ETHICAL BEHAVIOUR

Following high standards is fundamental to how we do business. We focus on having the right culture and policies to help our people behave in the right way.

ETHICAL BEHAVIOUR CONTINUED

Our commitment to 'Do the right thing. Always', is at the heart of our Compass. It guides us in acting responsibly and with integrity, putting people first, seeking out new opportunities, striving for excellence and building shared success with our stakeholders. We work to strengthen our approach to behaving ethically, improving our processes, policies and tools for staying compliant, and supporting our people in making good decisions.

OUR COMPASS

Put consumers
and people first

Build shared
success

**Do the
right thing.
Always.**

Seek out new
opportunities

Strive for
excellence

Our purpose
To protect, heal and nurture in the relentless pursuit of a cleaner, healthier world.

Our fight
Making access to the highest quality hygiene, wellness and nourishment a right, not a privilege.

Our Ethics and Compliance programme

We do business with high ethical standards and in line with the laws and regulations of each country where we operate. This includes data privacy, competition law, sanctions and anti-bribery regulations. We work hard to prevent unethical behaviour and respond promptly to violations of our policies.

Underpinning our commitment to 'Do the right thing. Always' are these objectives:

- Embed and sustain an effective Ethics and Compliance programme that helps us mitigate our key risks, in line with our business strategy
- Empower everyone at Reckitt to make informed choices and promote a culture of integrity
- Predict, detect and mitigate compliance risks and correct any non compliant behaviour
- Protect Reckitt and our stakeholders from threats caused by potentially unlawful or unethical decisions

To achieve these objectives, we've structured our Ethics and Compliance programme around a framework aligned to regulators' expectations on the hallmarks of an effective programme. Our framework has seven components.

- **Risk management** – We regularly conduct risk assessments to identify and evaluate our risks, prioritise focus areas and agree on any remedial actions
- **Oversight and resources** – We strive to have a strong 'tone at the top' by having our leadership teams engaged in our Ethics and Compliance programme and keeping them aware of emerging areas of risk exposure. We also ensure that we have the appropriate resources to implement our Ethics and Compliance programme
- **Policies and procedures** – We give our people clear guidance on what to do through policies and procedures that help us follow laws and regulations and meet ethical expectations
- **Monitoring** – We adopt controls relevant to our business and monitor their effectiveness in an effort to reduce risks, identify and address issues and improve our business resilience

- **Investigation and resolution** – We promote a culture where our people feel they can report wrongdoing and be confident that we will thoroughly investigate the issues they flag to us until they are resolved
- **Training** – We regularly provide training on our policies and procedures. Mandatory compliance training is released every year and undertaken by all employees. The training includes topics such as anti-bribery, competition law, privacy, cyber security and product safety
- **Communications** – We engage our people on the importance of 'Doing the right thing. Always', and share examples to help them understand the trade-offs between 'getting the job done' and 'acting responsibly at all times'

Our Ethics and Compliance team, led by the Chief Ethics and Compliance Officer, spearheads the programme and supports the business in achieving its objectives.

Our principal compliance risks in 2022

In 2022, we strengthened our processes to manage and minimise our principal risks, including:

- Risk of third-party non-compliance
- Risk of non-compliance with trade sanctions
- Risk of bribery and corruption, including in the context of interactions with healthcare professionals and healthcare entities
- Risk of non-compliance with data privacy laws, regulations and individuals' expectations of their privacy rights

Progress on mitigating risks in 2022

During 2022 we implemented more mature controls to mitigate our exposure to our principal risks. We also strengthened our Ethics and Compliance programme as a whole.

Improving our control maturity
Risk of third-party non-compliance

In 2022, we concluded the roll out of our enhanced third-party compliance risk management process. The process tailors our preliminary due diligence assessments to the inherent risk profile of the third parties who we are considering engaging with, and allows for additional follow-up when necessary.

ETHICAL BEHAVIOUR CONTINUED

We understand that the execution of third-party due diligence assessments is only one of the components of an effective third-party risk management programme. To further augment our ability to mitigate the risk of third-party non-compliance, we are beginning to use automation to screen third parties we do business with.

Risk of non-compliance with trade sanctions

In February 2022, the US, EU, UK and other countries implemented sanctions against Russia.

Actions taken in response to this situation included:

- Issuance of communications to the employee base with guidance for trade sanctions compliance
- Implementation of a cross-functional operating model to address questions and provide operational advice related to complying with sanctions
- Screening third parties against sanctions lists, reviewing red flags and terminating engagements in compliance with sanctions.

Risk of bribery and corruption

In 2022, we continued to take action to counter the risk of bribery and corruption in our dealings with third parties. This included:

- Reminding our people about the risks involved in exchanging gifts and entertainment, particularly in periods like Christmas, Chinese New Year, Diwali and other festivities.
- Giving role-specific training on how to manage bribery risks in the context of interactions with healthcare professionals
- and healthcare entities
- Implementing a process for job applicants, employees and third parties to disclose conflicts of interest in their dealings with us

We continued to forbid donations to political parties or candidates. We validated the adequacy of our anti-corruption programme by taking part in **Transparency International's Corporate Anti-Corruption Benchmark Assessment** which showed we improved our Anti-Corruption Maturity Posture by six points from the 2021 assessment.

Risk of non-compliance with data privacy laws

To counter the risk of non-compliance with data privacy laws and regulations, we:

- Strengthened our privacy operating model in Europe, extending the privacy lawyers' remit to cover all Business Units. The team is responsible for assessing privacy risks from our activities and recommending safeguards to mitigate them 'by design'
- Continued to roll out our data privacy programme globally, focusing on jurisdictions adopting new or more stringent laws, like the US, Australia, Mexico, Brazil, India, South Africa and Dubai
- Assessed more than 100 projects to identify privacy risks and recommend data protection controls to manage them from the start
- Delivered data privacy training to all employees and provided extra role-specific training to employees in high-risk jurisdictions such as Europe and in high-risk functions like IT, marketing, HR and e-commerce
- Initiated a process to establish our Responsible Consumer Data Principles to make sure personal data is handled in line with the legal baseline, but also in line with people's expectations of their privacy rights and with our ethical values

We didn't receive any consumer privacy complaints from regulators in 2022, though we decided to report one data breach voluntarily.

Strengthening our Ethics and Compliance programme

We also took the following actions to increase or maintain the current-state maturity of our Ethics and Compliance programme:

- Hosted quarterly risk and compliance committees with the Business Units and the Group Executive Team, as well as with Board members
- Enhanced our culture of integrity through:
  - Mandatory training modules on Code of Conduct, anti-bribery and corruption, competition law, data privacy, cyber security and product safety. As of February 2023, 99% of people completed this training. New joiners complete the training as part of their onboarding
  - Introducing role-specific training on interactions with healthcare professionals and entities
- Raised awareness through communications including:
  - Compliance messages from our leaders through townhalls, emails, intranet posts and other channels
  - Written ethics and compliance communications, using email, intranet posts and our internal social media, to remind them of what to do to mitigate our principal risks

We also drove engagement with our corporate policies and ethics and compliance intranet site by issuing articles and newsletters pointing our employee base towards those sites.

We recognise that instances of misconduct can happen. Throughout 2022, we continued to raise awareness of our confidential Speak Up! service, which encourages employees and third parties to ask questions and raise concerns about misconduct. In 2022, we received 644 Speak Up! reports, with 426 cases meriting investigation.

Investigations can lead to both changes in working practice or other disciplinary action. Out of the 426 investigable Speak Up! cases in 2022, 43 employees were dismissed.

"DURING 2022, WE STRENGTHENED OUR ETHICS AND COMPLIANCE PROGRAMME AS A WHOLE."

ETHICAL BEHAVIOUR CONTINUED

Continuing our approach to responsible marketing

Building and sustaining a successful business depends on trust from consumers. We use our brands to demonstrate our values and purpose, as well as communicate the benefits of our products in a way that is legal, decent, honest and truthful.

Through our marketing communications and activities we want to represent the diversity of our consumers, drive responsibility through partnerships and strive for meaningful sustainable impact.

We feel an imperative to guide our employees, stakeholders and partners on responsible marketing. Central to this approach is our commitment to comply with the law and to be guided by industry self-regulatory best practices. When we created our existing Ethical Marketing Principles in 2015, we had not yet embedded our brand purpose or Sustainability Ambitions into the business to the extent we have today. Nor had we fully understood the growing importance of digital and the multiple opportunities it creates for marketers to speak with consumers. Brands now have much more consumer information, as well as a duty to source and sort this data responsibly to preserve consumers' trust.

Driven by these changes, we launched our new Responsible Marketing Principles and a Responsible Marketing Policy in March 2022. These apply to all brands, audiences and communications or activities, in all media. This includes everything from sponsorships, promotions, packaging, in-store, on or offline, to TV, radio, print, outdoor, cinema, websites and blogs. It also includes influencer marketing, social media or sponsored content, Artificial Intelligence, connected packaging, banners and educational material. We rolled out the Principles and Policy, invested in training and change management to make sure employees affected by the Policy clearly understand what's expected of them. All marketeers are assigned the Responsible Marketing training, and it's available to everyone else.

We are measuring compliance with the Policy through key performance indicators. We monitor feedback from consumers, customers and employees on our marketing on an ongoing basis, for example through our consumer care lines or our Speak Up! Line.

Looking ahead

While we continue to work to make access to the best hygiene, wellness and nourishment a right and not a privilege, we know social, economic and environmental challenges will mean a tighter regulatory environment for businesses, as well as higher expectations from ethical consumers.

Despite the challenges, we are confident in our Ethics and Compliance programme and will carry on strengthening it, supported by strong leadership and by our improved risk management capabilities to help us spot emerging risks and rectify known issues.