NGFS scenarios for transition risks:

- Physical risks (SSP based):
 - SSP1-1.9 (≈1.5°C – Paris Ambition): Rapid global decarbonisation and strong international cooperation
 - SSP3-7.0 (≈3°C – Current Policy): Limited climate action and high emissions, leading to severe physical risks

- Transition risks (NGFS based):
 - Orderly Transition: Early, coordinated policy action and technological progress
 - Disorderly Transition: Delayed or uneven policy implementation, abrupt adjustments and market volatility
 - Hot House World: Minimal climate policy action, continued fossil fuel reliance and severe physical risks

Scenario analysis is inherently uncertain due to evolving policy, technology and consumer behaviour. Our approach focuses on plausible futures and their implications for our Business.

▶ See our Basis of Reporting Criteria for detail on the modelled pathways used at reckitt.com/reporting-hub

ii. Risk types considered

We have modelled the below potential risk impacts. Financial impacts are modelled by region, product, facility and hazard type. For disclosure, results are aggregated at Group level and expressed as ranges to reflect uncertainty.

- Policy risk (carbon pricing, regulation)
- Consumer sentiment risk (consumer preference shifts)
- Technology risk (asset impairment)
- Liability risk (litigation, compliance penalties)
- Investor sentiment risk (capital allocation, divestment)
- Reputation risk (activism, boycotts)

We have modelled physical risks to the value chain, including disruption to our direct and indirect operations and the supply of natural raw materials. The physical risks models were based on:

- acute (extreme weather events causing facility disruption); and
- chronic (temperature and precipitation changes affecting raw material supply).

Monitoring emerging risks

We actively monitor evolving policy and regulatory frameworks, fiscal measures and climate-related litigation trends. This includes tracking taxation impacts and disclosure requirements across key markets. Throughout the year, we reviewed climate-related risks to identify new or emerging issues and reassessed the impact of existing risks. Transition risk models were updated to reflect NGFS scenarios, ensuring consistency with global best practices.

The key risks assessed included: transition risks, such as shifts in consumer sentiment, policy, investor sentiment and reputation; and physical risks, such as the increased frequency and severity of extreme weather events. Further detail on these risks is provided in the Climate Scenario Analysis sections below.

Overall impact

Our climate scenario analysis shows a slight year-on-year decrease in climate-related risk exposure. Scenario modelling was conducted on Reckitt Group results over a five-year forecast period. The recent sale of the Essential Home business has influenced forecast earnings for this period. Overall, the results indicate that both transition and physical risks remain immaterial to Reckitt. We will continue to monitor these scenarios to ensure proactive risk management.

Strategy

We remain committed to delivering our science-based targets and achieving net zero by 2040. In line with the Science Based Targets initiative (SBTi) requirements, targets are reviewed and revalidated at least every five years. Reckitt will complete this revalidation exercise in 2026 to ensure that our targets remain ambitious and aligned with the latest climate science. These science-based targets form part of our Sustainability Ambitions, which are embedded within our growth strategy and support both resilience and long-term opportunities for our operations and brands.

(a) Climate-related risks and opportunities across time horizons

We assess climate-related risks and opportunities over three time horizons:

- short term (up to three years): Aligned with our Group risk assessment;
- medium term (three to five years): Consistent with our strategic planning cycle; and
- long term (10+ years): Reflecting the useful life of brand intangible assets and informed by our work with Resilience.

Short to medium term

Our analysis over the past three years indicates that transition risks, particularly policy and consumer sentiment, pose the greatest potential impact in the short to medium term. Key drivers include:

- consumer sentiment shifts toward low-impact products;
- carbon pricing and regulatory changes, most pronounced under a 1.5°C scenario; and
- energy and commodity cost increases across our value chain.

While these risks could be significant under rapid transition pathways, a more likely phased policy approach combined with our mitigation actions, such as emissions reduction across supply networks and innovation in sustainable products, means these risks are not currently material for Reckitt.

Physical risks, including extreme weather events, are increasing in frequency and severity but represent a smaller proportion of total earnings value at risk compared to transition risks in this timeframe.

Long term

Over the longer term, we anticipate greater exposure to physical risks, including:

- increased frequency and severity of extreme weather events;

Climate-Related Financial Disclosures continued

- water stress and higher ambient temperatures impacting global sites and supply networks; and
- regional climate shifts reducing raw material availability and altering sourcing locations and product viability in impacted regions.

Whilst the aggregate impact of modelled physical risks is currently not material, these risks will continue to be monitored and mitigated as much as possible to build resilience to a changing outlook.

iii. Climate-related modelled risks and potential financial impacts

The table summarises the potential earnings value at risk associated with our modelled risks over the short to medium term (up to five years) and a qualitative assessment of how these risks could evolve over the longer term (10 to 20 years). Our potential earnings value at risk estimations represent gross risk for the Group as a whole. Materiality is assessed using the same thresholds as our Financial Statements.

We have modelled the impact of the following risks:

- consumer sentiment (e.g. reusable packaging, alternative proteins);
- investor sentiment and discount rate changes;
- carbon price variability;
- technology-driven asset impairment;
- litigation and reputational exposure;
- facility disruption from extreme weather;
- raw material supply volatility; and
- market disruption from regional climate shocks.

Individually, the modelled impacts of these risks are not considered material to our Business under the five scenarios assessed. The aggregate potential impact of these risks materialising under a Current Policy (3°C) or Paris Ambition (1.5°C) pathway is summarised below. The risk values presented reflect the gross exposure to the Group and assume that none of the mitigating actions outlined later have been implemented.

Pathway	Unmitigated potential annual impact over 5 years	5–10-year modelled scenario impacts and assumptions (to 2030)	10–20-year modelled scenario impacts and assumptions (to 2040 – 2050)
3°C Current Policy	Not material	Consumer sentiment change <ul style="list-style-type: none"> • Traditional shopping preferences persist, with only limited growth in sustainable options. As a result, demand for conventional products declines only marginally 	
3°C Current Policy	Not material	Other modelled physical and transition risks <ul style="list-style-type: none"> • Carbon pricing: Carbon prices remain around \$13/tCO₂e through 2050, with inconsistent global implementation. Current sector coverage under existing policies remains static and does not expand • Policy and corporate inaction: Limited action by governments and corporates accelerates climate change, driving increased public and consumer activism as a mechanism for corporate accountability • Climate-related litigation: Exposure to litigation varies based on historical emissions responsibility and the strength of current commitments to address future emissions • Supply chain disruptions: Local distribution from warehouses to points of sale is disrupted, and consumer demand fluctuates due to climate-related weather events • Extreme weather events: Increased severity and frequency of hazards such as heatwaves, freezes, droughts, flooding and windstorms • Raw material volatility: Production of raw materials fluctuates due to climate variability and long-term climate change 	
1.5°C Paris Ambition	Not material	Consumer sentiment change <ul style="list-style-type: none"> • Consumers increasingly switch from non-sustainable products to more sustainable options. Low-carbon alternative products progressively increase market share, supported by policy frameworks including carbon labelling 	Demand for sustainable products and services becomes mainstream, reshaping markets globally. Consumer behaviours must undergo significant transformation to align with ambitious emissions reduction targets
1.5°C Paris Ambition	Not material	Other modelled physical and transition risks <ul style="list-style-type: none"> • Carbon pricing: Carbon prices rise sharply to \$244/tCO₂e within the next five years, driven by radical government action to reduce emissions through carbon pricing mechanisms • Asset impairment: Assets closely tied to fossil fuel use become impaired in direct proportion to the pace of fossil fuel phase-out • Public sentiment and decarbonisation: Strong and persistent public support for climate action ensures decarbonisation pathways are achieved or exceeded without significant disruption to economic activity • Sector resilience: The consumer staples sector experiences relatively low exposure to capital flight during the economic transition • Supply chain disruptions: Local distribution from warehouses to points of sale is disrupted, and consumer demand fluctuates due to climate-related weather events • Raw material volatility: Production of raw materials varies as a result of climate variability 	Governments take bold measures to curb emissions, leveraging aggressive carbon pricing strategies. Carbon prices surge dramatically, driving rapid and widespread adoption across developed economies

Climate-Related Financial Disclosures continued

(b) Impact on business, strategy and financial planning

Our climate scenario analysis supports financial and operational planning. We focus activity through routine business and financial planning within our brands and supply chain, in annual and three-year cycles, in order to manage risks and deliver against our Sustainability Ambitions.

We assume that all aspects of our value chain will be susceptible to climate-related transition and physical risks to varying degrees.

The rate of global decarbonisation and the implementation of associated policy frameworks are critical determinants of the magnitude of climate-related impacts on Reckitt. The 1.5°C pathway assumes a fast adoption of sustainable alternatives and a significant reduction in consumer demand for less sustainable and more carbon intensive products, whereas the 3°C pathway assumes a limited reduction in current demand.

There is potential for Reckitt brands to be variably exposed to demand loss, depending on the environmental impact of the product (including raw material composition, manufacturing and consumer use). While we continue to see increased consumer interest in more sustainable products, there remains a 'say-do' gap for the vast majority, with consumers remaining focused primarily on value and efficacy. This exposure therefore has negligible current impact. Nonetheless, our sustainable product innovation programme continues to inform our product development pipeline and supports our ambition for 50% of net revenue from more sustainable products by 2030. This programme also supports activity to reduce product carbon footprints and is linked to management reward incentives (see Directors' Remuneration Report on page 103).

We are actively working to reduce our GHG emissions in line with our 2030 reduction targets for Scopes 1, 2 and 3 and our commitment to achieve net zero by 2040.

Our Climate Transition Plan identifies and prioritises decarbonisation opportunities in our operations, products and value chain. The complexity of our global value chain requires multiple interventions with our suppliers and customers.

During 2025, we increased the breadth and depth of data-driven analysis across our supply chain to better identify and mitigate emissions intensive activities. Specifically, we are focusing on several initiatives to reduce CO₂e in materials by:

- targeting suppliers to use renewable energy in their operations;
- using less of certain ingredients while maintaining the efficacy of products;
- using alternative ingredients with a lower CO₂e footprint. Such substitution may take longer if different ingredients require qualification, particularly in regulated products;
- reducing the water in our products by developing concentrates which reduces the transport footprint and packaging use; and
- using recycled materials – our targeted switch to 25% post-consumer recycled (PCR) packaging and using less virgin plastic will deliver CO₂e savings that we will model across the value chain. This activity contributes to reducing our exposure to increases in carbon pricing and other transition related risks.

We have assumed that together with shifts in consumer behaviour and general market pricing we are able to mitigate the risks identified above. Our mitigation activities and the opportunities we have identified encompass:

1. Our operations

We are optimising our processes to reduce carbon emissions by increasing support for renewable electricity and low-carbon energy sources. For Scopes 1 and 2, we have achieved progressive improvements in carbon reduction.

In the near term, our focus includes switching from gas for low-to-mid-thermal energy needs, alongside continued sourcing of renewable electricity. Capital allocation for carbon-related environmental improvements is embedded in current planning, with progress reviewed monthly.

We actively assess potential asset damage and the frequency of extreme weather or other climate-related events, including associated remediation costs, through our risk management and business continuity programmes. These assessments are integrated into our financial planning and insurance strategies. Site location planning and building design incorporate considerations for temperature, adverse weather and water stress risks.

To mitigate water stress, we implement water efficiency measures and catchment area management, aiming for all sites in water-stressed regions to achieve water-positive status by 2030. Further details on our broader environmental targets and performance can be found on pages 42–45.

2. Product innovation

We use a range of tools to assess climate-related factors across the product lifecycle, from material sourcing to consumer use, as part of our innovation process. Our Sustainable Innovation Calculator informs new and existing product development, which helps us design for lower carbon and water footprints in use, mitigates physical risks in the marketplace and helps us to meet emerging consumer preferences. The calculator considers the product carbon and water footprint, plastics and packaging, and ingredients metrics. Product innovation provides opportunity for growth, by meeting emerging consumer demands and expectations and developing products that are well placed for emerging fiscal policy and physical environments.

3. Supply chain resilience

We continue to strengthen the resilience of our supply chains at both site level and for key natural raw materials. For example, within our latex supply chain, we work closely with suppliers and farm-level stakeholders to implement initiatives to secure a sustainable supply of natural latex for the long term, supporting the continued success of our Durex brand. Our approach focuses on identifying and addressing environmental and social risks to supply through partnerships with Nature-based Insights, Earthworm and Fair Rubber Association. Palm oil is another priority raw material for Reckitt. Alongside our commitment to Roundtable for Sustainable Palm Oil (RSPO) certification, we collaborate with NGOs, including Earthworm and WWF, to deliver landscape-level programmes in Indonesia and Malaysia that take a holistic approach, bringing together smallholder farmers, companies, communities and local authorities to find collective solutions to the root causes of deforestation. Our partnership with WWF also supports water stewardship projects across several of our manufacturing sites and sourcing landscapes.

Reckitt also engages suppliers to measure, track and reduce supplier-related carbon emissions. Our Procurement teams continually build visibility and understanding of carbon emissions across our value chain. We work directly with key suppliers and third-party manufacturers to help them measure and progressively reduce emissions, building resilience to both physical and transition risks from climate change within our supply chain and for our suppliers.

Our Scope 3 emissions have reduced year-on-year. Our principle remains to abate first and offset last, prioritising reductions in our direct footprint. However, we are considering appropriate carbon market management approaches for the longer term. We also address deforestation risks across our wider supply chain, working with suppliers of materials such as palm oil.

Climate-Related Financial Disclosures continued

(c) Resilience of strategy to different climate scenarios (including 2°C or lower)

Collective climate change impacts may pose risks to Reckitt's operations. However, our strategy, targets, actions and progress help mitigate these risks, build resilience and unlock future opportunities. Our 2030 targets of: 50% of net revenue from more sustainable products; 50% reduction in selected Scope 3 category emissions vs 2015; and 65% reduction in operational carbon emissions vs 2015, collectively strengthen the resilience of Reckitt's brand portfolio and supply chain.

Based on our analysis, the modelled scenarios and associated climate-related risks outlined above are not considered material to ongoing business operations. We have assessed that our Business demonstrates increasing resilience across a range of scenarios, including one where global warming is limited to 1.5°C.

This assessment is supported by several factors:

- a strong, market-leading portfolio of health and hygiene brands, combined with core capabilities in adapting and innovating existing ranges while launching new products to meet evolving consumer needs;
- an active programme to improve the carbon, water, plastic, chemical and packaging footprint of our products; and
- an extensive, globally diverse sourcing base supported by strong, longstanding strategic supplier relationships, providing a natural hedge against weather-related disruptions.

Metrics and targets

Reckitt has established clear sustainability metrics and targets to drive performance on climate change and related environmental matters, both within our direct operations and across our value chain (see dashboard on page 42). We have considered all cross-industry climate-related metrics set out in the TCFD All Sector guidance and report those considered material to our Business.

Greenhouse gas (GHG) emissions

Our ambition is to achieve net zero across our value chain (excluding indirect consumer use emissions) by 2040. Our near-term GHG reduction targets are validated by SBTi every five years. Reckitt is due to submit updated targets for validation in 2026. Reckitt's current near-term GHG reduction targets validated by the SBTi:


Our operations (Scope 1 and 2)

- Reduce absolute Scope 1 and 2 GHG emissions by 65% by 2030, from a 2015 base year (aligned to a 1.5°C pathway)
- Achieve 100% renewable electricity sourcing by 2030

We have surpassed our Scope 1 and 2 reduction target, achieving 73% reduction vs 2015 and will review future targets as part of the upcoming SBTi review in 2026.

Our value chain (Scope 3)

Reduce absolute Scope 3 GHG emissions from purchased goods and services (ingredients and packaging), direct emissions from use of sold products and end of life treatment by 50% by 2030, from a 2015 base year.

 See pages 42–45 for more detail on our net zero roadmap, water and packaging targets, and GHG emissions data, including Scopes 1, 2, and selected Scope 3 disclosures.

Climate-related physical and transition risks

Refer to pages 199–201 for details on our assessment of physical and transition risks and opportunities.

Capital deployment and internal carbon pricing

Work progresses on setting an internal carbon price to strengthen climate impact considerations in future investment decisions; however, it has not been established yet.

Remuneration

Our Long-Term Incentive Plan (LTIP) includes ESG metrics. Senior management incentive opportunities are tied to the delivery of Reckitt's strategy, including progress against our 2030 Sustainability Ambitions. See page 103 for further details.

Other metrics

- Stakeholder sentiment: We track engagement with investors, customers and NGOs through routine dialogue and monitor performance in external benchmarks such as MSCI, Sustainalytics and CDP.
- Consumer insights: We monitor consumer spending patterns and preferences through sales data and research, informing product innovation and R&D pipeline.

We use the Transition Plan Taskforce framework, SBTi and Forest, Land and Agriculture (FLAG) guidance to guide our actions.

Alternative Performance Measures

The Annual Report and Accounts include financial information prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as well as information presented on an adjusted (non-IFRS) basis.

Financial information presented on an adjusted basis excludes certain cash and non-cash items. These items have a pattern of recognition that is largely uncorrelated with the trading performance of the Business. Management reviews the Business on this basis for the purpose of making operating decisions and showing these adjusted measures in addition to the IFRS measures provides useful additional information on trading performance to the users of the Financial Statements. These adjusted measures should not be considered in isolation from, as substitutes for, or superior to the financial measures prepared in accordance with IFRS.

The following items (adjusting items) are excluded from IFRS earnings in calculating adjusted earnings.

- **Impact of business combinations**, acquired brands and similar purchases of equity, where IFRS accounting results in the recognition of certain costs that are not comparable with those for internally generated assets, (although the net revenues and other costs of these business combinations are not adjusted for):
 - amortisation and impairment of: (a) acquired brands, trademarks and similar assets; and (b) certain other intangible assets recorded as a result of a business combination;
 - inventory fair value adjustments;
 - professional and advisor costs recorded as the result of a business combination;
 - changes in the amount of consideration paid or expected to be paid (including changes in fair value) and associated tax impacts; and
 - changes to deferred tax liabilities relating to: (a) acquired brands, trademarks and similar assets; and (b) certain other intangible assets recorded as the result of a business combination as the amortisation or profit on disposal of these brands would be treated as an adjusting item.
- **Profits or losses relating to the sale of brands and related intangible assets** as the continued active management of our portfolio results in the recognition of profits or losses relating to disposals of brands and related intangible assets which are largely uncorrelated with the trading performance of the Business
- **Recycled foreign exchange translation reserves** upon the sale, liquidation, repayment of share capital or abandonment of a subsidiary previously controlled by the Group, as the gain or loss relates to mainly exchange movements in previous periods rather than the current period
- **The reclassification of finance income/(expenses) on tax balances into income tax expense**, to align with the Group's tax guidance. As a result, the income/(expenses) are presented as part of income tax expense on an adjusted basis
- **Other individually material items of expense or income**. Some of these items are resolved over a period of time such that the impact may affect more than one reporting period

Adjusted measures

- **Adjusted operating profit and adjusted operating profit margin:** Adjusted operating profit reflects the IFRS operating profit excluding items in line with the Group's adjusted items policy. See page 208 for details on the adjusting items and a reconciliation between IFRS operating profit and adjusted operating profit. The adjusted operating profit margin is the adjusted operating profit expressed as a percentage of net revenue
- **Adjusted tax rate:** The adjusted tax rate is defined as the adjusted continuing income tax expense as a percentage of adjusted profit before tax. This also includes interest on tax.
- **Adjusted diluted EPS:** Adjusted diluted EPS is the IFRS diluted EPS excluding items in line with the Group's adjusted items policy. See page 208 for details on the adjusting items and a reconciliation between IFRS net income and adjusted net income. The weighted average number of shares for the period is the same for both IFRS diluted EPS and adjusted diluted EPS
- **Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation):** Adjusted operating profit less depreciation and amortisation (excluding adjusting items)

Other non-GAAP measures

- **Like-for-like (LFL):** Net revenue growth or decline at constant exchange rates (see below) excluding the impact of acquisitions, disposals and discontinued operations. Completed disposals are excluded from LFL revenue growth for the entirety of the current and prior years. Acquisitions are included in LFL revenue growth 12 months after the completion of the relevant acquisition. LFL growth also excludes countries with annual inflation greater than 100% (Venezuela). Argentina was excluded in 2024 and was disposed in full in 2025
- **Constant exchange rate (CER):** Net revenue and profit growth or decline adjusting the actual consolidated results such that the foreign currency conversion uses the same exchange rates as were applied in the prior period and excludes the effect of applying hyperinflation accounting in the relevant subsidiaries
- **Net working capital (NWC):** NWC is the total of inventory, trade and other receivables and trade and other payables less interest accrued on tax balances, indemnity provisions for disposed businesses and forward purchase liabilities. NWC is calculated as a % of the last 12 months net revenue to compare changes in NWC to the growth of the Business
- **Net debt:** The Group's principal measure of net borrowings being the total of cash and cash equivalents, short-term and long-term borrowings, lease liabilities and derivative financial instruments on debt
- **Free cash flow and free cash flow conversion:** The Group's principal measure of cash flow defined as net cash generated from continuing operating activities less net capital expenditure on property, plant and equipment and intangible software assets less interest and tax paid. A reconciliation of cash generated from operations to free cash flow is shown on page 206. The Group tracks free cash flow as a % of adjusted net income to understand the conversion of adjusted profit into cash
- **Category Market Unit (CMU):** Reckitt analyses its market share by CMUs, which represent country and either brand or category. This allows us to analyse the components of market share growth taking into account both geography and brand/category. Management has identified those CMUs that are the most strategically important (top CMUs). The list of CMUs is kept under continual review and will change over time based on strategic decisions

Alternative Performance Measures continued

Other definitions and terms

- **Fixed costs:** Fixed costs are defined as net operating expenses less marketing expenses and adjusting items. They are typically expressed as a % of Net Revenue. In July 2024, the Group set a target to exit 2027 with a fixed costs base of 19% of Net Revenue
- **Discontinued operations:** Includes credits or charges related to the previously demerged RB Pharmaceuticals business that became Indivior plc. Net profit/(loss) from discontinued operations is presented as a single line item in the Group Income Statement
- **Return on capital employed (ROCE):** Defined as adjusted operating profit after tax divided by monthly average capital employed. Capital employed comprises total assets less current liabilities other than borrowings-related liabilities. Total assets exclude cash, retirement benefit surplus, current tax and a technical gross-up to goodwill that arises because of deferred tax liabilities recorded against identified assets acquired in business combinations. Total assets have been adjusted to add back impairments of goodwill except where the impaired asset has been disposed or partially disposed. Current liabilities exclude the share repurchase liability, legal provisions recorded as a result of adjusting items and current tax
- **Cash returned to shareholders:** Cash returned to shareholders is the total of dividends paid to owners of the parent company and repurchase of ordinary shares
- **Net revenue attributable to 'more sustainable' products:**
A product is defined as 'more sustainable' when it scores a total of 10 or more points across five parameters (Carbon, Water, Plastics, Packaging and Ingredients) versus the benchmark Reckitt product at the time of launch using our Sustainable Innovation Calculator (a streamlined Life Cycle Assessment tool that models the environmental impact of products). The net revenue from 'more sustainable products' is expressed as a percentage of total net revenue. The calculation is done on the basis of 12-month period 1 October 2024 – 30 September 2025
- **People positively impacted by social impact programmes:**
The number of people who experience a material positive impact on their health and/or quality of life as a result of Reckitt's social investment. Impact on health is defined as: The number of people that experience material positive benefits to their physical or mental health as a result of the programme e.g. reduction in illnesses and disease, improved access to basic essential services like water, sanitation, or health services. Impact on livelihoods is defined as: The number of people that experience material positive benefits to their socio economic conditions or educational opportunities as a result of the programme e.g. improved employment opportunities, increased income, reduction in school absenteeism. The metric covers the reporting period 1 January – 31 December, cumulative since 2020
- **Reconciliation of IFRS like-for-like net revenue excluding seasonal OTC brands:** LFL is shown excluding net revenue from seasonal OTC products that are affected by the Cold and Flu season. As this season can vary both in intensity and timing in the year, presenting net revenue growth excluding this can provide a view of growth excluding this factor

Reconciliation of IFRS to Like-for-Like Net Revenue (by operating segment)

Net revenue	For the year ended 31 December						Group £m
	Emerging Markets £m	Europe £m	North America £m	Core Reckitt £m	Essential Home £m	MJN £m	
2024 IFRS (Restated) ¹	3,884	3,487	2,641	10,012	2,046	2,111	14,169
M&A and divestment	(12)	(9)	–	(21)	(2,039)	(16)	(2,076)
Exchange and hyperinflation	–	(17)	–	(17)	(7)	–	(24)
2024 like-for-like²	3,872	3,461	2,641	9,974	–	2,095	12,069
2025 IFRS	4,291	3,384	2,559	10,234	1,852	2,119	14,205
M&A and divestment	–	–	–	–	(1,911)	(18)	(1,929)
Exchange and hyperinflation	147	29	86	262	59	73	394
2025 like-for-like	4,438	3,413	2,645	10,496	–	2,174	12,670
Like-for-like growth	14.6%	-1.4%	0.2%	5.2%	N/A	3.8%	5.0%

¹ In 2025, Reckitt has transferred some globally managed export businesses previously reported within Reckitt Core Europe to be locally managed (within Reckitt Core and Essential Home). 2024 comparatives have been restated accordingly

² Essential Home was consolidated within IFRS results until its disposal on 31 December 2025. Essential Home is excluded from LFL net revenue growth, as disposal completed before the end of the year

Reconciliation of IFRS to Like-for-Like Net Revenue Excluding Seasonal OTC brands

Net revenue	For the year ended 31 December	
	Self Care £m	Core Reckitt £m
2024 Like-for-like	3,277	9,974
2024 seasonal OTC	1,318	1,318
2024 LFL ex. seasonal OTC	1,959	8,656
2025 Like-for-like	3,375	10,496
2025 seasonal OTC	1,234	1,234
2025 LFL ex. seasonal OTC	2,141	9,262
2025 Like-for-like growth	3.0%	5.2%
2025 LFL growth ex seasonal OTC	9.3%	7.0%

Alternative Performance Measures continued

Reconciliation of IFRS to Like-for-Like Net Revenue (by category)

	For the year ended 31 December				
	Self Care £m	Germ Protection £m	Household Care £m	Intimate Wellness £m	Core Reckitt £m
Net revenue					
2024 IFRS	3,290	3,086	2,254	1,382	10,012
M&A	(12)	–	–	(9)	(21)
Exchange and hyperinflation	(1)	–	(16)	–	(17)
2024 like-for-like	3,277	3,086	2,238	1,373	9,974
2025 IFRS	3,306	3,224	2,189	1,515	10,234
M&A	–	–	–	–	–
Exchange and hyperinflation	69	122	41	30	262
2025 like-for-like	3,375	3,346	2,230	1,545	10,496
Like-for-like growth	3.0%	8.4%	-0.4%	12.5%	5.2%

Like-for-Like Adjusted Operating Profit (Group)

	31 Dec 2025 £m	31 Dec 2024 £m
Net Revenue	14,205	14,169
Adjusted operating profit	3,543	3,475
Adjusted operating margin	24.9%	24.5%
Adjusted operating margin versus prior year	40 bps	140 bps

Reconciliation of Group Gross Profit to Reckitt Core Gross Profit

12 months ended ¹	31 December 2025			31 December 2024		
	Net revenue £m	Gross margin £m	Gross margin %	Net revenue £m	Gross margin £m	Gross margin %
Total Group	14,205	8,634	60.8%	14,169	8,595	60.7%
Less: non-core Essential Home	1,852	978	52.8%	2,046	1,109	54.2%
MJN	2,119	1,295	61.1%	2,111	1,256	59.5%
Total non-core	3,971	2,273	57.2%	4,157	2,365	56.9%
Core Reckitt	10,234	6,361	62.2%	10,012	6,230	62.2%

¹ In 2025, Reckitt has transferred some globally managed export businesses previously reported within Reckitt Core Europe to be locally managed (within Reckitt Core and Essential Home). 2024 comparatives have been restated accordingly

Reconciliation of Adjusted Operating Profit and Net Income before income tax at Actual Exchange Rate to Constant Exchange Rate

	31 December 2025			31 December 2024		
	Actual FX £m	FX £m	CER £m	Actual FX £m	FX £m	CER £m
Emerging Markets	896	39	935	731	–	731
Europe	1,064	10	1,074	1,049	–	1,049
North America	771	33	804	804	–	804
Reckitt Core ²	2,731	82	2,813	2,584	–	2,584
Essential Home ²	379	13	392	492	–	492
MJN	433	22	455	399	–	399
Adjusted operating profit	3,543	117	3,660	3,475	–	3,475
Adjusted profit before income tax	3,197	118	3,315	3,152	–	3,152

² In 2025, Reckitt has transferred some globally managed export businesses previously reported within Reckitt Core Europe to be locally managed (within Reckitt Core and Essential Home). 2024 comparatives have been restated accordingly

Reconciliation of Operating Cash Flow to Free Cash Flow

	31 Dec 2025 £m	31 Dec 2024 £m
Cash generated from continuing operations	3,501	3,675
Less: net interest paid	(303)	(292)
Less: tax paid	(897)	(700)
Less: purchase of property, plant and equipment	(536)	(370)
Less: purchase of intangible assets	(79)	(95)
Plus: proceeds from the sale of property, plant and equipment	23	14
Free cash flow	1,709	2,232
Free cash flow conversion	71%	91%

Alternative Performance Measures continued

Free Cash Flow Conversion

	31 Dec 2025 £m	31 Dec 2024 £m
Adjusted operating profit	3,543	3,475
Depreciation, share-based payments and gain on disposal of fixed assets (net of proceeds)	545	546
Capital expenditure	(592)	(465)
Movement in working capital and provisions	(388)	(271)
Exceptional cash flow	(199)	(61)
Interest paid	(303)	(292)
Tax paid	(897)	(700)
Free cash flow	1,709	2,232
Free cash flow conversion	71%	91%

12 month's Adjusted EBITDA to Net Debt

	31 Dec 2025 £m	31 Dec 2024 £m
Adjusted EBITDA		
Operating profit	4,217	2,425
Excluding adjusting items	(674)	1,050
Adjusted operating profit	3,543	3,475
Excluding: adjusted depreciation and amortisation	436	436
Adjusted EBITDA	3,979	3,911

Net debt

	31 Dec 2025 £m	31 Dec 2024 £m
Cash and cash equivalents (inc. overdrafts)	1,952	879
Financing liabilities	(8,510)	(8,793)
Net debt	(6,558)	(7,914)
Net debt/adjusted EBITDA (times)	1.6	2.0

Reconciliation of Brand Equity Investment (BEI) to Marketing Expenses

	31 Dec 2025 £m	31 Dec 2024 £m
Brand equity investment	2,075	1,893
Non-BEI marketing	262	269
Total marketing costs	2,337	2,162

Net Debt Bridge

	31 Dec 2025 £m	31 Dec 2024 £m
Opening net debt	(7,914)	(7,290)
Free cash flow	1,709	2,232
Share buyback	(879)	(1,328)
Share issues	40	-
Acquisitions/disposals of subsidiaries and NCI (net of cash) ¹	1,794	-
Disposal of investments	1	17
Non-cash contribution by NCI	17	-
New lease liabilities	(71)	(70)
Discontinued cash flow	(4)	(1)
Dividends (including to NCI)	(1,409)	(1,383)
Foreign exchange and other movements	158	(91)
Closing net debt	(6,558)	(7,914)

Dividend Cover

	31 Dec 2025 £m	31 Dec 2024 £m
Interim dividend paid in year	573	561
Final dividend proposed	825	830
Total dividends	1,398	1,391
Adjusted net income	2,403	2,449
Dividend cover (times)	1.7	1.8

¹ Includes £8m of lease liabilities disposed with Essential Home

Alternative Performance Measures continued

Net Working Capital

	31 Dec 2025 £m	31 Dec 2024 £m
Inventories	1,473	1,517
Trade and other receivables	2,124	2,091
Trade and other payables	(5,072)	(5,291)
Less: forward purchase liability	191	133
Less: interest accrued on tax balances	115	101
Less: indemnity provisions for disposed businesses	6	47
Net working capital	(1,163)	(1,402)
Net working capital as percentage of 12-month net revenue	(8%)	(10%)

Reconciliation of Net Operating Expenses to Fixed Costs

12 months ended	31 December 2025			31 December 2024		
	Actual FX £m	FX £m	CER £m	Actual FX £m	FX £m	CER £m
Net Operating Expenses	4,417	146	4,563	6,170	–	6,170
Less Marketing	(2,337)	(63)	(2,400)	(2,162)	–	(2,162)
Less Adjusting Items	674	(34)	640	(1,050)	–	(1,050)
Fixed Costs	2,754	49	2,803	2,958	–	2,958

ROCE Calculation

	31 Dec 2025 £m	31 Dec 2024 £m
Adjusted operating profit	3,543	3,475
Less: taxation on adjusted operating profit	(875)	(771)
Adjusted net operating profit after tax	2,668	2,704
IFRS total assets	25,068	25,298
IFRS total current liabilities	(6,650)	(7,943)
IFRS total assets less current liabilities	18,418	17,355
Excluding IFRS items not included in capital employed:		
Short-term borrowings	810	1,423
Current tax liabilities	526	602
Legal provisions	33	30
Interest accrued on tax balances	115	101
Share repurchase liability	101	477
Cash and cash equivalents	(1,952)	(880)
Current tax recoverable	(58)	(45)
Retirement benefit surplus	(284)	(269)
IFRS balances included in capital employed	17,709	18,794
Add back: impairments included within IFRS balances	4,843	4,921
Less: goodwill due to deferred tax on intangibles	(4,142)	(4,303)
Impact of average in year vs closing balance	560	687
Average capital employed	18,970	20,099
Return on capital employed	14.1%	13.5%

Alternative Performance Measures continued

The table below reconciles the Group's IFRS measures to its adjusted measures for the year ended 31 December 2025.

	Adjusting items					Adjusted £m
	IFRS £m	Impact of business combinations £m	Reclassified foreign exchange translation on liquidation of subsidiaries £m	Finance income reclass £m	Other material items of income and expense £m	
Net revenue	14,205	–	–	–	–	14,205
Cost of sales	(5,571)	–	–	–	–	(5,571)
Gross profit	8,634	–	–	–	–	8,634
Net operating expenses	(4,417)	359	–	–	(1,033)	(5,091)
Operating profit	4,217	359	–	–	(1,033)	3,543
Net finance expense	(379)	35	–	(2)	–	(346)
Profit before income tax	3,838	394	–	(2)	(1,033)	3,197
Income tax charge	(635)	(73)	–	2	(83)	(789)
Net income from continuing operations	3,203	321	–	–	(1,116)	2,408
Less: attributable to non-controlling interests	(5)	–	–	–	–	(5)
Net income from continuing operations attributable to owners of the Parent Company	3,198	321	–	–	(1,116)	2,403
Net loss from discontinued operations	(16)	–	–	–	16	–
Total net income attributable to owners of the Parent Company	3,182	321	–	–	(1,100)	2,403
Earnings per share (EPS)						
Continuing operations¹						
Basic	470.7	47.3	–	–	(164.3)	353.7
Diluted	469.5	47.1	–	–	(163.8)	352.8
Discontinued operations¹						
Basic	(2.4)	–	–	–	2.4	–
Diluted	(2.3)	–	–	–	2.3	–
Total operations¹						
Basic	468.3	47.3	–	–	(161.9)	353.7
Diluted	467.2	47.1	–	–	(161.5)	352.8

¹ EPS is calculated using 679.4 million shares (basic) and 681.1 million shares (diluted)

Impact of business combinations comprise:

- £250 million of impairment and £62 million amortisation of certain intangible assets recognised as a result of historical business combinations, and a related £73 million tax credit;
- £35 million relating to remeasurement of payments as part of an agreement to acquire remaining interests from minority shareholders; and
- £47 million related transitional service charge associated with the acquisition of the minority interest.

Reclassification of finance income of £2 million relates to the reclassification of interest income on income tax balances from net finance income to income tax.

Other individually material items of income and expense comprise:

- Restructuring and other project costs of £195 million linked to the Group strategic announcements in 2024 of which £179 million relates to the Fuel for Growth programme. This principally includes professional advisor fees and severance costs relating to business transformation and portfolio changes;
- £14 million expense relating to costs incurred in relation to the Korean Humidifier Sanitiser issue;
- £1,245 million profit on sale of Essential Home completed in 2025 and a related £40 million tax credit;
- £43 million tax credit on restructuring and other project costs; and
- £16 million from discontinued operations mainly relating to interest accruing on an uncertain tax position relating to the former RB Pharmaceuticals business (now Indivior plc).

Alternative Performance Measures continued

The table below reconciles the Group's IFRS measures to its adjusted measures for the year ended 31 December 2024.

	Adjusting items					Adjusted £m
	IFRS £m	Impact of business combinations £m	Net gain on disposal of brands £m	Finance expense reclass £m	Other individually material items of income and expense £m	
Net revenue	14,169	–	–	–	–	14,169
Cost of sales	(5,574)	–	–	–	–	(5,574)
Gross profit	8,595	–	–	–	–	8,595
Net operating expenses	(6,170)	40	(9)	–	1,019	(5,120)
Operating profit	2,425	40	(9)	–	1,019	3,475
Net finance expense	(321)	17	–	(15)	(4)	(323)
Profit before income tax	2,104	57	(9)	(15)	1,015	3,152
Income tax charge	(672)	(6)	–	15	(38)	(701)
Net income from continuing operations	1,432	51	(9)	–	977	2,451
Less: Attributable to non-controlling interests	(2)	–	–	–	–	(2)
Net income from continuing operations attributable to owners of the Parent Company	1,430	51	(9)	–	977	2,449
Net loss from discontinued operations	(4)	–	–	–	4	–
Total net income attributable to owners of the Parent Company	1,426	51	(9)	–	981	2,449
Earnings per share (EPS)						
Continuing operations¹						
Basic	204.2	7.3	(1.3)	–	139.5	349.7
Diluted	203.8	7.3	(1.3)	–	139.2	349.0
Discontinued operations¹						
Basic	(0.6)	–	–	–	0.6	–
Diluted	(0.6)	–	–	–	0.6	–
Total operations¹						
Basic	203.6	7.3	(1.3)	–	140.1	349.7
Diluted	203.2	7.3	(1.3)	–	139.8	349.0

1 EPS is calculated using 700.4 million shares (basic) and 701.7 million shares (diluted)

Impact of business combinations comprise:

- £25 million of amortisation of certain intangible assets recognised as a result of historical business combinations and a related £6 million tax credit;
- £15 million related to the transitional service charge associated with the acquisition of the minority interest; and
- £17 million relating to the remeasurement of payments as part of an agreement to acquire remaining interests from minority shareholders.

Net gain on disposal of brands comprises

£9 million profit on sale of certain small developing market brands completed in 2024.

Reclassification of finance expense of

£15 million relates to the reclassification of interest expense on income tax balances from net finance expense to income tax.

Other individually material items of income and expense comprise:

- Restructuring, and other project costs of £167 million linked to the Group strategic announcements in 2024. This principally includes professional advisor fees and severance costs relating to business transformation and portfolio changes;
- £13 million expense relating to costs incurred in relation to the Korean Humidifier Sanitiser issue;
- £838 million expense relating to the impairment of IFCN and Biofreeze intangible assets (Note 9);
- £38 million tax credit on the intangible asset impairment, restructuring and other project costs; and
- £4 million from discontinued operations relating to interest accruing on an uncertain tax position relating to the former RB Pharmaceuticals business (now Indivior plc).

Shareholder Information

Annual General Meeting

Our Annual General Meeting (AGM) will be held on Thursday 21 May 2026 at 14:00 at the London Heathrow Marriott Hotel, Bath Road, Hayes, Middlesex UB3 5AN.

The Notice convening the AGM meeting, together with the business to be considered at the meeting, is contained in a separate document for shareholders and is available on our website at reckitt.com/investors/annual-general-meetings.

2026 financial calendar and key dates

Record date for 2025 final dividend	10 April 2026
Announcement of Quarter 1 trading statement	22 April 2026
Annual General Meeting	21 May 2026
Payment of 2025 final ordinary dividend	12 June 2026
Announcement of 2026 interim results	29 July 2026
Record date for 2026 interim dividend	7 August 2026
Payment of 2026 interim ordinary dividend	18 September 2026
Announcement of Quarter 3 trading statement	21 October 2026

Dividend

The Directors recommend a final dividend of 127.8 pence per share for the year ended 31 December 2025. Subject to shareholder approval at the 2026 AGM, payment of the final dividend will be made on 12 June 2026 to all shareholders on the register as at 10 April 2026. The latest date for receipt of new applications to participate in the Dividend Reinvestment Plan (DRIP) in respect of the 2025 final dividend is 21 May 2026. Details on how to join the DRIP can be found below.

Dividend Reinvestment Plan (DRIP)

Shareholders participating in the DRIP receive additional shares purchased in the market instead of receiving a cash dividend. You can elect to join the DRIP by registering on the Computershare Investor Centre at investorcentre.co.uk. Alternatively, you can request a DRIP mandate form and terms and conditions by contacting Computershare on +44 370 703 0118.

Mandatory direct credit

We no longer pay dividends by cheque. Instead, cash dividends are now paid directly to shareholders' bank accounts. This is known as 'mandatory direct credit'. Receiving dividends this way means that shareholders receive dividend funds quicker. It also means the Company reduces its environmental impact, incurs lower administration costs and reduces the risk of cheque fraud.

To have your dividends paid directly into your bank account, please provide your bank details to our Registrar, Computershare, either by accessing Computershare's Investor Centre at investorcentre.co.uk or by telephone on +44 370 703 0118. We will hold your dividends for you until you provide valid bank details and charges may be applied to reissue any outstanding dividend payments.

If you are based overseas, Computershare can offer an international payment option to have your dividends paid into your local account in a preferred currency. Please register online by visiting investorcentre.co.uk, where you can review the full details and associated fees.

Share dealing facility

The Company's shares can be traded through most banks, building societies, stockbrokers or 'share shops'. In addition, UK-based shareholders can buy or sell the Company's shares using a share dealing facility made available by Computershare, which includes internet and postal share dealing.

Internet share dealing

Internet share dealing is available to shareholders residing in the UK. This service offers shareholders a straightforward way to buy or sell the Company's shares on the London Stock Exchange. The commission is 1.4%, subject to a minimum charge of £40. In addition, stamp duty, currently 0.5%, is payable on purchases. Real-time dealing is available during UK market hours (08:00 to 16:30). In addition, you can place a sale instruction outside of market hours.

To access the service, log on to computershare.com/dealing/uk. Shareholders must have their Shareholder Reference Number (SRN) available. The SRN appears on share certificates.

Internet share dealing is only available to residents in either the UK, Channel Islands or Isle of Man.

Postal share dealing service

The postal share dealing service offers a way to sell or purchase shares (subject to availability). To use the service you must be a resident of the UK or one of the permitted jurisdictions. A full list of permitted jurisdictions can be found at computershare.com/dealing/uk. If you wish to use the service, you can download a postal share dealing form and the terms and conditions at computershare.com/dealing/uk. The fee for this service is 1.4% of the value of each sale or purchase and is subject to a minimum charge of £40. Stamp duty of 0.5% may be payable on purchases.

Detailed terms and conditions for both internet and postal dealing are available upon request by calling +44 370 702 0000.

Shareholder Information continued

Electronic shareholder communications

We encourage all shareholders to receive an email notification when shareholder documents become available online, to reduce our impact on the environment. An election to receive electronic shareholder communications will:

- Result in cost savings to the Company since less paper documentation will need to be produced and posted
- Allow for quicker and more effective communications with shareholders
- Support Reckitt's corporate responsibility profile

Shareholders can register for electronic communications by registering at investorcentre.co.uk.

Shareholders who have elected for electronic communications will receive an email whenever shareholder documents are available on the Company's website. Shareholders who have elected by deemed consent, in accordance with the Companies Act 2006, will receive a hard copy notice of availability of a document on the Company's website and are entitled to request a hard copy of any such document, at any time, free of charge from Computershare. Shareholders can revoke their consent to receive electronic communications at any time by contacting Computershare.

The Company's 2025 Annual Report and Notice of the 2026 AGM are available to view at reckitt.com. The Investor section of the website also contains up-to-date information for shareholders to view throughout the year, including:

- Detailed share price information
- Financial results
- Regulatory announcements
- Dividend history, payment dates and amounts
- Access to shareholder documents including the Annual Report and Notice of AGM
- Share capital information

Analysis of shareholders as at 31 December 2025

Distribution of shares by type of shareholder	No. of holdings	Shares
Nominees and institutional investors	2,611	693,023,698
Individuals	9,011	9,065,641
Total	11,622	702,089,339

Size of shareholding	No. of holdings	Shares
1–500	6,628	1,242,283
501–1,000	1,747	1,263,697
1,001–5,000	1,775	3,661,735
5,001–10,000	299	2,161,039
10,001–50,000	532	13,104,019
50,001–100,000	177	12,295,489
100,001–1,000,000	355	119,533,095
1,000,001 and above	109	548,827,982
Total	11,622	702,089,339

American Depositary Receipts (ADRs)

ADRs are dollar-denominated securities that represent the ownership of ordinary shares in a non-US company, quoted and traded in US dollars in the US securities market. ADRs facilitate the purchase, holding and sale of non-US shares by US investors. Dividends are paid to investors in US dollars.

Reckitt Benckiser Group plc ADRs are traded on the over-the-counter (OTC) market under the symbol RBGLY. Five ADRs represent one ordinary Reckitt share. J.P. Morgan Chase Bank N.A. is the Depositary. The table below provides details of the identification of Reckitt securities on the US market place and the London Stock Exchange.

Symbol	Security	Listing/trading	CUSIP/ISIN
RBGLY	US security (ADR)	OTCQX	75655303
RKT.L.	Ordinary share	London Stock Exchange	GB00BSZBP530

Shareholder Information continued

ADR Depository Bank

J.P. Morgan Chase Bank N.A. sponsors and administers the Reckitt ADR facility.

J.P. Morgan ADR shareholder services can be contacted as follows:

J.P. Morgan Chase Bank N.A.

383 Madison Avenue, Floor 11, New York, NY 10179

Telephone number for general queries: +1 800 990 1135

Telephone number from outside the US: +1 651 453 2128

Website: shareowneronline.com

Company Secretary

Catheryn O'Rourke

Registered office

103–105 Bath Road, Slough, Berkshire SL1 3UH, United Kingdom

Telephone: +44 1753 217 800

Website: reckitt.com

Registered in England and Wales, No. 6270876

Company status

Public Limited Company

Auditor

KPMG LLP

Solicitors

Slaughter and May

Registrar

The Company's Registrar, Computershare, is responsible for maintaining and updating the shareholder register and making dividend payments to shareholders. If you have any queries relating to your shareholding, please contact Computershare.

Computershare Investor Services PLC

The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

Shareholder helpline telephone: +44 370 703 0118

Website: computershare.com/uk

Share buyback programme

On 24 July 2025, the Company announced the continuation of the share buyback programme and the intention to buy back £1 billion worth of shares over 12 months from the start of the programme.

Charity donation

ShareGift is a UK registered charity (No. 1052686) which specialises in realising the value locked up in small shareholdings for charitable purposes. The resulting proceeds are donated to a wide range of charities, reflecting suggestions received from donors. If you have only a small number of Reckitt shares which are uneconomic to continue holding, you may wish to consider donating them to ShareGift. Please visit sharegift.org/donate-shares or telephone +44 207 930 3737 for more information.

Unsolicited mail

We are legally obliged to make our register of shareholders available to the public, subject to a proper purpose test. As a result, some shareholders might receive unsolicited mail. Shareholders wishing to limit the amount of such mail should write to the Mailing Preference Service, MPS FREEPOST 29 LON20771, London W1E 0ZT, or register online at mpsonline.org.uk.

Share fraud and 'boiler room' scams

Share fraud is a deceptive practice that induces investors to make sales and purchases based on inaccurate information and in violation of security laws. In boiler room scams, fraudsters will entice investors into scams through increased persuasion and high-pressure tactics through cold calling or random contact.

Reckitt is aware of these deceptions and urges shareholders who are offered unsolicited investment advice, discounted shares, a premium price for shares, or free company or research reports to investigate thoroughly before making any decision.

If you receive any form of unsolicited investment advice, please take the following steps:

- Confirm the name of the person and/or organisation
- Check the Financial Conduct Authority's (FCA) Financial Services Register at register.fca.org.uk to ensure they are authorised
- Use the details on the Financial Services Register to contact the firm
- Call the FCA Consumer Helpline on +44 800 111 6768 (freephone) or 0300 500 8082 (from the UK), if there are no contact details on the Register or if they are out of date
- Search the FCA's list of unauthorised firms and individuals at fca.org.uk/consumers/unauthorised-firms-individuals to avoid doing business with reported offenders
- If you are approached by fraudsters please contact the FCA using its helpline or share fraud reporting form
- Consider getting independent financial advice

Using an unauthorised firm to buy or sell shares or other investments will prohibit access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) should the investment be unsuccessful. Remember: if it sounds too good to be true, it probably is. If you think you have been a victim of these scams, the matter should be reported to the Police and to Action Fraud. For more information, please visit the Serious Fraud Office website at sfo.gov.uk/contact-us/reporting-serious-fraud-bribery-corruption.

Shareholder Information continued

Cautionary note concerning forward-looking statements

This Annual Report and Financial Statements contains statements with respect to the financial condition, results of operations and business of Reckitt Benckiser Group plc and the Reckitt group of companies (the 'Group') and certain plans and objectives of the Group that are forward-looking statements. Words such as 'intends', 'targets', 'believes', 'anticipates', 'expects', 'estimates', 'projects', 'forecasts', 'plans', 'may', 'should', 'potential', 'aim', 'could', 'goal' or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including targets for net revenue, operating margin and cost efficiency, are forward-looking statements. Such statements are not historical facts, nor are they guarantees of future performance.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including many factors outside the Group's control. Among other risks and uncertainties, the material or principal factors which could cause actual results to differ materially are: the general economic, business, political, geopolitical and social conditions in the key markets in which the Group operates; the Group's ability to innovate and remain competitive; the Group's investment choices in its portfolio management; the ability

of the Group to address existing and emerging environmental and social risks and opportunities; the ability of the Group to manage regulatory, tax and legal matters, including changes thereto; the reliability of the Group's technological infrastructure or that of third parties on which the Group relies including the risk of cyber attack; interruptions in the Group's supply chain and disruptions to its production facilities; economic volatility including tariffs, and increases in the cost of labour, raw materials and commodities; the execution of acquisitions, divestitures and business transformation projects; product safety and quality, and the reputation of the Group's global brands; and the recruitment and retention of key management.

These forward-looking statements speak only as of the date of this Annual Report and Financial Statements. Except as required by any applicable law or regulation, Reckitt expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Any information contained in the 2025 Annual Report and Financial Statements on the price at which shares or other securities in Reckitt Benckiser Group plc have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.



Reckitt Benckiser Group plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Inset Offset and UPM Fine Offset, an FSC® certified material. This document was printed by Park Communications using its environmental print technology, which minimises the impact of printing on the environment. Vegetable-based inks have been used and 99% of dry waste is diverted from landfill. The printer is a CarbonNeutral® company. Both the printer and the paper mill are registered to ISO 14001.

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