

About Us

WE ARE A BRANDED CONSUMER GOODS BUSINESS.

With over 140 years of heritage, we employ just under 2,500 people across our businesses in Europe, North America, Asia Pacific and Africa. Since our founding in 1884, we have been creating products to delight, care for and nourish consumers. We are building on these foundations, transforming PZ Cussons into a business with stronger brands in a more focused portfolio, delivering sustainable, profitable growth.



Summary of Financial Performance

Reported financial performance in FY25 was mixed, with strong results across most of our portfolio offset by a significant decline in St.Tropez, and the impact of the weaker Nigerian Naira.

Revenue

£513.8m

2024: £527.9m

Operating margin - Statutory

4.0%

2024: (15.9)%

Dividend per share

3.60p

2024: 3.60p

Revenue growth - Statutory

(2.7)%

2024: (19.6)%

Operating margin – Adjusted¹

10.7%

2024: 11.0%

Basic loss per share - Statutory

(1.38)p

2024: (13.60)

LFL revenue growth¹

8.0%

2024: 4.4%

Net debt

£(112.0)m

2024: (£115.3)m

Adjusted basic earnings per share¹

7.34p

2024: 8.02p

1 Alternative performance measures are explained and reconciled to the most directly comparable financial measure prepared in accordance with IFRS on pages 171 to 173.

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Read our report online: www.pzcussons.com/investors

A Word from our Chair



I am pleased to present the Annual Report for PZ Cussons for the year ending 31 May 2025.

FY25 PERFORMANCE

This was a mixed year for the Group. Our business in the UK increased its sales and drove its operating profit up significantly, aided by improving gross margins and by overhead cost reductions. Our African business achieved strong revenue and profit growth in local currency terms in what was a calmer macro-economic environment in Nigeria after the major devaluation of its currency in FY24. However, its operating profit when translated into Sterling increased only slightly because the Nigerian Naira, while stable during the year, was on average 38% below that in FY24.

In APAC, our operating profit was slightly down despite the good sales progress made in Indonesia and effective profit margin management in Australia. We experienced, however, a significant fall in the operating profits of our St.Tropez business in the US, affected by a difficult, more competitive environment.

Our central costs increased slightly on a comparable basis. However, measures were taken during the year to reduce them and these benefits will be felt in FY26. Overall across the Group, we are targeting savings of £5-10 million in FY26 as we simplify our processes and our organisation.

Our adjusted operating profit in FY25, declined by £3.4 million to £54.9 million which, with a higher effective tax rate but the benefit of lower non-controlling interest, resulted in our adjusted earnings per share decreasing by 8.5% in the year from 8.02p to 7.34p.

Our gross debt improved from £166.6 million to £157.1 million during the year with working capital levels being kept under tight control. Net debt/EBITDA increased from 1.5x to 1.7x reflecting the reduction in EBITDA.

DIVIDEND

All this has led the Board to propose a final dividend of 2.10p per share following the interim dividend of 1.50p paid in April. If approved, shareholders will receive a full year dividend of 3.60p per share — unchanged on last year's dividend. This annual dividend represents 49% of our earnings in the year and is in line with our targeted dividend cover of approximately two times. Once we complete our portfolio transformation plans, we plan to review our approach as part of a broader assessment of the Group's financial leverage and capital allocation objectives.

PORTFOLIO TRANSFORMATION

Turning to our plans for portfolio transformation, we also had a mixed year. We were pleased to agree a transaction to sell our 50% share in PZ Wilmar, our edible oils business, to our joint venture partners, Wilmar.

Subject to relevant approvals, completion is expected to take place in the last quarter of calendar year 2025. We wish the Wilmar team continued success.

This sale will simplify our portfolio and reduce our exposure to the risks of the Nigerian economy. We will use the net proceeds of approximately £47 million to reduce our gross debt further.

On the other hand, we failed to find a buyer prepared to pay an acceptable price for our St.Tropez business. During an extensive auction process, we had a number of offers but the value of them was adversely affected by the declining sales and profitability of the brand during the year.

As a result, the Board announced in June 2025 that the most compelling path forward was to retain the brand but run the business in a different way. We have now put in place a new, focused team led by a highly experienced executive and established a new partnership in the US with the Emerson Group, a leading distributor to North American retailers. The transition to this new operating model and, in turn, the brand's improved trading momentum will be a key area of oversight for the Board during FY26.

We also continue to review the future plans for our African businesses, and we will update investors on those at the end of the process. However, I can report that during the year, we again reduced our exposure to the Naira by reducing the foreign currency borrowings of our Nigerian business. This process will continue in the current year.

SUSTAINABILITY

We continue to progress our work on sustainability which remains central to our strategy and purpose. In FY25, we were proud to achieve carbon neutrality across our global operations, and the Group also achieved a 31% reduction in Scope 1, 2 & 3 carbon emissions in FY25 vs the FY21 baseline, supporting our progress towards our ambition for Net Zero by 2045. The Board's Environmental and Social Impact Committee continues to monitor and advise on the projects which will best support these ambitions, ensuring our environmental commitments are matched by meaningful action and transparency.

PEOPLE

Our people are of course the beating heart of PZ Cussons and their skills and commitment are critical to the success of the Group. This has been a year of significant organisational change and uncertainty for many of our teams as we transform PZ Cussons into a business with a more focused portfolio. We were therefore particularly pleased to see that our internal survey demonstrated a high level of employee engagement, with nine in ten of our colleagues stating that they are proud to work for the Group — a slight improvement on last year's survey. The results, explored in more detail later in this report, reflect the strength of our culture and the huge internal goodwill which the Company enjoys.

On behalf of the Board, I would like to thank all our colleagues very much for their dedication and hard work in what has been another challenging year. In addition, I am also grateful to our customers, suppliers, shareholders and other stakeholders for their continued support and trust in PZ Cussons.

THE FUTURE

Looking ahead, the Board will continue to focus on delivering sustainable, profitable growth for the future. We plan to capitalise on the long-term potential of our brands within a more focused portfolio.

David Tyler

Non-Executive Chair

16 September 2025

PZ Cussons at a Glance

WE ARE A BRANDED CONSUMER GOODS BUSINESS.

OUR PURPOSE AND STRATEGY

Our purpose is 'For Everyone, For Life, For Good'.

Our strategy is 'Building brands for life. Today and for future generations'. We focus on our core categories of Hygiene, Baby and Beauty in our four priority markets of the UK, ANZ, Indonesia and Nigeria. Underpinning this strategy, our growth will be enabled by strengthening our approach to capabilities, talent and leadership, culture and sustainability. Running through everything we do is a drive to dramatically reduce complexity across our business.



Investing in our brands to drive awareness and consumer loyalty



Winning where the shopper shops



Simplifying our operations and portfolio to improve returns and reduce risk



Investing in our teams to strengthen capabilities



Acting in the right way for long-term growth

FY25 revenue split by priority markets



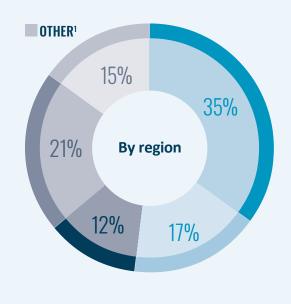




INDONESIA

Leading toiletries brand with Cussons Baby





UK

Leading positions in Washing and Bathing, with strong distribution and in-house manufacturing



















Leading Homecare and Baby Food brands, focused on Australia's two leading grocers







- 1 Other revenue primarily relates to our operations in the US, Ghana and Kenya, and other markets accessed through distributors
- 2 The sale of our PZ Wilmar edible oils joint venture was announced in June 2025.

Chief Executive's Review



PZ Cussons is now firmly in the transformation phase of its journey – reshaping itself into a more focused, competitive and resilient business.

Our strategy remains centred on the core categories of Hygiene, Baby and Beauty and we continue to invest in building brands, while simplifying our operations and creating a future-fit organisation.

FY25 has been a year of continued progress against our strategy. The UK business has delivered a stronger profit performance, supported by successful innovation, improved execution and strong retail partnerships. Indonesia has now recorded a fifth consecutive quarter of revenue growth, and ANZ continues to gain market share in each of its main brands, despite a softer consumer backdrop.

Across the Group, we are also seeing the benefits of our new operating model. Funded by a reduction in Group overheads, this is enabling more competitive brand activation and a clearer, more robust innovation pipeline. Major launches such as the Carex campaign in Africa, or the Childs Farm re-stage in the UK are early markers of success. Furthermore, we see continued opportunity to replicate the success enjoyed so far with our partnerships with third party owners of Intellectual Property (IP) such as *Bluey* or *Gruffalo*, with which a number of our brands share a target consumer.

In Nigeria, while the macro-economic environment remains challenging, the Naira (the Nigerian currency) has shown greater stability in recent months. Our operational interventions have helped sustain trading momentum and the business is now self-sufficient in US Dollar funding. Firstly, we repatriated all surplus cash to pay down UK borrowings, and subsequently we reduced a number of intercompany liabilities. As a result, our exposure to future shocks has been greatly reduced.



We know there is more to do to fully transform PZ Cussons, but with the strategic actions and operational improvements delivered through 2025, we are confident in the long-term potential for the Group."

Jonathan Myers

Chief Executive Officer

Furthermore, shortly following the end of the financial year, we announced the sale of our 50% stake in the PZ Wilmar edible oils joint venture. This sees us exit a non-core category, reduce the risk associated with our presence in Nigeria, and materially strengthens our balance sheet. We also announced in June the decision to retain St.Tropez. This ended the auction process that we had been conducting which had been made challenging by the significant reduction in revenue and profitability of the brand throughout the year.

We are however confident in the new direction that has been set for the brand, with a renewed operating model built around a focused and incentivised team with the brand leader reporting directly to me, and a re-set of our 'go to market' capabilities in the US aided by our strategic partnership with The Emerson Group — a leading, US-based partner to brand owners.

The strategic review of our wider Africa business is ongoing. This comprises our Family Care businesses in Nigeria, Ghana and Kenya, and our Electricals business in Nigeria. We remain committed to maximising long-term shareholder value and will provide an update as appropriate.

Finally, in a year of significant organisational change and uncertainty for many of our employees, I am particularly pleased to be able to report an employee engagement score of 74%. This represents an increase from 73% in FY24, and compares favourably to an industry benchmark of 71%.

We know there is more to do to fully transform PZ Cussons, but with the strategic actions and operational improvements delivered through 2025, we are confident in the long-term potential for the Group. On behalf of the Board, I would like to thank our teams across the world for their continued energy and commitment, and our partners and customers for their ongoing support.

LFL revenue growth

8.0%

Reduction in waste to landfill¹

Stores served directly in Nigeria

200,000

0070

1 Compared to FY21 baseline

DELIVERING AGAINST FY25 STRATEGIC PRIORITIES

Progress against the three key priorities established for FY25 is as follows:

1. Drive our businesses in the UK, Indonesia and ANZ

In the UK, we delivered a stronger profit performance with better innovation and commercial execution. Improved executions around gifting occasions across Christmas 2024, Mother's Day and Valentine's Day contributed an additional c.£3 million of revenue in the year. Distribution of our brands continued to expand, with successful launches for Sanctuary Spa in Tesco, Waitrose and Asda, while Carex and Imperial Leather gained in the wholesale and discounter channels. Childs Farm saw distribution expand further, supported by the launch of a strategic partnership with *Bluey* and BBC Studios, enhancing brand visibility and consumer engagement. Product development included the Original Source 2in1 foam product while Carex replicated the success of its *Gruffalo* product with an expansion of its partnership with Magic Light Pictures to use *Zog* on products.

In Indonesia, the business recorded its fifth consecutive quarter of revenue growth. We see continued growth following the launch in FY24 of Cussons Baby into the warming oil segment – a very large and important part of the wider Baby Care category in which the brand has not historically been present.

Driven by a successful '360' marketing campaign, involving TV, digital media and shopper trials, and with distribution now reaching over 150,000 outlets, brand penetration has reached 9% compared to 2% as at the end of FY24. More broadly, we see continued growth in e-commerce which doubled in FY25 to represent approximately 8% of the total business.

In ANZ, we delivered further market share gains across Morning Fresh, Radiant, and Rafferty's Garden. Radiant became the third-largest laundry brand in Australia, underpinned by the successful launch of capsule innovation. Morning Fresh retained its leadership position with approximately 50% category share, while Rafferty's Garden continued to hold the number 1 position in baby food.

2. Strengthen our brand-building capabilities and embed our new operating model

During the year we completed the integration of our UK Personal Care and Beauty businesses. This has delivered c.£3 million in annualised savings, enabling faster, more consistent execution across commercial and operational activities and was a primary driver of the reduction in Group-wide overheads.

As part of our new operating model, during FY25, we began the roll out of a renewed Marketing and R&D 'flywheel' to all business units. With renewed clarity and consistency on our brand-building tools and frameworks, we expect to drive more consistent and impactful brand-building across our portfolio. In the second half of the year, we launched a re-stage of Childs Farm generating strong consumer engagement. This has reinforced the strength of our brand equity, and we expect this to benefit performance into FY26. Other innovations for FY26 are set to include Cussons Baby in Indonesia, Original Source in the UK, and Morning Fresh in ANZ.

We are now in the final stages of integrating Childs Farm into the business. The majority of manufacturing now takes place in-house and the day-to-day running of the brand is led solely by our UK team, allowing us to consolidate the number of points of interaction with suppliers and customers.

3. Deliver the portfolio transformation to maximise shareholder value

We announced in April 2024 our intention to refocus the PZ Cussons portfolio on where the business can be most competitive and where it can create most value for shareholders.

In June 2025, we announced the sale of our 50% stake in the PZ Wilmar edible oils joint venture for \$70 million, to the joint venture partner, Wilmar International Limited. The transaction, once complete, will see us exit a non-core category, simplify our portfolio, and significantly reduce our financial leverage.

During the year, the Group ran a competitive auction process which sought to sell the St.Tropez brand. After careful evaluation of the offers received, the Board announced in June 2025 its intention to retain St.Tropez and set a new strategic direction for the brand.

The plan sees us establish a focused team to lead the St.Tropez brand across the Group's international footprint, incentivised against the identified value drivers of the business: winning in-market execution including digital activation, re-igniting innovation and rejuvenating the brand's equity. A critical component of the plan includes the formation of a strategic partnership with The Emerson Group (Emerson). Emerson is a leading, US-based partner to brand owners and will provide customer management, logistics services and brand activation in the US. St.Tropez will be integrated into Emerson's dedicated selling teams to key US retailers — an arrangement which builds on PZ Cussons' existing relationship with Emerson as the distributor of Childs Farm in the US. We are confident that this partnership will return St.Tropez to growth in the US, combining Emerson's distribution reach and brand activation capabilities, with the brand equity of St.Tropez.

Chief Executive's Review continued

GROWING SUSTAINABLY

We continue to make strong progress in embedding sustainability across our operations, brands and culture. In FY25, we delivered a step-change in our environmental performance, exceeding our near-term targets and reinforcing our commitment to long-term responsible growth.

- We achieved carbon neutrality across our global operations, including Africa, in line with our 2025 target;
- We reported a 31% reduction in Scope 1, 2 and 3 compared to our 2021 baseline, supporting our ambition to reach net zero across all scopes by 2045;
- Virgin plastic intensity was reduced by 12.5% compared to our 2021 baseline, continuing our trajectory toward a one-third reduction by 2030;
- 86.1% of our packaging is now recyclable, reusable or compostable, up from 85.6% in FY24;
- We achieved an 88% reduction in waste to landfill compared to our FY21 baseline, with our UK operations maintaining zero waste to landfill;
- Water consumption per tonne of finished product was reduced by 29% compared to our FY21 baseline.

Jonathan Myers

Chief Executive Officer

16 September 2025



Business Model

Our competitive advantage

What we do

Our strength is in being a multi-local rather than multinational business, with the level of focus, experience and dedication to our priority markets that this brings. We are a branded consumer goods business, and we build brands 'For Everyone, For Life, For Good.'

Our brands

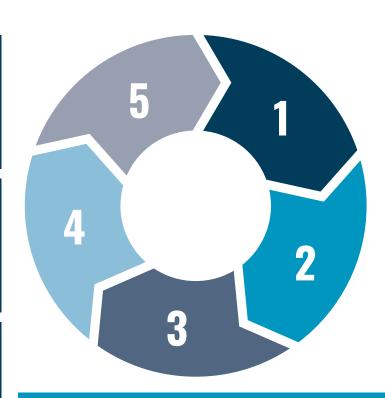
High-quality, trusted and well-loved brands

Our people

Diverse, skilled and engaged employees

Our channels

Leading manufacturing facilities and strong customer partnerships



ALL UNDERPINNED BY OUR PURPOSE, CULTURE, VALUES, GOVERNANCE AND ETHICS

Trends affecting our business

TREND

FY25 CONTEXT AND IMPLICATIONS

MACRO-ECONOMIC ENVIRONMENT

Inflationary pressures have eased in some markets, but cost-of-living challenges persist, particularly in the UK and Nigeria. Consumer value-seeking behaviour continues to shape demand, requiring agile pricing and promotional strategies.

EVOLVING STAKEHOLDER EXPECTATIONS

Consumers and investors are demanding more from brands – ethical sourcing, transparency, and sustainability are now baseline expectations. Our brand-specific sustainability plans and UN Global Compact membership reinforce our commitment.

DEVELOPING MARKETS

Despite short-term volatility, long-term growth potential remains strong in Nigeria and Indonesia. Nigeria's population growth and Indonesia's expanding middle class present opportunities, though foreign exchange (FX) volatility and supply chain resilience remain critical.

CHANGING CONSUMER BUYING HABITS

Omnichannel is now the norm. In developed markets, digital engagement and e-commerce are essential, while in developing markets, modern trade continues to gain ground. Our investment in omnichannel capabilities and data-driven marketing is key to winning.

The value we create

Our business model creates shared, sustainable value for all our stakeholders.

Trial and loyalty

Delight consumers through the use of our products

Sales and distribution

Deliver our products to wherever our shoppers shop

3 Advertising and marketing

Invest in multi-channel campaigns to build brands

Insight and innovation

Generate consumer insights to develop products that consumers desire

Sourcing and manufacturing Produce high-quality finished products



FOR CONSUMERS

Innovative, high-quality and trusted brands



FOR EMPLOYEES

Engaged teams, training and development opportunities and a supportive culture



FOR CUSTOMERS

Our retail partners and customers benefit from selling our leading brands



FOR INVESTORS

A business with a more focused portfolio and stronger brands, delivering sustainable, profitable growth



FOR SOCIETY

Supporting communities that we serve with charitable initiatives linked to our purpose



FOR THE ENVIRONMENT

Sustainable sourcing on plastic, paper and palm oil, with reduced carbon emissions, water usage and landfill waste

TREND

FY25 CONTEXT AND IMPLICATIONS

RAPIDLY CHANGING **TECHNOLOGIES**

Generative AI and digital tools are reshaping how we operate – from marketing to supply chain. We are embedding AI into decision-making and exploring automation to drive efficiency and innovation.

CHANNEL DISRUPTION

Winning in key channels is a strategic imperative. Growth is being driven by grocers, e-commerce, and discounters. Our future plans reflect a sharper focus on channel-specific strategies and execution excellence.

SUSTAINABILITY

Our environmental commitments are accelerating. We've achieved a 68.7% reduction in Scope 1 and 2 emissions and 86.1% of packaging is now recyclable, reusable, or compostable. Sustainability is now embedded in brand innovation and supply chain decisions.

Key Performance Indicators

HOW WE MEASURE OUR PERFORMANCE.

FINANCIAL KEY PERFORMANCE INDICATORS

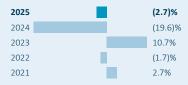
Reported financial performance in FY25 was mixed, with strong results across most of our portfolio offset by a significant decline in St.Tropez, and the impact of the weaker Nigerian Naira.

Revenue growth

Revenue growth allows management and investors to measure our relative performance. Sustainable revenue growth is a key strategic ambition.

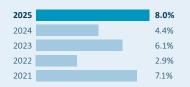
Revenue growth - Statutory¹

(2.7)%



LFL revenue growth 1, 2



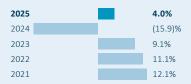


Profit margin

Profit margin allows management and investors to determine our relative performance.

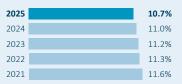
Operating margin - Statutory¹

4.0%



Operating margin – Adjusted 1, 2



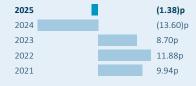


Basic (loss)/earnings per share

Basic earnings per share provides management and investors with a key indicator of value enhancement to shareholders.

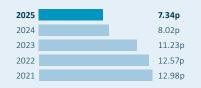
Basic (loss)/earnings per share - Statutory¹

(1.38)p



Basic earnings per share - Adjusted 1,2

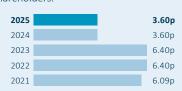
7.34p



Dividends per share¹

Dividend payments allow investors to receive a cash return on their investment in PZ Cussons plc. Dividend growth is a key indicator in terms of tangible return to shareholders.

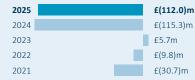
3.60p



Net (debt)/cash¹

Net debt is an indicator of the overall debt position and a way to evaluate the financial strength of the Group.





NON-FINANCIAL KEY PERFORMANCE INDICATORS

Our sustainability and employee engagement key performance indicators embody our ongoing commitment to key strategic priorities, providing management and investors with a clear measure of our progress.

Carbon reduction and neutrality³

Achieve 42% reduction in Scopes 1 and 2 carbon emissions (aligned with science-based targets) by 2030.

Scope 1 and 2 (market-based)

68.7%

Reduction since 2021

Achieve carbon neutrality in our operations by 2025.

Carbon neutrality in our operations

100%

of our emissions in 2025

Packaging reduction³

Reduce virgin plastic intensity by 33% by 2030 from a 2021 baseline.

Achieve 100% recyclable, reusable or compostable packaging by 2030.

12.5%

Reduction in virgin plastic intensity since 2021

86.1%

Recyclable, reusable or compostable packaging in 2025

Waste reduction³

Achieve zero waste to landfill by 2030 in those countries where appropriate infrastructure exists.

88%

Reduction since 2021

Engagement score⁴

The global engagement survey assesses how well our employees are engaged, which is a key driver of business performance.

74

Engagement score

- 1 Financial performance in both FY25 and FY24 was materially impacted by the devaluation of the Nigerian Naira which commenced in June 2023.
- $2\quad \text{Alternative performance measures are explained and reconciled to the most directly comparable financial measure prepared in accordance with IFRS on pages 171 to 173.}$
- 3 Refer to pages 20 to 29 for further details on our sustainability targets and our emissions reporting methodology.
- 4 Refer to page 17 for further details on our employee engagement survey

Financial Review



Building on the progress made during FY24, we have continued to strengthen our resilience to movements in the Nigerian Naira rate.

OVERVIEW OF GROUP FINANCIAL PERFORMANCE

Reported financial performance in FY25 was mixed, with strong results across most of our portfolio offset by a significant decline in St.Tropez profitability, and the impact of the weaker Nigerian Naira compared to the prior year. Our PZ Wilmar joint venture, the sale of which we announced in June 2025, saw its contribution to Group adjusted operating profit reduce compared to FY24. Excluding the contribution from PZ Wilmar, FY25 Group operating profit and margin would have increased. Building on the progress made during FY24, we have continued to strengthen our resilience to movements in the Nigerian Naira rate, reducing our local foreign exchange exposure via optimising cash balances held and reducing liabilities held in US Dollars.

Group revenue declined by 2.7% with 8.0% like for like (LFL) revenue growth offset by weaker FX. While the Nigeria Naira was relatively stable throughout the year, it was on average 38% weaker when compared to FY24. LFL revenue growth reflected price/mix growth of 7.2% with multiple price increases throughout the year in Nigeria driving price improvement to offset double-digit inflation. Excluding Africa, LFL revenue growth was 0.3%, with price/mix decline of 0.4% and volume growth of 0.7%.

Adjusted operating margin declined by 30bps, with an improvement in gross margin, based on actual FX, and reduced overheads offset by increased marketing spend and a reduction in contribution from PZ Wilmar. On a statutory basis, operating profit was £20.6 million compared to a loss of £83.7 million in the prior year which included an FX loss of £107.5 million, which arose primarily on the translation and settlement of USD-denominated liabilities in our Nigerian subsidiaries following the Naira devaluation.

Free cash flow was £42.3 million compared to £41.6 million in the prior year, due to good control of working capital. Net debt at 31 May 2025 was £112.0 million, £3.3 million lower than its level twelve months prior. Net debt/EBITDA was 1.7x (FY24: 1.5x).

PERFORMANCE BY GEOGRAPHY

EUROPE AND THE AMERICAS

£m unless otherwise stated	FY25	FY24	Growth/(decline)
Revenue	199.4	200.7	(0.6)%
LFL revenue growth (%)	0.6%1	(1.9)%	n/a
Adjusted operating profit	36.8	32.6	12.9%
Margin (%)	18.5%	16.2%	+230bps
Operating profit	50.9	0.7	n.m.
Margin (%)	25.5%	0.3%	+2,520bps

1 To aid comparability, Europe and Americas FY25 like for like revenue growth includes £2.0 million of revenue to a European distributor which was recorded in APAC revenue.

Revenue grew 0.6% on a like for like basis, with overall price/mix growth of 0.7% and volume decline of 0.1%. Growth in our UK personal care brands was more than offset by St.Tropez and declines in a number of our tail brands where we have sought to simplify our product portfolio.

The UK washing and bathing category grew 3% in value terms with our brands largely holding market share within their respective subcategories. Sanctuary Spa grew strongly, driven by further expansion of our gifting ranges, with seasonal gifting during the Christmas, Valentines and Mother's Day periods growing double-digits. Imperial Leather saw the full-year benefit of its new packaging as well as a launch of a new range, *Ultimate Moisture*, in H2 FY25. Carex revenue grew for the second consecutive year, driven by an extension of the *Gruffalo* products to include *Zog* while taking share in the core hand gel segment. Childs Farm delivered continued revenue growth as it also benefited from an IP partnership with another popular children's TV character *Bluey*.

St.Tropez revenue declined double-digits reflecting a soft category in the US and a number of shelf-space reductions in key US customers as a result of a reduced New Product Development (NPD) offering. Revenue also declined in a number of our tail brands as we sought to simplify the portfolio – including a reduction in number of SKUs of Charles Worthington.

Operating profit was impacted by the introduction in the UK of the new Extended Producer Responsibility (EPR) tax of c.£3 million – an annual cost to the business which we will seek to mitigate over time through, among other things, the review of our entire packaging portfolio in the UK. Despite this, adjusted operating profit grew by £4.2 million with a margin increase of 230bps. This was driven predominantly by overheads reductions in the UK business reflecting the full year impact of the integration of the Personal Care and Beauty businesses as well as ongoing RGM and margin improvement activity leading to modest increases in gross margin. Childs Farm profitability also continued to improve.

Statutory operating profit was £50.9 million. The increase from operating profit of £0.7 million in FY24 relates primarily to a Sanctuary Spa impairment write back of £16.5 million, compared to an impairment charge of £24.4 million in the prior period. Costs associated with transformation projects also reduced compared to FY24.

ASIA PACIFIC

£m unless otherwise stated	FY25	FY24	Growth/(decline)
Revenue	173.5	175.2	(1.0)%
LFL revenue growth (%)	(0.1)%1	(3.4)%	n/a
Adjusted operating profit	25.2	28.0	(10.0)%
Margin (%)	14.5%	16.0%	(150)bps
Operating profit	25.1	27.0	(7.0)%
Margin (%)	14.5%	15.4%	(90)bps

1 To aid comparability, APAC FY25 like for like revenue growth excludes £2.0 million of revenue to a European distributor which was recorded in APAC revenue.

LFL revenue decline of 0.1% was driven by price/mix decline of 1.9% and volume growth of 1.8%. This was offset by the depreciation in the Indonesian Rupiah and Australian Dollar resulting in a 1.0% decline in reported revenue.

Indonesia revenue grew strongly, with all major Cussons Baby segments driving volume-led growth. Market share declined slightly reflecting ongoing competition in the market, but the brand retained its leading position in most of the sub-categories in which it plays.

In ANZ, revenue declined slightly despite good market share growth across all three of our major brands. Morning Fresh revenue declined reflecting a reduction in the underlying category. Our laundry brand Radiant delivered modest revenue growth, continuing to gain market share with improved overall price/mix as a result of its capsules product innovation. Rafferty's Garden revenue declined but out-performed the category which saw mid-single-digits decline.

Adjusted operating profit reduced by £2.8 million with a margin decline of 150bps. Our Indonesia and ANZ businesses both grew profitability, with improvements in gross margin and overheads. However, this was offset by a reduction in profitability in a number of our smaller Asian markets reflecting increased sea freight and input costs, as well as lower profits in our business supplying soap noodles to third parties reflecting favourable input cost movements in the prior year. On a statutory basis, margin declined by 90bps, reflecting the non-recurrence of certain adjusting items related to simplification and transformation projects.

AFRICA

£m unless otherwise stated	FY25	FY24	Growth/(decline)
Revenue	140.9	151.7	(7.1)%
LFL revenue growth (%)	34.9%	26.5%	n/a
Adjusted operating profit	23.4	30.3	(22.8)%
Margin (%)	16.6%	20.0%	(340)bps
Operating profit/(loss)	18.9	(50.7)	n.m.
Margin (%)	13.4%	(33.4)%	n.m.
Adjusting operating profit ex. share of results of joint venture	16.3	19.6	(16.8)%
Margin %	11.6%	12.9%	(130)bps

On a statutory basis, revenue declined by 7.1% due to the 38% depreciation in the Naira compared to FY24. This depreciation largely reflects the full-year effect of the currency movements during FY24 as the currency has been more stable during FY25. LFL revenue growth of 34.9% was pricing-driven and reflects nearly 20 rounds of price increases over the last year, necessitated by Nigerian inflation remaining elevated at over 30% for much of the year. While volumes declined 12% following the pricing action taken, this was mitigated by further route-to-market improvements, with 200,000 stores now reached compared to 151,000 at the end of FY24 and 95,000 at the end of FY23. Our 'Perfect Store' program focused on delivering a superior shopping experience to consumers has grown from 5,000 stores in FY24 to 10,000 stores in FY25 further mitigating volume decline.

Each of our largest brands in Nigeria delivered double-digit, pricing-led, revenue growth, with Stella — a long-lasting moisturising jelly and now our largest brand in Nigeria — particularly strong due to the continued focus on extending typical purchase period beyond the dry season, known as Harmattan season, which occurs between November and January. Despite the significant price increases, we have held our market share position in most categories. Gross margins improved across each of our brands, reflecting continued price increases and the impact of our efforts to drive favourable product mix within brands.

Elsewhere, Kenya delivered good, volume-led growth driven by strong Modern Trade performance while Ghana saw strong double-digit LFL revenue growth with improvements in both pricing and volumes.

Revenue in our Electricals business grew 33.2% on a LFL basis, contributing revenue of £47.0 million. Gross margins improved as we were able to take price increases in a sustainable manner to offset cost inflation.

The PZ Wilmar joint venture contributed £7.1 million to adjusted operating profit – a decline from £10.7 million in FY24 reflecting the depreciation of the Naira.

Adjusted operating profit margin declined by 340bps. This was driven by a reduction in contribution from the PZ Wilmar joint venture, as well as the inclusion in FY24 of a £8.9 million credit from some intra-group debt forgiveness. Excluding these two items, adjusted operating profit increased by £5.6 million and the margin increased by 450bps.

On a statutory basis, operating profit was £18.9 million. This compared to a loss of £50.7 million in FY24 which was driven by the increased value of trade and loan liabilities denominated in US Dollars following the devaluation of the Naira. The greater stability in the currency throughout FY25, combined with actions to reduce intra-group and third-party liabilities denominated in non-local currency has meant that FX revaluation has had a significantly lower impact on our African performance compared to FY24.

Financial Review continued

CENTRAL

£m unless otherwise stated	FY25	FY24	Growth/(decline)
Adjusted operating loss	(30.5)	(32.6)	(6.4)%
Operating loss	(74.3)	(60.7)	22.4%

Central costs declined by £2.1 million to £30.5 million. FY24 however included a £8.9 million one-off charge related to debt forgiveness in our Africa business. Adjusting for this, central costs increased by £6.8 million, the majority of which relate to a number of costs attributable to business units being recorded centrally. On a statutory basis, central costs increased, primarily due to the impairment charge of £35.3 million relating to the Beauty group of CGU's goodwill offset by the non-recurrence of the FX loss in FY24 associated with the Naira devaluation.

OTHER FINANCIAL ITEMS

ADJUSTED OPERATING PROFIT

Adjusted operating profit for the Group was £54.9 million, a decrease of £3.4 million from £58.3 million in the prior period. Adjusted operating profit margin decreased by 30bps to 10.7% but grew 30bps excluding the contribution from the PZ Wilmar joint venture which was equity-accounted until it was classified as an asset held for sale at 31 May 2025. A reduction in depreciation and amortisation charge was driven partly by an extension of the useful economic life of the Group's SAP software.

ADJUSTING ITEMS

Adjusting items in the year totalled a net expense of £34.6 million before tax. This comprised primarily a £18.8 million net impairment charge and £8.7 million costs associated with our ongoing transformation programme.

After accounting for adjusting items, the Group's statutory operating profit was £20.6 million compared to a statutory operating loss of £83.7 million in the prior year. The devaluation of the Nigerian Naira had a significant impact on our financial results in the prior year with the Group reporting a foreign exchange loss of £107.5 million.

NET FINANCE EXPENSE

Adjusted net finance costs in the period were £13.8 million compared to a charge of £13.4 million in the prior period with a reduction in both finance income and finance expense as cash previously held in Nigeria was repatriated and used to pay down gross borrowings in the UK.

TAXATION

The tax charge in the period was £11.7 million. This compares to a credit of £24.1 million in FY24 which reflected the material impact of statutory FX losses suffered in Nigeria during FY24. The effective tax rate (ETR) on adjusted profit before tax increased to 21.9% from 14.5% in FY24 due primarily to the impact of FX losses and associated deferred tax assets impacting FY24.

EARNINGS PER SHARE

Adjusted basic earnings per share was 7.34p compared to 8.02p in the prior year. The statutory loss for the year was £5.2 million, compared to a loss of £71.8 million in the prior year. Basic loss per share on a statutory basis was 1.38p compared to basic loss per share of 13.60p in the prior year.

BALANCE SHEET AND CASH FLOW

Net debt as at 31 May 2025 was £112.0 million compared to £115.3 million at 31 May 2024. The Group continues to have no excess cash held in Naira following the repatriation of cash to the UK during FY24.

£m unless otherwise stated	FY25	FY24
Total cash	45.1	51.3
Of which Naira	13.1	17.2
Gross debt	157.1	166.6
Net debt	112.0	115.3
Balance sheet rates (NGN/GBP):	2,136	1,893

Total free cash flow was £42.3 million compared to £41.6 million in the prior period. The increase reflects primarily an improvement in working capital movements offset by lower adjusted EBITDA.

£m unless otherwise stated	FY25	FY24
Adjusted EBITDA	66.5	75.9
Cash flow impact of adjusting items ¹	(14.0)	(12.1)
Working capital movement ¹	2.3	(9.4)
Capital expenditure	(6.9)	(6.1)
Share of results of joint venture	(7.1)	(10.7)
Other	1.5	4.0
Free cash flow	42.3	41.6

¹ In FY24, the foreign exchange losses £104.1 million in adjusting items have been netted against the working capital movement line item for improved comparison to FY25.

Net assets decreased to £213.5 million compared to £235.2 million at 31 May 2024 primarily due to the impairment charge of £35.3 million relating to the goodwill of the Beauty group of cash generating units (CGUs).

The Group has a £325.0 million committed credit facility which is available for general corporate purposes. The credit facility incorporates both a term loan, of up to £125.0 million, with the balance as a revolving credit facility (RCF) structure. Entered into in November 2022, the term loan is a two-year facility and the RCF a four-year facility, with both facilities retaining two, one-year extension options. The first option for both RCF and term loan was executed in October 2023 and the second term loan extension was executed in March 2025 reducing to £70.0 million from 8 November 2026. As at 31 May 2025, the headroom on the committed facility was £167.5 million compared to £164.0 million at 31 May 2024.

FOREIGN EXCHANGE

The general appreciation of Sterling against our other currencies, and in particularly the devaluation of the Nigerian Naira, resulted in a £55.0 million reduction to FY24 revenue as set out below.

		Average	FX rates	_	Revenue
	% of FY25 revenue	FY25	FY24	% change	impact (£m)
GBP	35%	1.00	1.00	_	_
NGN (Nigeria)	21%	2,015	1,257	(38)%	(47.4)
AUD (Australia)	16%	1.99	1.92	(4)%	(3.1)
IDR (Indonesia)	13%	20,742	19,550	(6)%	(3.7)
USD (USA)	3%	1.29	1.26	(2)%	(0.5)
Other	12%	-	-		(0.3)
Total ¹	100%	-	-		(55.0)

¹ Table shows the impact of translating FY24 revenue at FY25 foreign exchange rates.

The rates of the Nigerian Naira used in recent reporting periods are summarised below.

NGN/GBP	FY23	FY24	FY25
Rate used for P&L	536	1,257	2,015
Rate used for balance sheet	577	1,893	2,136

Sarah Pollard

Chief Financial Officer

16 September 2025

People and Culture

ENHANCING EMPLOYEE ENGAGEMENT DURING ORGANISATIONAL CHANGE.

In a challenging year for the business, we remained firmly committed to delivering results and enhancing employee engagement, recognising that our people are integral to our future success.

Our approach was guided by the four pillars of our Global People Strategy: 'Best People; Agile, Future-Fit Organisation and Capabilities; Pioneering Leadership and High-Performance Culture; and the Brilliant Basics', along with our clear principle: 'Change is most effective when there is clarity, transparency and agility'. Our People team implemented strong change management plans and training, which prioritised open communication, leadership visibility and employee wellbeing.

Key initiatives included:

- Talent management: We developed a new 'Talent Philosophy',
 developed and sponsored by our Executive Committee. This is
 a strategic approach to attract, develop, retain and manage the
 performance of our people, ensuring that they have the skills and
 capabilities to meet our current and future business needs. It includes
 developing succession plans to mitigate risk for critical roles, and
 development plans for top talent.
- Transparent communication: Quarterly global Town Halls and regular local meetings from senior leadership, interactive Q&A sessions and dedicated change briefings, ensured employees remained informed and involved. We also sponsored employee-led events and initiatives in line with our annual calendar and marketing plans.
- Leadership and culture: Senior leaders were briefed regularly
 and provided with training to support their teams through change
 with empathy and clarity. We also prioritised embedding our new
 'leadership framework' into key people processes to ensure a
 consistent leadership style at PZ Cussons, including our approach to
 recruitment and selection.
- Wellbeing and support: We maintained our Hybrid Working Policy
 and expanded our wellbeing offering, tailored to our priority markets,
 ranging from wellbeing and mental health talks and resilience-building
 programmes to supporting colleagues in local markets with tailored
 reward initiatives.
- Recognition and inclusion: In line with our Diversity, Equity and Inclusion strategy, we celebrated and recognised contributions across all levels of our organisation, reinforcing a culture of appreciation and belonging. We used our 2025 global engagement survey to understand the engagement levels of diverse groups and participants were asked to anonymously share their gender, ethnicity and highest educational achievement. We also focused on our pillar of 'Accelerating Women into Leadership'. Female representation increased from 28% in FY24, to 29% in FY25, and women in senior management roles increased from 43% to 48% in the same period.

We launched a global 'EmpowHER' Women's Network supported by activities across all markets, and hosted a global event on International Women's Day, with a keynote speech from the Chair and brand presentations from our talented female marketing leaders. At PZ Cussons, we are committed to having a diverse Board and Executive Committee that reflects our workforce and consumers in our business locations. We support the Parker Review's mission to enhance ethnic diversity within UK boardrooms and business. Our Board composition exceeds the targets set out in the Parker Review by having three Directors from a minority ethnic background. The Parker Review has updated its focus to concentrate on senior management within the UK, rather than adopting a global perspective. PZ Cussons set an ethnic minority target of 18% for senior management in the UK by end December 2027. As submitted to the Parker Review in December 2024, 17% of UK senior management reported as being from a minority ethnic background.

OUR VALUES

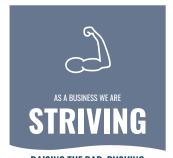
Our BEST values were defined by our people, for our people and we have embedded these into our processes and communications, ensuring that everyone is familiar with them and understands our ways of working.



FEARLESS, PIONEERING AND PASSIONATE, OPEN AND HONEST, TRUE TO OURSELVES AND PROUD OF WHO WE ARE



DYNAMIC AND PROACTIVE, CAPABLE AND FLEXIBLE, EMBRACING CHANGE AND MOVING FAST INTO THE FUTURE



RAISING THE BAR, PUSHING PERFORMANCE, AIMING HIGH AND ACHIEVING MORE



ONE FAMILY, MANY VOICES; SUPPORTED, INCLUDED, RESPECTFUL, EMPOWERED, AND WITH JOY IN WHAT WE DO

I am proud to work for PZ Cussons

88% (2024: 86%)

Survey run by Culture Amp. Benchmark Consumer Goods and Services, January 2025.

I would recommend PZ Cussons as a great place to work

86% (2024: 85%)

GLOBAL ENGAGEMENT SURVEY 2025

We are pleased to have enhanced our overall employee engagement score at 74 (2024: 73) compared to an industry benchmark of 71, while we continued to navigate the challenges of our external environment and changes to our organisation. Participation rate was outstanding at 97% following a sustained effort across PZ Cussons to ensure that everyone had the opportunity to tell us what is working and where we can improve. This included kiosks for colleagues working in factories and providing appropriate translation.

Employees responded favourably to important 'engagement driver' questions around pride in working for PZ Cussons and recommending us as a great place to work. 88% of our colleagues are proud to work for PZ Cussons — an increase of 2% versus the last survey, and 86% of our people would recommend PZ Cussons as a great place to work — an increase of 1% versus the last survey. Encouragingly, and in line with our work to raise the bar on performance, other high-scoring questions with a significant increase compared to last year, confirmed that employees are clear on their roles and responsibilities and understand how their work contributes to the goals of PZ Cussons.

There remains a high awareness of our BEST values, which will be important as we continue to evolve our culture. We also saw a big improvement in employees feeling appropriately involved in decisions that affect their work and in their ability to voice opinions and to be heard.

Our Executive Committee discussed our survey results and identified action areas that will be progressed in the next year. These include creating clarity and excitement about the future strategic direction of PZ Cussons and continuing to develop our work on leadership and employee reward and localised benefits.

All of this will be strengthened as we begin collecting sentiment through more regular pulse surveys, alongside the annual employee engagement survey, enabling us to respond in real time to what our people tell us they need as we pursue growth.

BOARD ENGAGEMENT WITH PZ CUSSONS COLLEAGUES

Designated Non-Executive Director for employee engagement: Kirsty Bashforth

Employee voice remains an important input to the PZ Cussons Board. Non-Executive Director Kirsty Bashforth has continued her close engagement with the business in FY25.

Notable examples during the year included attending internal strategy discussions and quarterly business reviews, Town Halls and Women's Network events, individual conversations with key leaders, observing People Leadership Team meetings and change training.

People and Culture continued

LEADING AT PZ CUSSONS.

This year we have continued to strengthen and invest in our leadership approach through a combination of internal career development and progression based on robust succession plans, and targeted external recruitment to invest in specific capabilities for the future.



KAREEM MOUSTAFA

General Counsel and Company Secretary
(Executive Committee)

Navigating complexities and shaping a sustainable future

Kareem joined PZ Cussons five years ago in 2020, first as Deputy Company Secretary and more recently as Corporate Counsel. He was promoted to General Counsel and Company Secretary, and appointed as a member of the Executive Committee in August 2024. In his earlier roles at PZ Cussons he oversaw the onboarding of new executive management and Directors, partnered with HR to bring in new employee share plans and refreshed the Group's debt facility, including new sustainability KPIs, supporting the treasury and finance teams.

As General Counsel and Company Secretary he manages the Legal, Governance and Compliance team which looks after PZ Cussons' legal risk management, ethics and compliance, company secretarial and insurance portfolio.

Before joining PZ Cussons, Kareem worked at Tullow Oil plc, a listed oil and gas company with assets in Africa, the UK and South America, in various legal and company secretarial roles. He trained at the British law firm Freshfields LLP, where he gained experience in M&A and capital markets for a number of FTSE 100 and global companies. He enjoys the diverse and collaborative culture of PZ Cussons, saying: "I love being exposed to new and different challenges every day, and working with great people to deliver good outcomes for our consumers and the business. I'm proud to have helped PZ Cussons on our transformational journey and grateful to have been supported and recognised by so many in the Company along the way."



SAMANTHA HUNT
Sales Director (ANZ)

Driven by her commitment to create impact

Sam combines a strong finance background with superior sales expertise, following a 26-year career in consumer goods. Having started her career as a Chartered Accountant, she worked in a series of commercial finance roles while developing strong expertise in Revenue Growth Management. Sam joined PZ Cussons in January 2022 and has recently been promoted to Sales Director for our ANZ business, leading sales strategy and a team seeking accelerated commercial growth.

Sam is passionate about building strong customer partnerships and emphasises the importance of being open to learning at every stage of your career. She has enjoyed working across a range of brands and customers and is a strong and vocal advocate for our global EmpowHER Women's Network and employee wellbeing initiatives.

Colleagues talk about Sam's strength at 'leaning in' to problem-solving and helping others to find solutions together. She says: "I am driven by my commitment to create impact in a business, and to share accountability for driving success at PZ Cussons, now and in future."



SHARON GOODALL

R&D Director (Global)

Innovation making an impact on everyday lives

Sharon joined PZ Cussons in November 2024 and brings 20 years of experience in defining, developing, and launching consumer products in multi-regional lifestyle, health and wellness, and skincare categories.

Her team partners with Marketing and our business units to grow our brands sustainably with new products, packaging and claims that delight our consumers and shoppers. Under her leadership we are evolving our investments into category and brand plans, to ensure we have a balance between renovating our current portfolio, and innovation that can unlock growth for our brands in the mid to long term. Innovation is at the heart of our strategic planning, and Sharon's arrival is another step in our brand-building strategy. Sharon says, "Driving innovation means that our brands will make a real impact on people's everyday lives, and all the incremental wins really matter. The work is never easy, given our ever-changing shopper environments online and offline, but bringing meaningful innovation to life is extremely rewarding for consumers and for teams across our business."



FARIDA ENDRIYATI

Head of Customer Marketing and Trade Promotion

Management (Indonesia)

A career shaped by curiosity and accountability

Farida is a long-standing and respected leader at PZ Cussons. She joined us in 2002 and has steadily progressed and gained expertise in several specialisms, ranging from supply chain and new product development project leader to commercial functions. In her current dual role as Head of Customer Marketing and Head of Trade Promotion Management, she leads cross-channel planning and execution, manages trade expenditure, and collaborates with sales and marketing teams to measure impact. Her operational roots, spanning procurement, planning and project delivery, have given her an important 'commercial edge', and the ability to lead others to succeed.

A chemist by training, Farida later pursued additional education in business and marketing to bridge her technical background with her commercial responsibilities. She is driven by a desire to keep learning; a mindset that has enabled her to move seamlessly between functions and grow her career. "I always believe in learning something new," she says. "Every time I move into a new role, I commit to adapting quickly and contributing meaningfully."

A proud mother of two children, her journey is an inspiring example for many women in our Asia business – showing that it is possible to lead with purpose, both at work and at home. Farida is also a passionate advocate for our PZ Cussons culture empowering colleagues to keep learning and striving for their fullest potential.

Sustainability

PZ CUSSONS IS COMMITTED TO SHAPING POSITIVE CHANGE.

INTRODUCTION TO ENVIRONMENTAL AND SOCIAL IMPACT AT PZ CUSSONS

We recognise our impact on the planet and society and are committed to addressing it by working alongside our suppliers, customers and communities to drive positive change. Guided by our purpose: For Everyone, For Life, For Good, we consider the needs of multiple stakeholders when making decisions as a business.

The environmental and social impact framework, known as 'Better for All', is designed to align with our purpose. The sustainability strategy aims to help all employees understand how they can contribute to meeting our targets. The framework is further supported by established KPIs. A group-wide materiality assessment identified and validated the key areas of focus within the framework.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS AND GLOBAL COMPACT

We remain committed to the United Nations Sustainable Development Goals (SDGs) and the Ten Principles of the UN Global Compact (UNGC), which continue to serve as guiding frameworks for our sustainability strategy. As active participants in the UNGC, we align our business practices with global principles on human rights, labour, the environment and anti-corruption.

Throughout FY25, we deepened our engagement by participating in cross-sector forums within the UNGC UK Network. These engagements not only reinforced our strategic alignment with the SDGs and UNGC principles but also provided valuable learning opportunities for our employees. The insights gained are being integrated into our operations, helping us drive meaningful progress across our sustainability priorities.

GOVERNANCE

The Board provides oversight of our sustainability strategy through the Environmental and Social Impact (ES) Committee. This sub-committee reviews and monitors the Company's strategy, policies, performance metrics and disclosures related to environmental and social impact.

The Executive Committee is responsible for developing the sustainability strategy and making operational and investment decisions to support its delivery. The Executive Committee works in close alignment with the ES Committee, which approves the strategic direction and ensures accountability at the Board level.

Reporting to the Executive Committee, the Sustainability Steering Group plays a key role in reviewing plans and tracking progress against our corporate sustainability KPIs. It ensures effective execution of our environmental and social strategy across the Group and individual markets, while also overseeing internal and external communications on sustainability.

To support delivery at the operational level, we have established functional and regional workstreams led by the Group Sustainability Team. These workstreams are responsible for developing and implementing business unit and function-specific initiatives.

The Group Sustainability Team reports to the Global Head of R&D and, ultimately, to the Chief Growth and Marketing Officer. This structure is designed to embed sustainability more deeply within our business strategy, enhance brand value, and drive operational efficiencies.



For more details, visit our website: www.pzcussons.com/sustainability

Decision and monitoring	Board Environmental and Social Impact Committee – Oversight of Company strategy, policies, performance measures and disclosures.		
Decision,	Executive Committee – Strategy development and accountable for operational and investment decisions.		
collaboration and monitoring	Sustainability Steering Group — Assure implementation plans are in place to deliver corporate goals and oversight of internal and external communication efforts.		
	Group Sustainability Team		
Delivery	Functional workstreams – Development and management of plans to achieve corporate goals from a Group function perspective.	Regional workstream – Full P&L accountability. Aligns delivery of environmental and social projects on a regional level to business context.	







OUR IMPACTS ON PEOPLE

OUR ENVIRONMENTAL IMPACTS

OUR BEHAVIOURS AS A BUSINESS

FOR EVERYONE. ASA



We are committed to providing high-quality and safe products to our consumers and customers, considering quality and consumer safety as a fundamental business priority.

ALIGNING TO THE SDGS













All our manufacturing sites are accredited to ISO 9001 for quality. We use the principles established in ISO 10377, the standard for consumer product safety to assess and improve our performance.

Our ambition is to inspire responsible consumption of our products and disposal of our packaging by adapting our pack communication so consumers can make informed choices.

COMMUNITIES

We want to create positive social change in the communities where we operate. Our Code of Ethical Conduct requires that our charitable donations are free from political affiliations or conflicts of interest. In FY25, we continued to support the work led by our business units on the ground, across our different operating geographies. Each business unit engages with and supports strategic charity partners aligned with our global business strategy. We call this approach 'building locally loved charity partnerships': ensuring our efforts remain relevant to our employees, resonate with the communities we serve and connect meaningfully with the brands we sell.

HEALTH AND SAFETY

All our manufacturing sites continue to hold ISO 45001 certification, demonstrating our ongoing commitment to the highest standards of occupational health and safety.

In FY25, we have placed particular emphasis on strengthening our safety culture, with a clear focus on behavioural safety and the robust reporting and close-out of leading indicators.

Over the year, we achieved a 33% reduction in recorded injuries and a 27% decrease in the total number of health and safety incidents compared with the previous year.

Unfortunately, four lost time incidents (LTIs) did occur across our operations. Each incident was fully investigated by our Health & Safety managers, and appropriate actions were promptly put in place to prevent recurrence. The lessons learned have been shared across all sites to embed best practice and support continuous improvement. We remain committed that these actions will help us foster a working environment where a zero-LTI mindset is truly embedded.

	FY24	FY25	Change vs prior year
Fatalities	0	0	0
LTI ¹ /Yr.	2	4	+2
LTIFR ²	0.04	0.07	+0.03
AAIFR ³	0.814	0.79	(0.02)

- LTI defined as Lost Time Incidents. LTI refers to an incident sustained at work that has resulted in the loss of productive work time in the form of absenteeism. This applies when time is lost starting from the next working day
- 2 LTIFR defined as Lost Time Incident Frequency Rate.
- AAIFR defined as All Accident Incident Frequency Rate
- 4 This figure was re-stated from FY24 (from 0.82 to 0.81).



For more details, visit our website: www.pzcussons.com/sustainability/for-everyone

Sustainability continued

FOR LIFE.

We address all our environmental impacts through the lens of our purpose.

ALIGNING TO THE SDGS









We are committed to minimising our impact on the Earth and oceans. We do this by reducing our carbon emissions, considering our sourcing decisions, and managing our packaging, waste and water use.

We measure, manage and report our performance in the areas we believe are most important to the business and where we have the most significant impact including:

- · Plastic consumption and disposal
- Carbon emissions
- Landfill waste
- Water usage
- · Sustainable sourcing of palm oil and paper.

All our operating sites comply with local regulations and our Group standards. In addition to this, all our manufacturing sites are certified to ISO 14001. We operate a continuous improvement programme in our factories, which reduces our carbon emissions, water use and landfill waste.

PLASTICS AND PACKAGING

The packaging agenda is high on our list of priorities. Reducing our packaging footprint is as important as it is challenging.

In FY25, we continued to embed our plastic reduction ambition across the business by cascading targets through our brand teams and aligning with regional and country leadership. As part of this, we defined regional plastic reduction targets that were presented and agreed with country Managing Directors, establishing a commitment to annually review brand trajectories and collectively identify the interventions required.

An example of this approach in action is the significant inclusion of post-consumer recycled resin (PCR) in Morning Fresh packaging across leading markets. This intervention not only supports brand relevance, but also positively shifts the portfolio mix towards our Group virgin plastic reduction target.

We are actively reviewing our entire packaging portfolio for the UK in advance of eco-modulation fees to minimise our non-recyclable impact.

Our global paper target supports our business strategy and reflects our commitment to more sustainable practices. We aim to increase the use of certified or recycled paper, sourcing materials from responsibly managed forests, certified to standards such as FSC, PEFC, or equivalent. This approach not only makes the most of precious forest resources, but also reduces the pressure to harvest more trees.

	FY25 current reporting year	FY24 previous reporting year
Reduce virgin plastic intensity in our packaging by one third by 2030 from a 2021 baseline	(12.5)% compared to baseline	(9.2)% compared to baseline
Ensure 100% recyclable, reusable or compostable packaging by 2030	86.1%	85.6%
Use 100% certified or recycled paper by 2025	96%1	97%1

¹ The data covers over 95% (by tonnage) of our manufactured and third-party sourced consumer goods. Certification and recycled content are based on supplier documentation and have not been independently verified or physically reviewed.

REDUCING CARBON EMISSIONS

Reducing carbon emissions remains a priority for our business, and in FY25 we achieved significant progress across several fronts of our climate programme.

We maintained our full climate disclosure to the Carbon Disclosure Project (CDP) and were proud to receive an A- score against the climate questionnaire in the 2024 assessment, placing PZ Cussons in the Leadership category and demonstrating the strength and intent behind our climate-related initiatives.

We have exceeded our original Scope 1 and 2 reduction target of 42%, well ahead of the 2030 deadline, and achieved carbon neutrality across our operation, including in Africa, in line with our 2025 target.

These milestones reflect the effectiveness of our strategy, including continued energy efficiency improvements, the transition to renewable electricity and the offsetting of residual emissions through the purchase of Gold Standard voluntary carbon credits, supporting projects in Africa and Indonesia

In FY25, the Group's market-based carbon footprint for Scopes 1 and 2 decreased by 68.7% compared to our baseline, and energy consumption was reduced by 51% versus FY21.

Carbon reductions have been achieved and maintained through structural improvements, including outsourcing power generation at our Nigerian factory, securing a long-term gas supply contract at Aba and implementing energy efficiency initiatives across our operations.

Our near-term Scope 1 and 2 reduction targets and long-term Scope 3 commitments are aligned with science-based methodologies. Emissions are calculated using the UK Government GHG Conversion Factors for Company Reporting and IEA factors for overseas electricity, and are independently assured – Scopes 1 and 2 by Verco¹ and Scope 3 by EcoAct².

While we have delivered beyond expectations this year, our work does not stop here. We will continue to explore new reduction opportunities across our operations, as all further progress contributes directly to our long-term ambition of reaching net zero by 2045.

Target	FY25 current reporting year	FY24 previous reporting year
Achieve carbon neutrality in our operations by 2025	100% of our emissions	26% of our emissions
Achieve a 42% reduction in Scopes 1 and 2 carbon emissions (aligned with science- based targets) by 2030	(68.7)% compared to baseline	(42.3)% compared to baseline ³
Achieve net zero emissions across Scopes 1, 2 and 3	(31.1)% compared to baseline ⁴	(11.7)% compared to baseline ⁵

- 1 Verco provide limited assurance, following the ISO 14064-3:2019 GHG Part 3. Boundary: PZ Cussons and all subsidiaries worldwide on an operational control basis. Verification report is available on our website.
- 2 EcoAct provided a limited level of verification aligned with the ISO 14064-3:2019 standard with specification and guidance for the verification and validation of greenhouse gas statements. The organisational boundary of PZ Cussons was established as to include operation sites. EcoAct used the operational control approach, which is where the business has full operational control. Verification report is available on our website.
- 3 This figure was re-stated from FY24 (from (43.8)% to (42.3)%).
- 4 Calculating and verifying Scope 3 data is a complex and time-consuming exercise. The figures presented for FY25 current reporting year are from the latest available data which for Scope 3 is the FY24 inventory and for Scopes 1 and 2 is the FY25 inventory. Both are verified by third-party experts.
- 5 The figures presented for FY24 previous reporting year are from FY23 for Scope 3 and from FY24 for Scopes 1 and 2. Both are verified by third-party experts.

WASTE

In FY25, we reduced our absolute amount of overall waste to landfill by 88% compared to a FY21 baseline, with our UK operations maintaining its zero waste to landfill achievement. We are progressing towards our target of zero waste to landfill by 2030 in markets with appropriate infrastructure, while in Africa such infrastructure does not currently exist. We aim to reduce the amount of solid waste sent to landfill year-on-year, and all our factories and locations have waste reduction programmes in place, achieving a 61% reduction in FY25 versus the previous year. We study and map our landfill waste to identify improvement actions, which we implement via our continuous improvement programme.

Target	FY25 current reporting year	FY24 previous reporting year	FY21 baseline year
By 2030, we aim to send zero waste to landfill in those countries where appropriate infrastructure exists	(88)% compared to baseline	(69)% compared to baseline	141 tonnes

WATER

Reducing the amount of water we use is essential, and we have a continuous improvement programme to ensure we use it efficiently. In FY25, we reduced our water consumption per tonne of finished product by 29% compared to a FY21 baseline. Our absolute operational water¹ consumption was reduced by 41% compared to a FY21 baseline and 17% reduction versus last year. In FY25, we made a full submission to the CDP Water Security questionnaire, with our scores now publicly available. We remain committed to continued annual disclosure.

Target	FY25 current reporting year	FY24 previous reporting year	FY21 baseline year
Reduce water intensity by 30% from 2021 baseline	(29)% compared to	(16)% compared to	5.64m³/t of production
by 2030 ²	baseline	baseline	

- 1 Operational water is defined as the total water used net of water in our finished products.
- 2 Water intensity is defined as the operational water use, per tonne of production.

BIODIVERSITY

We purchase and source raw materials that, in some cases, impact biodiversity and forests. Our most significant purchases are paper-based materials and palm oil. We have been disclosing data on the impacts of those commodities yearly to CDP.

Targets

Continue to use 100% responsible palm oil in our products aligned to NDPE (no deforestation, peat or exploitation) principles

100% of our paper will be certified or recycled by 2025

Our progress in palm

99% of palm oil comes from suppliers with NDPE commitments aligned with ours	97% of the palm oil we use is traceable to mill 59% of the palm oil we use is traceable to	47% independently verified deforestation and conversion free palm oil supply
	plantation	

Our palm progress is annually disclosed on our website via the Palm Progress Report. Numbers are verified by Earthworm Foundation and Starling.

Our paper progress is disclosed on page 22 of this report.



For more details, visit our website: www.pzcussons.com/sustainability/for-life www.pzcussons.com/sustainability/policies-and-disclosures/

Sustainability continued

EMISSIONS TABLES

Greenhouse gas emissions and energy consumption*:

	FY25 cu	rrent report	ting year	FY24		FY21 baseline year			
	UK	Global	Total	UK	Global	Total	UK	Global	Total
Energy consumption used to calculate emissions (MWh)	5,910	74,700	80,610	6,361	112,883	119,244	6,209	158,214	164,423
Scope 1 ¹									
Emissions from activities for which the Company owns or controls, including combustion fuel and operation of facilities (Scope 1) (tCO ₂ e)	451	11,672	12,123	507	20,238	20,745	785	30,637	31,422
Scope 2 ¹									
Emissions from purchase of electricity, heat, steam and cooling, purchased for own use									
(Scope 2 location-based) (tCO ₂ e)	713	6,674	7,387	741	6,396	7,137	833	7,815	8,648
Emissions from purchase of electricity, heat, steam and cooling, purchased for own use									
(Scope 2 market-based) (tCO ₂ e)	0	159	159	0	1,903	1,903	0	7,815	7,815
Total Scopes 1 and 2 ¹									
Total gross Scope 1 and 2 location-based emissions (tCO ₂ e)	1,164	18,346	19,510	1,248	26,634	27,882	1,618	38,451	40,069
Total gross Scope 1 and Scope 2 market-based emissions (tCO ₂ e)	451	11,830	12,281	507	22,141	22,648	785	38,451	39,236
Intensity ratio tCO ₂ e (Scope 1 and 2 market-based) /£100,000 revenue	0.25	3.57	2.30	0.25	6.78	4.29	0.18	21.55	6.50
Total Out of Scope Emissions (tCO ₂ e) ⁵	0	2,652	2,652	0	2,028	2,028	0	2,159	2,159
Scope 3 ^{2,3}									
Cat 1 Purchased goods and services		449,257				504,712			521,474
Cat 2 Capital goods		537				373		312	
Cat 3 Fuel and energy related activities		5,707		7,952				6,315	
Cat 4 Upstream transport and distribution		62,102				89,055			155,957
Cat 5 Waste generated in operations		1,572				1,802			1,950
Cat 6 Business travel		1,782				1,200			227
Cat 7 Employee commuting		1,729		1,872				2,268	
Cat 8 Leased assets		1,260				545			608
Cat 9 Downstream transport and distribution	22,693		30,404					48,390	
Cat 10 Processing of sold products	n/a				n/a			n/a	
Cat 11 Use of sold products	4,122,035		5,616,201			6		5,364,955	
Cat 12 End-of-life treatment of sold products	51,365				64,533	3		69,634	
Cat 13 Downstream leased assets	n/a					n/a	a		n/a
Cat 14 Franchises		n/a				n/a	n/a n/a		
Cat 15 Investments ⁴		552,800				432,568			463,188

^{*} All emissions have been calculated following the Greenhouse Gas Protocol Corporate Standard. Scope 1 and 2 emissions have been calculated using primary data, UK Government conversion factors for company reporting and the International Energy Agency emission factors. Scope 3 emissions have been calculated using a mix of primary and secondary data alongside industry emission factor and benchmarks.

¹ Information assured and verified by Verco Advisory Services Limited.

² Information assured and verified by EcoAct.

³ Calculating and verifying Scope 3 data is a complex and time-consuming exercise. The figures presented for FY25 current reporting year are from the latest available data which for Scope 3 is the FY24 inventory. For FY24 disclosure this is the FY23 Scope 3 inventory. Both are verified by third-party experts.

 $^{{\}tt 4-Category~15~Investments~include~emissions~associated~with~the~PZ~Wilmar~joint~venture.}\\$

⁵ Out of scope emissions relate to the biogenic carbon associated with the use of biomass fuel.

FOR GOOD.



We behave ethically as a business through our decisions and our corporate, environmental and social impact governance processes.

We operate in an open, honest and fair business environment with our suppliers, customers and business partners. Our ethical principles, rooted in respect and integrity, guide our dealings with all stakeholders, ensuring they feel valued and respected.

The policies and standards which govern our approach include:

- Code of Ethical Conduct
- Modern Slavery Statement
- Supplier Code of Conduct

Code of Ethical Conduct

The Code of Ethical Conduct (the COEC) sets out our statement of ethical principles and the behaviours expected across the business. It provides rules and guidance to ensure we comply with the UK Bribery Act and equivalent legislation in other countries. The COEC applies to all employees, contractors, Directors and senior management, joint venture partners, suppliers, agents, consultants and advisers.

The COEC also sets out our position on animal testing, anti-slavery and forced labour, supply chain due diligence, our responsibilities towards our employees, the prevention of financial crime (including zero tolerance of all forms of bribery and corruption and the prohibition of payment of bribes, kickbacks and facilitation payments) and the protection of whistle-blowers. The COEC is supported by a number of other policies, detailed in the Audit and Risk Committee Report on page 66 of this Annual Report and Accounts.

In FY25, we conducted our annual COEC confirmation survey which was completed by all eligible employees. The confirmation sought feedback on the level of embeddedness of our COEC and how well it was understood across our business. The feedback showed a strong understanding of the COEC and the procedures in place to make whistle-blowing reports.

The new joiners process is working well, and with the use of Workday and the Trace International learning management system portal, all new joiners are tracked to ensure they have read the COEC and completed the Anti-Bribery and Corruption training. The Head of Ethics and Compliance and local compliance champions conduct additional face-to-face training on the COEC in high-risk markets. We also conduct face-to-face training for employees at several factory sites, with over 530 employees attending.

Modern Slavery Statement and Supplier Code of Conduct

Our Modern Slavery Statement sets out our commitment to detecting and preventing all forms of slavery and human trafficking in our supply chain. This commitment is underpinned by our Supplier Code of Conduct (SCOC) and procurement policies, which ensure that we do not engage, directly or indirectly, in such practices.

The SCOC aligns with the principles in our COEC, requiring suppliers to uphold the same high standards we set for ourselves. This includes compliance with all relevant laws and regulations wherever we operate and a commitment not to test finished products or ingredients on animals.

In line with our ethical sourcing objectives, PZ Cussons continuously strengthens supplier due diligence and management. We screen all vendors through our third-party risk framework and require them to agree to our SCOC.

We have made consistent year-on-year progress in securing commitments from our direct suppliers, with all new vendors required to sign the SCOC as part of our onboarding process. This process is supported by the Dow Jones platform, further enhancing our due diligence and helping us achieve our goal of full SCOC compliance across our direct supply base.



For more details, visit our website: www.pzcussons.com/sustainability/policies-and-disclosures

Task Force on Climate-related Financial Disclosures (TCFD)

We set out below, our climate-related disclosures which comply with UKLR 6.6.6R by incorporating climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures, as well as the guidance for all sectors as set out in the 'Annex' published in October 2021.

Our TCFD reporting complies with all requirements except for Strategy (b) disclosure. We anticipate becoming fully compliant in the coming years when the expected regulation on climate transition plans for UK listed issuers is introduced. The finalisation of our transition plan and impact of climate-related risks and opportunities will then be further embedded into our financial planning.

GOVERNANCE

Board oversight

PZ Cussons' climate risk is ultimately governed and overseen by the Board. The Board approves and oversees our sustainability strategy, committing the Group to environmental, social and governance performance and that we deliver against our goals. The Board is also responsible for setting our risk appetite and monitoring the application of our Risk Management Framework and methodology.

Three Board Committees are also closely involved in reviewing the elements of sustainability that impact the key areas of our business:

- The Environmental and Social Impact (ES) Committee reviews and approves the sustainability strategy, goals and implementation plans.
- The Audit and Risk Committee ensures oversight of the risk management process. The Audit and Risk Committee assesses the extent to which climate change and other ESG risks are likely to have a material impact upon our financial statements.
- The Remuneration Committee ensures ongoing focus on key environmental and social commitments through its approach to the Remuneration Policy and related incentive schemes as detailed on pages74 to 83 of this report.



See our ES governance infographic on page 20

The ES Committee meets at least twice a year and monitors progress against the goals set out in the Group's sustainability strategy.



Read more about the priorities of our ES Committee on page 72

Management's roles and responsibilities

Our Chief Executive Officer is responsible for our Environmental and Social Impact Policies and climate commitments. Key management-level individuals, such as the Chief Growth and Marketing Officer (CGMO), Chief Supply Chain Officer, Chief Financial Officer and Head of Risk, are tasked with identifying and enacting climate-related changes within the business. Sustainability management reports into the CGMO and is responsible for presenting climate-related issues to the ES Committee at least twice a year before annual reporting. We have established a robust governance structure that operates top-down through the ES Committee, as described on page 20. PZ Cussons has a dedicated TCFD working group with representatives from the Sustainability, Risk Management and Finance teams.

Sustainability strategy

We have identified climate change within the 'Sustainability and the Environment' Principal Risk. To better understand the potential impacts, we have conducted quantitative scenario analyses of physical and transition risks over the short, medium and long term to test the resilience of our business, under a range of future climate scenarios. As an international consumer goods business with main markets in the UK, Nigeria, Indonesia and Australia, our business is exposed to multiple and varying geographical physical and transition risks. The nature of our business means that we have offices and manufacturing facilities spread globally, which further increases our relative exposure to physical risks like extreme weather and transition risks, including changing regulatory environments.

Scenario modelling

We have assessed potential impacts across two future scenarios covering physical and transition risks and opportunities that may impact our business in the future.

- **1) Net zero scenario:** The low carbon revolution is an ambitious scenario, that limits global warming to <2°C by 2100 through stringent and immediately introduced, climate policies and innovation, reaching net zero CO₂ emissions around 2050. It is linked to RCP2.6, which involves more transition risks early on but manages to limit physical risks to a minimum (NGFS Scenario: Net Zero 2050).
- 2) Current policies: Assumes that only currently implemented policies are preserved. The world does not cut emissions, and climate change accelerates, causing 2.5°C of warming by 2050 and >4°C by 2100, bringing irreversible changes. It is linked to RCP8.5, and involves little to no transition risks early on but results in irreversible and globally disrupting physical risks (NGFS Scenario: Current Policies).

Transition risks were assessed by considering possible risks and opportunities for the Group over the short, medium, and long term resulting from economic, market and regulatory changes. Financial modelling has been conducted for these transition risks using available PZ Cussons data and assumptions, and external data from sources including:

- International Energy Agency (IEA)
- Network for Greening the Financial System (NGFS)
- International Institute for Applied Systems Analysis preparing the Shared Socio-economic Pathways (SSP)
- Intergovernmental Panel on Climate Change (IPCC)

Physical risks were assessed by modelling the exposure of all PZ Cussons' facilities across manufacturing, storage and distribution operations with the assistance of a third-party provider, leveraging tools and models developed for the insurance industry that integrate climate projections. We also assessed the risk to selected key global suppliers of raw and packaging materials and finished goods. Exposure was assessed for a range of acute and chronic climate risks under two physical risk scenarios; specifically RCP2.6 and RCP8.5. We will continue to analyse the details of these physical risks and the organisation's resilience, and put mitigation plans in place.

We define low/medium/high relative impact based on the adjusted operating profit financial impact thresholds from our Risk Management Methodology:

U	Low risk	Insignificant to moderate financial impact: <8% of adjusted operating profit ¹
M	Medium risk	Major financial impact: >8% and <12% of adjusted operating profit ¹
H	High risk	Severe financial impact: >12% of adjusted operating profit ¹

¹ Alternative performance measures are explained and reconciled to the most directly comparable financial measure prepared in accordance with IFRS on pages 171 to 173.

Time horizons: We have assessed potential impacts across three time horizons (short/medium/long term) according to our current targets, commitments and useful asset lives. We have selected these horizons in accordance with TCFD and their relevance to our business as explained below.

Short:	1-5 years, which is linked to our short-term financial planning horizons
Medium:	5-10 years, which is linked to our medium-term commitments and targets
Long:	10+ years, which is linked to the operational lifetime of our existing assets and our net zero commitment

Considering risks on our business, strategy and financial planning

Climate-related risks have been considered through our financial modelling of transition and physical risks to establish the relative low/medium/high impact on the business over three different time horizons and two climate scenarios. We have considered the impact of the identified climate-related risks and opportunities on the business and strategy. To prepare for these scenarios, we have embedded mitigating actions among our transition risks and opportunities to manage potential risks and capitalise on potential opportunities. See pages 28 and 29.

PZ Cussons is undertaking further analysis to fully embed climate-related risks into the business and strategy, especially within the financial planning processes. We aim to disclose how these risks are considered in our financial planning processes in future disclosures.

We are continually reviewing, updating and enhancing our understanding of climate-related risks and opportunities and the resultant impacts on our business in light of external trends, new information and changes to our business. We will continue to assess changes to our overall resilience as our understanding of climate-related risks and opportunities matures, and if our business strategies change. We are developing our transition plan in line with the Transition Plan Taskforce (TPT), which describes our progress to date, against our climate-related targets and initiatives for reducing carbon emissions.

Based on our risk assessment and scenario analysis results, the transition to a low-carbon economy consistent with a 2°C or lower scenario (our 'net zero' scenario described above) is not expected to fundamentally impact our business model. However, the Group has several direct and supplier operations in locations exposed to heat stress, flooding and heavy precipitation. We believe the mitigation plans currently in place, along with additional actions underway, will strengthen our business and organisational resilience against short and medium-term risks. We are confident that our strategies are well-suited to managing the risks we have identified. We will continue to assess our climate-related risks and opportunities under different scenarios and determine our overall resilience, as we acknowledge that changes to internal and external factors over time will impact the resilience of our business strategies to climate change.

RISK MANAGEMENT

Climate-related risks are integrated into our overall risk management process. Our risk management process is based on a common risk framework to ensure we identify, assess and mitigate all risks, i.e., product safety and quality, health and safety, cybersecurity, legal compliance, climate change, environmental, and regulatory compliance risks that threaten the successful delivery of our strategic objectives. You can find full details on our risk management process on pages 30 to 37 of this Annual Report and Accounts.

Specifically, our Risk Management Methodology on page 31 describes our processes for identifying, assessing and mitigating all risks, including climate-related risks. We also identify new and emerging risks through a number of approaches that are listed on page 32. Climate change forms part of our 'Sustainability and the Environment' Principal Risk, with further information on how we manage this risk provided on page 38.

STRATEGIC REPORT **GOVERNANCE** ADDITIONAL INFORMATION FINANCIAL STATEMENTS

Task Force on Climate-related Financial Disclosures (TCFD) continued

MT Medium term

LT Long term







H High risk

PHYSICAL RISKS

Group operations

Description of material risk or opportunity: Business interruption of the Group's operation caused by climate change impacts, such as extreme heat, extreme rainfall, heat stress, precipitation stress, drought stress, fire and sea level rise.

			Rela	Relative impact		
Potential financial impact	Modelling approach	Scenario	ST	MT	LT	How we're responding
The Group's direct operations might be affected by physical	Exposure of each asset is determined based on	Net zero	0	H	H	The Group will continue to analyse a variety of locations which are key to the business,
impacts, which may lead to increased costs for repair/retrofit of impacted assets and decreased revenue due to operational outages.	location and the severity/ intensity of a climate hazard occurring at each location, with the value exposed being the full asset value located in an area of material climate hazard intensity.	,		H	H	covering important parts of the value chain, our internal operations and important customer markets, and use scenario analysis and climate modelling to better understand the range of physical risks the Group is exposed to. Highest exposure countries: Nigeria, Indonesia

Supplier operations

Description of material risk or opportunity: Business interruption of the Group's suppliers' operations caused by increased frequency and severity of

			Rela	tive imp	act	
Potential financial impact	Modelling approach	Scenario	ST	MT	LT	How we're responding
The Group's supply chain might be disrupted by physical risks resulting in	Exposure of each asset is determined based on	Net zero	0	H	H	The Group analyses exposure for a range of acute climate-related risks and puts mitigation
increased costs and loss of revenue due to changes in the availability of goods and services from suppliers.	location and the severity/ intensity of a climate hazard occurring at each location,	Current policies		H	H	plans in place. Further mitigation actions will provide business and organisational resilience to acute/chronic risks.
	occurring at each location, with the value exposed being the full asset value located in an area of material climate hazard intensity.	located in				Alternative suppliers with lower exposure to climate-related risk might be taken into consideration to mitigate the risk in the future.
						Highest exposure countries: China, Thailand

TRANSITION RISKS

Carbon pricing

Description of material risk or opportunity: Increased costs associated with carbon pricing and taxation.

			Rela	ative imp	act	
Potential financial impact	Modelling approach	Scenario	ST	MT	LT	How we're responding
Carbon pricing already exists in some of the Group's jurisdictions,	Carbon prices from NGFS applied to our long-term	Scope 1 and 2: net zero	U	U	H	In our sustainability strategy, we have set ambitious targets; to reduce GHG emissions
including the EU and UK. Under different scenarios, carbon taxes	emissions forecasts.	Current policies	U	•	•	throughout our value chain, reducing our dependence on future carbon taxes and
are expected to increase, which could increase the Group's direct operating costs, resulting in a loss		Scope 3: net zero	0	H	(H)	voluntary off-set markets. We also monitor government policies and climate change actions and take necessary steps to minimise
of revenue.		Current policies		H	H	the impact on our business.
						Highest exposure country: Nigeria

Extended producer responsibility

Description of material risk or opportunity: Evolving Extended Producer Responsibility (EPR) and EU Packaging and Packaging Waste (PPWR) Regulations.

			Relative impact		oact	_
Potential financial impact	Modelling approach	Scenario	ST	MT	LT	How we're responding
The introduction of EPR in the UK has already resulted in additional	Estimated EPR costs applied to our long-term	Net zero	0	0	M	We are actively reviewing our entire packaging portfolio for Europe in advance of eco-
operational and compliance costs, with further financial	packaging forecasts.	Current policies	U	H	H	modulation in the UK to minimise our non-recyclable impact.
exposure expected due to the implementation of eco-modulated fees in 2026.						We are assessing the impact of PPWR, however the optimisation of the packaging portfolio for UK EPR is expected to minimise PPWR impact.
EPR fees may increase over time impacting profitability through increased cost of goods.						Highest exposure country: UK
The PPWR in the EU could impact our profitability by 2030 through increased cost of goods for our EU portfolio (including Northern Ireland).						

Cost of energy

Description of material risk or opportunity: Abrupt and unexpected shifts in energy costs.

			Relative impact		act	
Potential financial impact	Modelling approach	Scenario	ST	MT	LT	How we're responding
The Group anticipates continued high levels of energy price volatility. This will	Energy prices from NGFS applied to our long-term	Net zero	0	L	0	Through our continuous improvement programme in our factories, we continue
impact energy costs associated with the Group's operations, which will also affect our supply chain resulting in	energy forecasts.	Current policies	•	0	0	to assess energy reduction initiatives across our sites to minimise the risk of increased energy costs.
increased costs and loss of revenue.						Highest exposure country: Nigeria

OPPORTUNITY

Energy efficiency

Description of material risk or opportunity: Reduced energy costs through efficiency gains and cost reductions.

			Relative impact		Relative impact	
Potential financial impact	Modelling approach	Scenario	ST	MT	LT	How we're responding
Reduced energy costs may decrease the Group's	Energy prices from NGFS applied to our long-term	Net zero	0	0	0	We will continue reviewing the energy efficiency of our assets and suppliers through
operational costs.	energy forecasts.	Current policies	L	U	C	our continuous improvement programmes, which will also result in lower operational costs. In FY25, we continued to benefit from the outsourcing of power generation at our Ikorodu manufacturing site and will be looking for similar opportunities on the other Nigeria-based sites.
						Highest exposure country: Nigeria

Metrics and targets

We consider greenhouse gas emissions, energy consumption, landfill waste and packaging reductions as principal metrics that allow us to monitor progress regarding climate-related risks and opportunities. We ensure ongoing focus on our environmental and social commitments through our approach to the Remuneration Policy and related incentive schemes. We do not currently have an internal carbon pricing mechanism. However, we will continue to assess the feasibility of introducing one to mitigate our external exposure to carbon taxation and legislation.

We will continue to ensure our metrics and targets are appropriate for our risk profile and expand our metrics in the future, considering the TCFD all-sector and cross-industry metric guidance. We currently use our existing environmental metrics to track progress against our targets and will further develop processes to better track and manage our progress over time.

Full details on our metrics and targets, including the KPIs we use to track progress, can be found on pages 22 to 23 of this Annual Report and Accounts.

Risk Management and Principal Risks

HOW WE MANAGE RISK.

RISK CULTURE

PZ Cussons is committed to conducting its business responsibly, prioritising safety and adhering to all legal requirements. We integrate risk awareness into our decision-making processes, ensuring informed responses to both opportunities and potential threats.

As an international business, we acknowledge the inherent risks and uncertainties associated with executing our strategy across our key markets. Through effective risk management practices and proactive identification of opportunities, we strengthen our capacity to achieve our strategic objectives.

GOVERNANCE AND OVERSIGHT

The Board has ultimate responsibility for establishing the Group's risk appetite and ensuring the effectiveness of the Risk Management Framework. This latter responsibility is delegated to the Audit and Risk Committee, which reviews the most significant risks faced by the Group at least twice a year. The Board has completed a robust assessment of the Group's emerging and Principal Risks.

While the Audit and Risk Committee conducts in-depth reviews of specific risks, other Board Committees and sub-committees also review risks relevant to their respective areas of oversight.

At the market level, business unit leadership teams implement the Risk Management Framework with the support of a network of Risk Champions. Leadership teams supported by Risk Champions are responsible for ensuring the accuracy and relevance of risk information that may require escalation to the Audit and Risk Committee. This is supported by market-level Risk Committees which meet throughout the year.

At the Group level, the Executive Committee adopts a combined top-down and bottom-up approach to reviewing risks. This ensures the identification and monitoring of both strategic and operational risks of significant impact. The Executive Committee also assess all Principal Risks and emerging risks and may conduct deeper analyses of critical Principal Risks to verify adequate resource allocation for controls and mitigations. The review of risks is supported by a Group Risk and Compliance Committee, chaired by the Chief Executive Officer, which meets throughout the year to review regional and Group-level risks of significant impact.

Ownership of each Principal Risk is assigned to a specific Executive Committee member. The Group Internal Audit function provides independent assurance to both the Executive Committee and the Audit and Risk Committee regarding the effectiveness of the Risk Management Framework and internal control systems.

Board of Directors

Defines policy, sets risk appetite and assesses Principal Risks for the Group. Has overall responsibility for sound risk management and internal controls.

AUDIT AND RISK COMMITTEE

Assesses and reviews the effectiveness of the Group's Risk Management Framework and internal control frameworks.

EXECUTIVE COMMITTEE

Ensures that the Risk Management Framework is embedded and operates throughout the Group. Regularly reviews regional and consolidated risks and ensures that mitigation activities are in place.

GROUP RISK TEAM

Oversees the consistent application of the Group's Risk Management Framework.

REGIONAL AND BUSINESS UNIT MANAGEMENT

Ensures that the Risk
Management Framework
is embedded at a regional
and local level. Regularly
reviews the risk register
and ensures that mitigation
activities are in place.

It is important to note that the Group's risk management processes are designed to manage, not eliminate, risk. These processes provide proportionate, but not absolute, assurance against material misstatement or loss.

OUR RISK MANAGEMENT METHODOLOGY

The Group leverages a comprehensive risk management process and standardised framework to proactively identify, assess, and mitigate risks that could impede the successful execution of our strategic objectives. The risk management methodology and framework are applied consistently across all levels, encompassing Principal Risks down to market and operating unit levels.

In recent years, we have enhanced our risk management methodology and framework, ensuring consistency of application, relevant risk assessment criteria and an improved bottom-up process. The strengthened framework and methodology have been bolstered by a dedicated programme of engagement and training activities, including workshops, the embedding of Risk Champions across the Group, and enhanced reporting and insights. These initiatives contribute significantly to fostering a robust risk culture throughout the Group.

In FY25 we introduced new internal risk governance structures, including Market Risk Committees within our biggest markets, and a Group Risk and Compliance Committee, chaired by the Group Chief Executive Officer, attendees of which include the Chief Financial Officer, General Counsel, Chief People Officer, Chief Supply Chain Officer and Chief Information Officer. These new Risk Committees further strengthen the embedding of comprehensive risk management across the Group.

RISK APPETITE

The Board is committed to managing risk in a way that is aligned with our vision and culture. We are aware of the many risks that our business faces and we have a process in place to identify, assess and mitigate these risks.

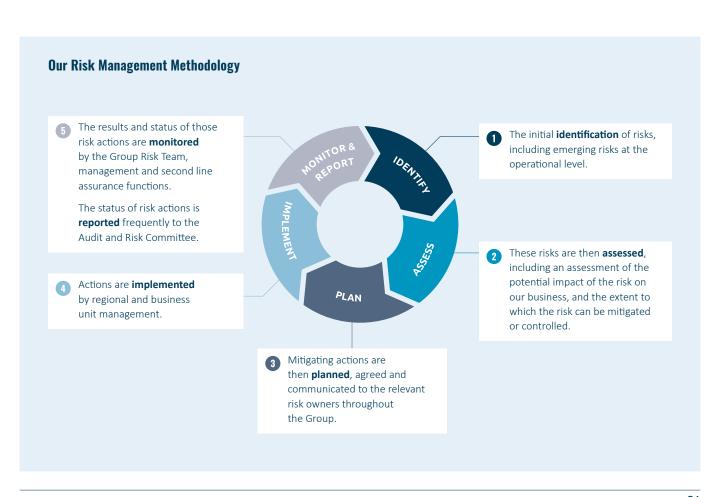
We have a lower risk appetite for risks that could damage our reputation or business opportunities. These include risks related to:

- · Product safety and quality
- · Health and safety
- · Legal compliance
- · Environmental and regulatory compliance
- · Cybersecurity.

We have a higher appetite for risks that are associated with growth and the achievement of our bold strategic ambitions. These include:

- Our involvement in emerging markets
- · Business transformation.

We seek to mitigate our risk exposure to within appetite through a variety of means including insurance cover, planning and control processes, and natural portfolio hedges such as the diversity of our supply chain, brand and product ranges, and global footprint.



Risk Management and Principal Risks continued

EMERGING RISKS

A formal, biannual review of emerging risks is undertaken by the Audit and Risk Committee in conjunction with the Principal Risks assessment. In addition, new and emerging risks are identified in a number of ways as illustrated in the diagram below.

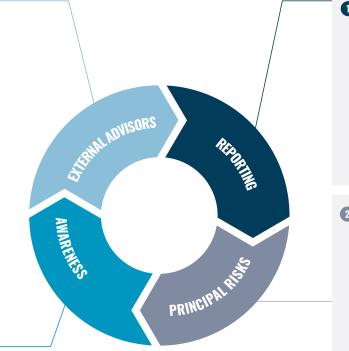
We believe that our approach to identifying new and emerging risks is comprehensive and effective. By taking a variety of approaches, we are able to identify risks that may not be immediately obvious and to take steps to mitigate them before they cause harm to our business.



These processes are informed by regular discussions with the Group's network of external advisers including its lawyers, accountants and tax advisers, internal audit partners, insurance brokers, health and safety advisers and sustainability and PR advisers. The Group is also a member of various trade and industry bodies across the world and leverages the experience of its peers and external industry experts.

3 Awareness of emerging macro trends:

Our in-house Group Risk Team ensures we are aware of emerging macro trends and risks associated with our industry and geographical footprint.



Reporting to the Board:

Potential new and emerging risks are reported to the Board and considered during its periodic reviews of Group risks.

Emerging Risk is a standing agenda item at Market Risk Committee and Group Risk and Compliance Committee level.

2 Considering Principal Risks:

In formulating and evolving the Group risk register, the Executive Committee and the Board consider the Principal Risks, and those identified by individual markets and functions to determine whether there are any new risks which require group-wide focus and mitigation.

OUR PRINCIPAL RISKS

The most significant risks, those that could affect our strategic ambitions, future performance, viability and/or reputation, form our Principal Risks.

The following table sets out our Principal Risks. This includes a summary of key information, including the type of risk, links to our strategic drivers and residual risk trends. This list does not include all our risks. Other risks, not presently known, or those we currently consider to be less material, may also have adverse effects.

The Principal Risks faced by the Group in FY25 are unchanged in substance and trend from those reported in FY24. While the macro-economic environment remains challenging, enhancements to our control environment have strengthened our ability to manage these risks effectively, ensuring residual risk levels remain stable. Our assessment of the nature and relative significance of these risks is therefore consistent with last year, and each continues to be managed through our established governance, risk management and control framework.

LINK TO STRATEGY



Build Brands

Develop People



Serve Consumers

(Grow Sustainably



Reduce Complexity

TREND



No change





RISK 1: MACRO-ECONOMIC AND FINANCIAL VOLATILITY INC. **FOREIGN EXCHANGE**

Trend: 🔷 🔷 💟 😘





Link to Strategy: 🕳 🍁



Description of risk:

Due to our international footprint, we are exposed to a variety of external financial risks in relation to Foreign Exchange, Treasury and Tax. Macro-economic volatility and disruption can cause the relative value of exchange rates to fluctuate significantly and, as a result of our global operations, can have a material impact on financial performance. In addition, because we consolidate our financial statements in GBP, we are subject to exchange rate risk associated with the translation of our underlying net assets and earnings of our foreign subsidiaries.

Given our geographic footprint, we are also subject to exchange rate fluctuations and macro-economic political decisions and the consequences thereof in some of our jurisdictions that impact our ability to access foreign currency to settle intercompany liabilities that may include the repatriation of cash to the UK by way of dividend payments.

A material shortfall in our operating cash flow and/or our ability to access appropriate sources and levels of funding could undermine our ongoing business activity and the next stage of business transformation. In times of financial volatility, we may not be able to raise funds or access credit in an appropriate jurisdiction due to market illiquidity. We are also exposed to counterparty risks with banks, suppliers. customers and other credit providers which themselves could be impacted by macroeconomic volatility and hence could result in financial losses to the Group.

Tax is a complex and ever evolving area where laws and their interpretation change frequently, and which may lead to unexpected or new tax exposures. As a global Group, we are subject to transfer pricing and general taxation policies and regulation, which are also subject to international and local regulatory changes that may have an impact on business performance.

How we manage the risk:

- Managing the Group's exposure to the Naira is a key priority for the Executive Committee. A dedicated Steering Committee meets regularly to closely monitor foreign exchange risk and develop strategies to manage the Group's exposure.
- The Audit and Risk Committee oversees treasury and tax related risks, with a significant focus and oversight on foreign exchange exposure related to the Nigerian currency, the Naira. Additionally, the Committee oversees tax and treasury strategy, potential tax obligations, and financial controls.
- As part of the monthly business performance cycle, cash flow forecasts from operating units are reviewed, scrutinised and consolidated; the monthly performance cycle also includes in-depth analysis of the outlook for all covenants related to our banking facilities to inform strategic decision-making.
- We maintain an established Group Treasury function and our Group Treasury Policy defines our non-speculative approach to the management of foreign currency and other financial market exposures.
- Transactional currency exposures are managed within prescribed limits with short- to mediumterm forward exchange contracts taken to reduce our exposure to fluctuations.
- Margin improvement projects to deliver savings and mitigate the cost impact of currency devaluation, as well as cash repatriation strategies to move cash from Nigeria to the UK and reduce borrowing costs and interest payments, are in place.
- Local sourcing of raw materials and services takes place where possible to reduce exposure to foreign currency transactions and inflation.
- A Group taxation strategy is in place that defines the way in which we conduct ourselves with respect to our tax affairs. Our in-house Group Tax capability is complemented by the use of specialist tax consultants to ensure compliance with all local and international tax regulations and treaties, and to ensure that changes in regulations are taken into consideration as part of our future business strategy.
- Treasury and tax controls are an important part of our overall financial control framework, which continues to evolve to remain fit for purpose and reflective of the nature of business risks.

Risk Management and Principal Risks continued

RISK 2: IT AND INFORMATION SECURITY

Trend: 🔷 🔷 💟 💮

Link to Strategy: 📜 🕌 🐠







Description of risk:

We communicate with our customers and suppliers electronically, and our manufacturing, sales and distribution operations are dependent on reliable IT systems and infrastructure. Prolonged disruption to these systems could have a significant negative impact on the performance of the Group.

Ongoing global instability and uncertainty have kept the risk of cyber attacks high, potentially affecting the security of the personal data we hold as well as business-critical information. and the automated systems we use across our supply chain.

Additionally, the growing use of generative Al introduces new and adaptive cybersecurity threats, increasing the risks associated with data breaches

How we manage the risk:

- The Information Security Risk Committee meets throughout the year. The Committee governs and reviews all matters relating to the security and protection of information and any associated risks. The Committee has representatives from various parts of the business.
- A centrally governed IT function continually monitors known and emerging threats that may impact us.
- Our cybersecurity control framework is a blend of best practice industry-based models.
- We continue to deliver a comprehensive information security awareness programme to ensure both business and personal information remain protected.
- Critical data is backed up regularly in accordance with our control framework and recovery testing is undertaken.
- We have enhanced our security capability with an additional dedicated managed cybersecurity partner providing specialised knowledge that will further support our existing team.
- We have used the support of the National Cyber Security Centre (NCSC) to help monitoring our external estate for threats.
- A comprehensive set of security policies is in place covering all aspects of security.
- An internal audit of our cyber controls has been conducted, and all findings have been remediated.
- We have implemented advanced security technologies some of which include Al-driven threat detection systems, and continuous monitoring tools designed to prevent, detect, and respond to potential security threats.

RISK 3: BUSINESS TRANSFORMATION

















Description of risk:

Business transformation encompasses both the review of organisational design and ongoing functional and operational changes, aimed at reducing complexities, driving efficiencies and delivering enhanced shareholder value.

We continue to transform the business across all functional areas and markets to achieve our long-term strategic aims. We must successfully manage the impacts of these ongoing activities, while at the same time delivering underlying growth. There are business risks related to the achievement of our transformative objectives, including our acquisitions and disposals strategy, organisational design changes as well as technology and infrastructural challenges.

We have a wide-ranging number of transformation programmes; failure to execute these initiatives effectively could result in a decline in business performance or an under-delivery of the expected benefits and consequently impact the return we are able to make to our shareholders

How we manage the risk:

- A centralised approach to tracking portfolio transformation has been implemented. Execution remains decentralised to keep accountability within functional specialities, supported by central governance to ensure alignment.
- Periodic reporting on key business and functional business transformation initiatives is provided to the Audit and Risk Committee.
- All significant transformation programmes are sponsored and owned by a member of our Executive Committee.
- Across our transformation programme we have dedicated Steering Committees, often chaired by Executive Committee members, including the Chief Executive Officer and Chief Financial Officer and project delivery teams, who conduct in-depth analysis of progress and regularly report to the Board
- Our Group Internal Audit function is supporting the management and oversight of key transformation programmes as a business partnering exercise.
- The transformation of our internal business and consumer data capability is led by a dedicated specialist team to support our wider digital transformation.

LINK TO STRATEGY



Build Brands

Develop People



Serve Consumers

Grow Sustainably



Reduce Complexity



TREND

Increase



No change



Decrease



RISK 4: TALENT DEVELOPMENT AND RETENTION





Link to Strategy:





Description of risk:

We recognise that to deliver sustained, profitable growth we require the best talent. We are focused on attracting, developing and retaining a diverse range of skilled people with the potential to deliver our ambitious growth agenda.

The competition for top talent remains high; attracting key talent in some regions is challenging due to market dynamics such as in Nigeria with the trend to emigration of nationals, and in both Indonesia and the UK with highly competitive employment markets.

With continued global uncertainty, we also see employee engagement, reward and wellbeing as continued priorities.

The impact of the strategic review of our African business, along with other transformation programmes, is also factored into this Principal Risk.

How we manage the risk:

- Specific employee retention strategies have been implemented within our business to ensure appropriate employee management and maintenance is achieved during a period of transformational change.
- We continually measure overall engagement and our engagement scores have been consistent over the last three years, despite a landscape of internal and external change. 97% of our people completed the survey, and we achieved an engagement score of 74%.
- We continue to have vibrant and open conversations with our people, through group-wide social media, communication platforms and quarterly global Town Hall meetings; these are augmented by weekly team and market 'Pulses' and regular 'PZ Talks' designed to keep employees informed of key strategic initiatives and goals.
- We have a continued focus on wellbeing, with specific initiatives in our markets aimed at support around health and wellness education. We encourage work/life balance, including on Fridays, when many of our office-based people are able to finish work at 1pm.
- Our global performance management process helps our people to reach high performance, grow their skills and experience, and progress their career.
- Through the use of LinkedIn Learning and other externally hosted training platforms, we have made continuous skills development available to all.
- We manage a regular cycle of talent and succession planning for our senior leaders at all levels of the business. Using our people system (Workday), we have visibility of the experience, potential and aspiration of our people; unlocking our ability to identify and move talent around PZ Cussons. We have also assessed the risk to and impact of retention of our future leaders and critical talent.
- FY25 saw the further embedding of our Workday system, driving better employee performance management, feedback, talent management and learning. All employees can see the explicit link between employee goals, performance, development and reward.
- We continue to offer hybrid and virtual working arrangements across our markets, which are enabled by the deployment of IT platforms such as Microsoft Teams and Office 365 as well as ensuring our offices are set up technologically for both home and office working employees to collaborate.

RISK 5: CONSUMER AND CUSTOMER TRENDS







Link to Strategy:







Description of risk:

Our consumers continue to face cost-ofliving issues across our markets. The risk of competition in the marketplace, especially in online-only offerings and across lower quality, lower priced products, continues to represent a risk to the financial performance of the Group as consumers continually review expenditure on key household items.

Failure to understand our consumers, manage our customer relationships and innovate in response to underlying trends could lead to financial and reputational loss for the Group.

- We use the latest market research and insights data, including the use of AI to monitor our consumers' needs.
- Specialist online-only marketing and sales teams are in place.
- We continue to focus on maintaining strong relationships with our existing customers and developing relationships with new customers.
- We remain focused on cutting any costs we can from our products that do not impact the consumer experience or sacrifice performance or quality.
- We continue to diversify our product offering, including brands targeted at a more cost-focused
- We have invested in our internal business and consumer data capability to more closely analyse, and adapt to, changing consumer trends.
- We continue to focus on R&D and innovation, placing it at the heart of our strategy.

Risk Management and Principal Risks continued

RISK 6: GEOPOLITICAL INSTABILITY

Trend: 🔷 🔷 💟 💮





Link to Strategy:





Description of risk:

Geopolitical events, including conflicts, trade wars, economic and political polarisation, nationalisation of supply chains and energy crises could disrupt our operations both within the markets in which we operate and also in our wider supply chain.

Additionally, political instability can lead to changes in government policies, regulations, and taxes. This risk is particularly stark across emerging markets, most notably within Nigeria, and can lead to disruption to business operations, increased costs, and difficulty in strategic forward planning.

Political instability in resource-rich regions can lead to significant fluctuations in the price of raw materials and energy, impacting production costs. Trade wars and embargoes can lead to increased tariffs and import/export restrictions, driving up the final cost of goods. Geopolitical volatility can also increase insurance premiums for businesses operating in risky regions.

Failure to react to changing market conditions could lead to a material effect on the Group's financial performance, market share or reputational standing.

- We have a dedicated Group Risk Management function that reports to the Board, via the Audit and Risk Committee, material matters of concern in relation to emerging geopolitical risks.
- We have brands across multiple segments and price points across multiple markets, which ensures we have sufficient diversification across our product mix to cater for a wide range of consumers and we continue to diversify our production capabilities and the simplification of our global supply chain.
- Our Global Procurement Team establishes forward contracts where possible to mitigate the exposure to instability in raw material commodity prices.
- We have extensive experience operating within emerging markets and use this experience to manage regionalised instability risks.
- With both our in-house and external legal expertise, we ensure we are aware of emerging marketrelated legal and compliance-related risks.
- Trends in relation to geopolitical instability are monitored and modelled regularly and integrated into our monthly business performance cycle.

LINK TO STRATEGY



Build Brands

Develop People



Serve Consumers

Grow Sustainably



Reduce Complexity

TREND



No change





RISK 7: LEGAL AND REGULATORY COMPLIANCE





Link to Strategy: 👯 🔭 🚱





Description of risk:

We are subject to a wide spectrum of legislation, regulation and codes of practice that can vary between the geographies in which we operate. Examples include product safety, competition, anti-bribery and corruption and employment. Failure to adhere to such laws and regulations can result in reputational damage, as well as significant fines and the possibility of criminal liability.

As the use of generative AI continues, there is an increased risk of IP infringement. There is also an increased risk that regulations fail to keep pace with the emerging technologies, exposing the Group to potential issues.

Alongside this, like all companies, we are exposed to litigation risk in the markets in which we operate and must continually remain vigilant to the risk of financial liability in respect of our contractual obligations.

How we manage the risk:

- · We have an experienced Ethics and Compliance Team, led by our Head of Ethics & Compliance, reporting into the General Counsel, with our ethics and compliance programme being overseen by the Audit and Risk Committee.
- Our Group Risk Team is established and overseen by the Audit and Risk Committee.
- Our legal and regulatory specialists at both Group and regional level monitor and review the external legal and regulatory environment to ensure that we remain aware of and are up to date with all relevant laws and legal obligations.
- We are supported by a network of external experts who can be engaged as required and help us to horizon scan and identify emerging risks. This is particularly important in developing countries where changes in the law can be unpredictable and poorly publicised.
- We have a group-wide Code of Ethical Conduct which employees sign up to and this is complemented by an annual certification exercise.
- We have a comprehensive training programme including ethics and compliance and anti-bribery and corruption modules.
- The General Counsel is an Executive Committee member ensuring awareness of key strategic decisions, as well as in-house legal leads who are embedded within each Market leadership team excluding Africa.
- A third-party confidential whistle-blowing line is in operation, which gives employees and contractors the chance to raise issues to be investigated by the Ethics and Compliance Team.
- In FY25 we introduced a new Group Risk and Compliance Committee which meets throughout the year and considers material risks and mitigations across the Group.

RISK 8: SUSTAINABILITY AND THE ENVIRONMENT

















Description of risk:

The effects of climate change represent a material risk to the business, therefore the need to find more sustainable ways of doing business is vital. This includes ensuring the raw materials we require are responsibly sourced and efficiently used and that we are a responsible and integral part of the communities in which we operate.

One of our key strategic objectives is to grow sustainably. To that end, we have set ourselves science-aligned sustainability goals; failure to achieve those targets risks alienating key stakeholders, including consumers and customers, who are increasingly focused on environmental sustainability and transparency in supply chains, and damaging the goodwill in our brands, with consequent limitation of our ability to grow and create value.

- Our Board-appointed Environmental and Social Impact Committee provides governance and oversight over our Sustainability function and activities. Below this, working forums are in situ, including regular functional and regional forums with Sustainability Champions across different departments and business units.
- Dow Jones' risk management tool, which includes sustainability, social and labour factors is now well embedded
- To drive awareness and relevancy of sustainability to employees' jobs and personal lives, we have an employee intranet hub outlining our strategic aims, sustainability ambitions, our programme alliances and partnerships, and general sustainable living practices and examples for employees in their daily lives.
- Our carbon inventory for Scope 1, 2 and 3 is verified by third-party experts and is published on our website.

FINANCIAL STATEMENTS STRATEGIC REPORT **GOVERNANCE** ADDITIONAL INFORMATION

Risk Management and Principal Risks continued

LINK TO STRATEGY TREND Build Brands Reduce Complexity Increase No change Serve Consumers **Grow Sustainably** Decrease Develop People

RISK 9: CONSUMER SAFETY

Trend: 🔷 🔷 💟 \ominus

Description of risk:

Our brand portfolio includes washing and bathing items, beauty products and food items, as such the safety and quality of our products is of paramount importance to the Group; the risk of contamination, mislabelling or unsafe use of raw materials remains a significant risk to the Group.

A failure in the practices we adopt to ensure consumer safety may result in reputational damage, significant financial loss from product recalls and fines from regulators, together with possible criminal liability for the Group.

How we manage the risk:

- We apply robust quality management standards and systems, rigorously monitoring them throughout all supply chain stages. This applies not only to our own production facilities but also to our third-party manufacturers.
- We have a robust Quality and Consumer Safety Policy that ensures our standards in this area are maintained and developed where necessary.
- We also maintain a dedicated consumer complaints hotline. Any incidents relating to the safety of our consumers, or the quality of our products are actively investigated to ensure that timely and effective action is taken.
- The same applies to health and safety incidents across the Group, where we seek to identify, assess and respond to incidents to ensure we continuously improve our Health and Safety Framework.

RISK 10: SUPPLY CHAIN AND LOGISTICS





Link to Strategy:

Link to Strategy: 🥰 📸



Description of risk:

Our production and distribution facilities could be severely impacted by adverse events affecting the continuity of supply, such as a failure of a key supplier, a health and safety incident, an environmental failure, or global events.

Our consumers and customers could be severely impacted by material increases in input costs of raw materials, freight and distribution costs and an inability to supply finished products.

Failure to get the product to our consumers or failing to provide that product at a reasonable price could have a material effect on business performance and our reputational standing.

- We undertake a rigorous selection process before engaging with new third-party suppliers and perform ongoing audits and performance monitoring to ensure that contracted standards are being maintained or exceeded.
- We have in place a third-party risk management solution, which enables us to foresee emerging third party-related risks and issues.
- We use multiple suppliers where possible and have a dedicated Global Procurement Team who can source alternative suppliers where necessary, complemented by a Quality Management Team able to appropriately assess potential replacement products.
- Our dedicated Group Procurement Team has specialist knowledge and understanding of key raw materials and commodities markets, and our systems allow us to review forward requirements
- We use our globally recognised logistics partners to ensure we are adequately aware of specific geopolitical or security risks within the markets in which we operate.
- Our production and distribution footprint is naturally diversified, with no single facility being individually material, and our logistics providers are among the largest in the world, with embedded contingency capabilities.



Viability and Going Concern

GOING CONCERN STATEMENT

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, liquidity position and available borrowing facilities are described within the Financial Review. In addition, note 19 of the Consolidated Financial Statements includes policies in relation to the Group's financial instruments and risk management and policies for managing credit risk, liquidity risk, market risk, foreign exchange risk, price risk, cash flow and interest rate risk and capital risk.

The Group meets its funding requirements through internal cash generation and borrowings. Borrowings are amounts drawn under both committed and uncommitted borrowing facilities. The Group has a £325.0 million committed credit facility which is available for general corporate purposes. As at 31 May 2025, the Group had headroom on the committed facility of £167.5 million and net debt of £112.0 million comprising cash of £45.1 million and borrowings of £157.1 million.

In assessing going concern, the Group has prepared both base case and severe but plausible cash flow forecasts for a period of 18 months until the end of November 2027 (the "going concern review period"), which is at least 12 months from the date of approval of the financial statements. The Group's base case forecasts are based on the Boardapproved budget and the first year of the current five-year plan, and indicate forecasted continued compliance with its banking covenants and sufficient liquidity throughout the going concern review period.

In the 2024 Annual Report and Accounts, the Directors disclosed that, should mitigations prove insufficient, the impact of Naira exchange rate volatility on forecast interest cover covenant compliance represented a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. In FY25, the Naira exchange rate has been more stable and the Group was not in breach of its interest cover covenant as at 30 November 2024 or at 31 May 2025. Management has prepared an updated base case forecast for the going concern period and, consistent with the approach taken at 31 May 2024, have modelled the following severe but plausible downside scenarios: 5% reduction in Group revenue, Group gross margin decline of 200bps and a 10% decline in the Naira exchange rate of USD/NGN 1,700 used in the base case forecast. None of these severe but plausible scenarios, either separately or in combination, forecast a breach in the interest cover or leverage covenant prior to management action and there remain actions available to management should they be required. Therefore, while the Group remains exposed to fluctuations in the Naira exchange rate, the Directors have determined that this no longer represents a material uncertainty. The Directors consider it appropriate to continue to adopt the going concern basis in preparing the interim financial statements.

VIABILITY STATEMENT

Assessment of prospects

In assessing the prospects of the Group, the Board has taken account of the following:

- The Business model on pages 8 to 9 and the Group's diversified portfolio of products, operations and customers, which reduce exposure to specific geographies and markets, as well as large customer/product combinations, strong product demand, the share of the market and product penetration our focus brands have and the resilience and strength of manufacturing facilities and overall supply chain.
- The Group's cash generation and that the Group currently has significant committed facilities headroom in its existing committed banking arrangements.

Assessment of viability

In determining the appropriate viability period, the Board has taken account of the following:

- The financial and strategic planning cycle, which covers a five-year period. The strategic planning process is led by the Chief Executive Officer and is fully reviewed by the Board.
- The investment planning cycle, which also covers five years. The
 Executive Committee considers, and the Board reviews, likely
 customer demand and manufacturing capacity for each of its key
 markets. The five-year period reflects the typical maximum lead
 time involved in developing new capacity. The Board considers that,
 in assessing the viability of the Group, its investment and planning
 horizon, supported by detailed financial modelling, that five years is
 the appropriate period.

Assessment period

The Board has determined that the five-year period to May 2030 is an appropriate period over which to provide its viability statement. This period forms part of the Group's strategic planning process and reflects the Board's best estimate of the future viability of the business.

Scenario testing

To test the viability of the Company, we have undertaken a robust scenario assessment:

- 'Top-down' sensitivity and stress-testing. This included a recent review by the Audit and Risk Committee of five-year cash projections which were stress tested to determine the extent to which trading cash flows would need to deteriorate before breaching the Group's facilities. In addition, the financial covenants attached to the Group's debt were stress tested.
- The likelihood and impact of severe but plausible scenarios in relation
 to principal risks, as described on pages 33 to 38. While the principal
 risks all have the potential to affect future performance, none of them
 are considered likely to give rise to a trading deterioration of the
 magnitude indicated by the stress testing and to threaten the viability
 of the business over the five-year assessment period.

In concluding on the financial viability of the Group, having considered the scenarios referred to above, the Directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet all its liabilities as they fall due up to May 2030. For the viability assessment, management considered the availability of committed credit facilities through the viability period. The Group has a £325.0 million committed credit facility which incorporates a term loan and a revolving credit facility. During the year, the Group exercised the option to extend the term loan facility and the Board is confident that it will be able to replace the term loan facility which matures during the viability period at the same level, if required. The viability testing assumes the term loan facility, £125.0 million at the end of FY25, will mature in November 2026. With regards to the revolving credit facility, the viability testing assumes that the current £200.0 million balance is available on the same terms throughout the five year period.

The scenarios modelled are outlined below and management considers there to be significant and feasible mitigations in place such that no individual event or plausible combination of events would have a financial impact sufficient to endanger the viability of the Group in the period assessed. These mitigations include both short-term and structural cost reductions, as well as the potential disposal of non-core, non-operating assets.

The Board has committed to using any proceeds from any future transactions to first reduce gross borrowings.

Reverse stress testing

Management has performed reverse stress-testing on the key banking covenants to assess by how much the performance of the Group would need to deteriorate for there to be a breach of the covenants. For the interest cover or leverage covenant to be breached, EBITDA would need to fall significantly from the current level which the Board does not believe to be plausible. Further, should this arise, management would take mitigating actions including strict management of the Group's cost base and tight management of the Group's cash.

Viability statement

After conducting the viability review, the Board confirms that it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of the assessment to 31 May 2030.

2025 Scenarios modelled	Link to Principal Risks	Mitigation
MACRO-ECONOMIC AND GEOPOLITICAL Nigerian Naira devaluation – reduced profitability as a result of a 10% devaluation of the Nigerian Naira throughout the viability period.	Macro-economic and financial viability Geopolitical instability	A dedicated steering committee which develops strategies to manage foreign exchange exposure and margin improvement projects to deliver savings and mitigate the cost impact of currency devaluation.
Interest Rate reduction slowdown – Lower than assumed base case rate reduction as result of a +50bps higher SONIA rate throughout the viability period.		
2. CONSUMER AND CUSTOMER Competitive landscape and consumer trends leading to pricing pressures – 5% year-on-year reduction in Group revenue compared to base. Consumers impacted by high inflationary environment with inability to pass through cost inflation – 5% year-on-year reduction in revenue in UK and Indonesia markets; reduction in gross margin percentage compared to base case by 250bps in the same markets.	5. Consumer and customer trends	The Group has and is continuing to strengthen its capabilities in revenue growth management, marketing and supply chain optimisation. In addition to this, our diverse product portfolio, renewed focus on R&D and innovation, and investment in consumer data insights are important to counteract such pressures. The Group has also already consistently demonstrated its ability to mitigate significant input cost inflation over recent years.
3. SUPPLY CHAIN AND LOGISTICS Closure of UK in-house manufacturing for six months – no revenue from in-house manufactured products for six months in FY27.	10. Supply chain and logistics	A dedicated Global Procurement Team who can source alternative suppliers where necessary, complemented by a quality management team able to appropriately assess potential replacement products.
4. IT, LEGAL AND REGULATORY COMPLIANCE AND CONSUMER SAFETY Fines – one-off charge of 5% of worldwide revenue in FY27.	2. IT and information security7. Legal and regulatory compliance9. Consumer safety	The Group has specialist teams in place which manage the risks relating to IT and information security, legal and regulatory compliance, and consumer safety.

Non-Financial and Sustainability Information Statement

Sections 414CA and 414CB of the Companies Act 2006 require us to disclose certain information to allow readers to understand our development, performance and position, and the impact of our activities. These are set out below, with references to further disclosure throughout this report as appropriate.

CA Ref	Disclosure	Group approach (including policies and due diligence)	Reference
A1	Climate-related financial disclosures	Our TCFD disclosures Our environmental and social impact framework and governance Our Environmental and Social Impact Committee has Terms of Reference which are approved by the Board	Page 26 Page 20
1(a)	Environment	We measure a number of metrics to reflect our environmental impact, including carbon emissions, water usage, landfill waste, plastic consumption and sustainable sourcing of palm oil Our environmental performance, policies and due diligence activities	Pages 20 to 25
1(b)	Employees	Our employee engagement policies and practices	Page 44
1(c)	Society	We are proud of the contributions we are able to make to the communities in which we operate	Pages 21 and 45
1(d)	Human rights	Our policies and due diligence to ensure the integrity of our supply chain	Page 25
1(e)	Anti-corruption and anti-bribery	We have zero tolerance for corruption or bribery and this is set out in our Code of Ethical Conduct	Page 25
2(a)	Business model	Our business model	Page 8
2(d)	Principal risks	Our Principal Risks Our approach to risk management	Page 32 Page 30
2(e)	Non-financial key performance indicators	Our primary non-financial key performance indicators	Page 11



For further details on our sustainability policies and disclosures, see our website: www.pzcussons.com/sustainability

Section 172(1) Statement

CREATING A DIALOGUE WITH OUR STAKEHOLDERS.

Our approach to doing business is founded on the principle of creating sustainable value for all our stakeholders.

We believe that PZ Cussons thrives in the long term when the interests of different stakeholders are balanced so that they all share in our success. It is therefore important that we fully understand all stakeholders' priorities, expectations and concerns.

THE IMPACT OF STAKEHOLDER ENGAGEMENT ON BOARD DECISION-MAKING

We make use of various engagement channels to receive informative feedback from our key stakeholders which can be factored into our principal decisions and activities.

Section 172(1) of the Companies Act 2006 (Section 172(1)) requires a director of a company to act in the way that he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole.

The table below sets out where you can read more detail in this Annual Report and Accounts on how the Board has discharged its Section 172(1) duty this year. The Directors, both individually and collectively, believe they have given due regard to the stakeholders and matters set out in Section 172(1) (a) to (f) as listed below:

Section 172(1) factor (a) to (f)	Relevant disclosures	Page number or website
(a) consequence of any decision in the long-term	Company valuesOur business modelOur strategyBoard activity	Page 16 Page 8 Page 3 Page 54
(b) the interests of the company's employees	 People and culture Diversity and inclusion Environmental and Social Impact Committee Report Board activity 	Page 16 Page 16 Page 72 Page 54
(c) the need to foster the company's business relationships with suppliers, customers and others	Sustainability ReportModern Slavery StatementBoard activity	Page 20 Page 25 and website Page 54
(d) the impact of the company's operations on the community and the environment	Sustainability ReportModern Slavery StatementBoard activityPalm Oil Commitment	Page 20 Page 25 and website Page 54 Page 23 and website
(e) the desirability of the company maintaining a reputation for high standards of business conduct	Modern Slavery StatementCode of Ethical Conduct	Page 25 and website Page 25 and website
(f) the need to act fairly as between members of the company	Shareholder engagementAGMRemuneration PolicyVoting rights	Page 45 Page 48 Page 78 Page 97 and 98

Section 172(1) Statement continued

The following table shows how our stakeholders are integral to delivering our strategy. We have grouped our stakeholders into five key categories and provided an overview of why we value them, the key priorities to our stakeholders and the ways in which the Group, and the Board in particular, have engaged with them during this financial year.

	Customers and Consumers	Employees
Why We Engage	 To ensure loyalty and trust To continue delighting consumers To help our portfolio to win To create enthusiastic consumers and advocates for our brands. 	 To create a supportive environment, where everyone feels valued and like they belong To value ideas equally To maintain an open culture To foster open communication To develop engaged employees and unlock their potential To increase productivity and performance through an engaged workforce.
Key Priorities	 Environmental sustainability and transparency in the supply chain Customer service Access to our products through digital channels Value and costs. 	 Strategy and business priorities Purpose and values Safety Wellbeing Career development, learning and leadership Driving a positive culture.
How The Group Engages	 Strategic partnership with key customers: Shopper insights Proposing promotions and products Helping with developing strategies. Market research Social media Direct feedback Sales data. 	 Local and global Town Hall meetings Functional Teams calls Leadership events Strategy Deployment events Local engagement champions.
Board Activity/How The Board Engages	 Visit markets and meet with customers and consumers on an ad hoc basis during site visits The Board receives regular market reviews from business unit leadership Reviewing customer service, consumer insights and data as part of monitoring business performance. 	 Kirsty Bashforth is our designated Non-Executive Director for employee engagement, with a specific mandate to ensure the Board hears and understands the employee voice Our Directors travel to our markets when possible and hold dedicated employee engagement sessions on such trips.
Strategic Objective		e constant of the constant of
Priorities For The Year Ahead	 Strengthen the Group's understanding of evolving customer and consumer needs, ensuring that strategic and operational decisions are grounded in market insights and aligned with the Group's long-term growth ambitions. 	 To ensure we have the right capabilities in place to deliver for the future To continue to work with the Executive Committee to develop our leadership capability To continue to enhance our performance culture Reaffirm and reignite the Group's BEST values.

LINK TO STRATEGY











Investors	Distributors and Suppliers	Communities
 To understand their investment objectives and goals To pursue our strategic objectives To help move the Group forward. 	 To ensure our supplier relationships remain as long-term partnerships To create and sustain robust, lasting and mutually beneficial relationships. 	 It is of utmost importance that we develop good relations with the local communities where we operate To make a positive contribution to society To minimise any negative impacts from our operations.
 Financial and operating performance of the business Purpose, values and culture of the business Risks and opportunities Long-term sustainable and profitable growth Sustainability issues Capital allocation decisions Good governance. 	 To ensure stable, long-term and mutually beneficial relationships Not to increase costs To ensure product and service quality To be innovative. 	 To reduce the environmental impact of our products (packaging and plastic) To reduce our carbon emissions To be aware of cost-of-living and living standards To engage employees and have a positive impact on local communities To decrease deforestation and drive a sustainable supply chain.
 Q&A sessions and roadshows for our major shareholders Ad hoc investor events Our Annual General Meeting (AGM) is an opportunity to listen to our shareholders and respond to any concerns they may have or perspectives they may wish to share Our dedicated Investor Relations Director whose purpose is to strengthen our engagement with the investment community. 	 The Board engages via a dedicated procurement function The Board ensures open, dynamic communication. 	 We have established key charity and environmental partnerships in our business units These partnerships are aligned to our corporate purpose and brands Employee engagement is encouraged to optimise impact on our local communities.
 The Chair and our Executive Directors periodically meet with our major shareholders The CEO and CFO deliver the Group's interim and final results, with presentations Our Board members and our Company Secretary attend the AGM The Chair, the Senior Independent Director and the Company Secretary are available at all times to hear any concerns raised by shareholders. 	 The CFO reviews payment practices and policies and monitors trends in the Group's performance twice yearly, reporting to the Audit and Risk Committee CEO and CFO engage directly with distributors and suppliers. 	 The Board's Environmental and Social Impact (ES) Committee is responsible for sustainability and its direction of travel The ES Committee approved the environmental and social impact framework 'Better for All'.
Enhance investor understanding and confidence in the Group's long-term strategy and operational transformation by delivering transparent and forward-looking engagement.	To continue to align the Group's supply and distribution network with the Group's strategic priorities, deepening collaboration with key partners.	 To continue the ES Committee's work progressing the sustainability programme To continue to build meaningful relationships with the communities where we operate by encouraging employee involvement and contributing in ways that reflect our BEST values.

Section 172(1) Statement continued

PRINCIPAL DECISIONS IN FY25

Our stakeholders are integral to delivering our strategy. It is important that we consider how our decision-making affects them.

The Board considers all its duties under the Companies Act 2006 including Section 172(1) factors (a) to (f) and many other factors in all the decisions it makes. Principal decisions are explicitly framed in the context of the interests of and implications for all affected stakeholders. In FY25, the Board continued to receive papers that included a summary of stakeholders likely to be impacted by the matter to be discussed and any decisions to be made.

The following demonstrates how these matters were considered in two key decisions taken this year.

Principal decision 1: Execution of portfolio transformation

In FY24, we articulated our commitment to enhance shareholder value by undertaking a comprehensive portfolio transformation following a strategic evaluation of our brands and geographic footprint. In FY25, we advanced these plans, and the Board has subsequently made significant strategic decisions to implement this transformation, including refining our portfolio, reducing costs, and restructuring the organisation.

In making the decision, we considered:

The long-term effect

The Board carefully considered the long-term consequences of the decision to undertake a comprehensive transformation of the Company's portfolio. This strategic evaluation was initiated to ensure the business remains resilient, competitive and aligned with evolving market dynamics and stakeholder expectations. The decision supports the Company's long-term success by enhancing operational focus and agility across core markets and strengthening brands through targeted investment and innovation.

Affected stakeholder groups

Customers and consumers

As a business operating in the fast-moving consumer goods sector, the Board recognises that our long-term success is intrinsically linked to our ability to understand and meet the evolving needs of our customers and consumers. In all strategic and operational decisions, there is consideration of the impact on product quality, brand trust and consumer experience. This includes ensuring that our innovation pipeline is aligned with consumer trends and that our supply chains support consistent product availability and safety. As a result, we aim to achieve increased customer satisfaction and brand loyalty.

Employees

The interest and wellbeing of employees have been a central consideration. The transformation represents a significant strategic shift, and the Board recognises the importance of clear communication, continuity, and support for employees throughout this process. We have sought to ensure that changes are implemented in a way that respects the impact on roles, team structures and leadership continuity. Plans have been put in place to retain and redeploy talent where possible, and to ensure that any transitions are managed with sensitivity and transparency. We are committed to engaging with employees regularly, listening to their feedback, and providing the necessary resources to support them through change. As a result, we hope to see higher employee satisfaction and retention, contributing positively to the overall transformation success.

Investors

The Board recognises its responsibility to act in the best interests of shareholders and to deliver sustainable long-term value. In evaluating and approving the comprehensive portfolio transformation, the Board carefully considered the impact on investor confidence, financial performance and how proposed changes would affect key investor metrics, including earnings, return on capital, and dividend potential. The Board also considered the importance of clarity and transparency in communicating the rationale for the transformation.

Distributors and suppliers

We are committed to maintaining strong relationships with our retail and distribution partners. Where changes are anticipated, we work closely with affected partners to provide early visibility, support transition planning and explore opportunities for future collaboration. Maintaining strong, resilient partnerships with our distributors and suppliers is essential to the successful execution of the transformation and to the long-term health of our business. This will lead to better collaboration, supply chain efficiency, and benefits for all involved.

Community

The Company continues to support the community with its various initiatives and programmes. Consequently, we anticipate stronger community relations and a positive social impact, fostering goodwill and reinforcing our position as a responsible and community-focused business.

The environmental impact

Streamlining our business and operations will reduce our environmental impact and carbon footprint, supporting our sustainability strategy.

The impact on our reputation and the need to act fairly

The Board recognises that our reputation depends on acting fairly and transparently. In approving the portfolio transformation, we ensured decisions were made with integrity, such as engaging early with affected teams and communicating clearly with investors. These actions support trust and reinforce our reputation as a responsible business.

Principal decision 2: Strategic alignment of global marketing leadership

As part of the significant strategic activities this year and to strengthen brand-building and innovation capabilities, the Global Marketing function has been restructured, aligning it with other corporate functions such as Finance, People, Supply Chain, Legal and IT. The Board was pleased to support this work which saw global marketing, research and development and sustainability consolidated under a single leadership structure. This strategic shift aims to foster a more integrated and cohesive leadership structure, ensuring that marketing efforts are more effectively co-ordinated with product development and sustainability initiatives.

In making the decision, we considered:

The long-term effect

The decision is expected to streamline global operations, optimise resources and reinforce brand development as a key driver of long-term growth. While these changes created short-term uncertainty, they position the Company for a stronger future. The restructuring efforts enabled leaner operations, better resource allocation and a renewed focus on brand-building. By addressing financial risks, operational complexity and growth opportunities, we have also reinforced our commitment to delivering sustainable, profitable growth.

Affected stakeholder groups

Customers and consumers

Our customers and consumers are central to our strategy. An improved marketing strategy will result in more consistent messaging and improved customer engagement across global markets. By strengthening brand-building and innovation capabilities we can also seek to serve overlooked consumer categories effectively.

Employees

Balancing cost efficiency with employee wellbeing, this process sought to ensure smooth transitions for affected teams. Transparent communication to employees was prioritised due to the impact of these decisions.

Investors

This key strategic decision has sought to leverage key resources and thereby improve business performance and profitability.

Distributors and suppliers

Our partners play an integral role in our business operations. Ensuring operational stability during restructuring has been a critical aspect of our strategic planning process.

Community

In restructuring the Global Marketing function and aligning leadership with strategic goals, the Company can better support initiatives in the communities in which we operate.

The environmental impact

By integrating marketing with sustainability, this restructuring supports a more unified approach to responsible brand-building. It enables better alignment between consumer engagement strategies and sustainable product innovation. Additionally, optimised resource allocation could lead to reduced environmental footprint in marketing activities, improving sustainability practices across the organisation.

The impact on our reputation and the need to act fairly

By acting fairly and communicating changes openly, the Company seeks to strengthen trust among employees, stakeholders, and consumers, and enhance a reputation for integrity, innovation, and sustainability.

The Strategic Report from pages 2 to 47 was approved by the Board of Directors on 16 September 2025 and signed on its behalf by:

Kareem Moustafa

General Counsel and Company Secretary

Chair's Introduction to Governance



DEAR SHAREHOLDER

I am pleased to present this Governance Report for the year ended 31 May 2025 on behalf of the Board.

This Governance Report outlines the principles, policies, and practices that guide our Company's leadership and decision-making. As a publicly listed company, we remain committed to upholding the highest standards of corporate governance, ensuring transparency, accountability, and long-term value creation for our stakeholders. Our approach is rooted in strong ethical foundations and a commitment to responsible business practices, ensuring that we operate with integrity while driving sustainable growth.

As detailed in the Strategic Report, this year has seen important strategic progress, including agreeing a transaction to sell our 50% share in PZ Wilmar, our edible oils business. This supports our goal of a simpler, more sustainable operation. We have also continued to face notable market challenges. The Board has therefore continued to maintain its active role with a smaller membership than previously, following the Board changes which took place in 2023 and 2024.

We remain committed to continuous improvement and welcome feedback from our stakeholders. By maintaining a robust governance structure, we are confident in our ability to navigate challenges and seize opportunities in an ever-changing landscape.

I encourage you to explore this report and gain insights into how we uphold our governance commitments. Key areas of focus for the Board during the year have been the following:

STRATEGY

The focus of this year has been on strategic activities and outcomes. Information about the Board and decision-making in the context of section 172 can be found on pages 46 to 47.

BOARD COMPOSITION AND ROLES

The Board is composed of a Non-Executive Chair, Chief Executive Officer, Chief Financial Officer and four independent Non-Executive Directors. Vivek Ahuja, Chair of the Audit and Risk Committee, was appointed to the role of Senior Independent Director following the retirement of John Nicolson in November 2024, and also to the Remuneration Committee. Valeria Juarez was appointed to the Audit and Risk Committee. We believe that these changes enhance our decision-making processes and ensure diverse perspectives are provided.

BOARD EFFECTIVENESS

The Board's internal review found it effective, with areas for improvement noted in the 2025 evaluation on page 65. Effective governance is vital and the Board acknowledges its role in this. Each Director continues to perform effectively and shows strong commitment to their role.

SUCCESSION PLANNING

We have continued to focus this year on succession planning for the Board and the Executive Committee. Effective succession planning ensures continuity, fosters leadership development, and enhances organisational resilience, ultimately driving sustained success.

DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

Recognising the impact of diversity, the Board acknowledges it as a cornerstone for fostering innovation, enhancing decision-making, and cultivating an inclusive organisational culture. By embracing diverse perspectives, we not only enrich our ethos and values but also ensure that our business strategies are reflective of the varied experiences and insights of our workforce. This commitment to diversity strengthens our ability to meet the needs of a global market and drives sustainable success.

The Inclusion and Diversity Policy for Board and Executive Committee appointments is available in full on the Company's website.

STAKEHOLDER ENGAGEMENT

Throughout the year, updates on shareholder feedback and key areas of focus are reviewed by the Board. The Chair and Committee Chairs remain accessible for questions, while Directors actively engage through AGMs or meetings arranged by the Investor Relations team. By interacting with shareholders, Directors gain an understanding of their perspectives and this helps them in assessing strategic decisions. To read more on our dialogue with stakeholders, see page 43.

OUTLOOK

The Board will continue to engage very closely on the strategic decisions ahead and it will continue to oversee Company performance.

ANNUAL GENERAL MEETING

Our AGM will be held at the Company's offices, Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG at 10:30am on 20 November 2025. My fellow Directors and I look forward to meeting shareholders and welcome your feedback at the AGM or any time during the year.

David Tyler

Non-Executive Chair

16 September 2025

Governance at a Glance

EFFECTIVE GOVERNANCE UNDERPINS ORGANISATIONAL CHANGE.

BOARD DECISIONS

- Approval to sell the 50% equity stake in the PZ Wilmar joint venture.
- The decision to retain St.Tropez and set a new strategic direction for the brand, including the formation of a strategic partnership with The Emerson Group.

BOARD AND COMMITTEE MEETING ATTENDANCE

Board members	Member since	Board	Audit and Risk Committee	ES Committee	Nomination Committee	Remuneration Committee
David Tyler	2022	7/7	-	-	3/3	_
Jonathan Myers	2020	7/7	_	3/3	_	-
Sarah Pollard	2021	7/7	_	-	_	_
John Nicolson ¹	2016	3/3	2/2	-	2/2	_
Kirsty Bashforth	2019	7/7	_	3/3	3/3	5/5
Jitesh Sodha	2021	7/7	5/5	_	3/3	4/5
Valeria Juarez²	2021	7/7	3/3	3/3	3/3	5/5
Vivek Ahuja ³	2024	7/7	5/5	_	3/3	2/2

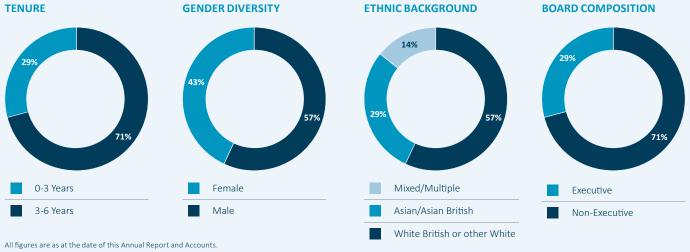
- 1 Stepped down as a Director on 21 November 2024.
- 2 Appointed to the Audit and Risk Committee on 21 November 2024
- 3 Appointed to the Remuneration Committee on 21 November 2024.

DIRECTORS' CORE AREA OF EXPERTISE

- UK institutional shareholders
- Recent financial experience
- Remuneration experience
- · Chair skills
- Mentoring and coaching skills
- Sector experience

- Retail experience
- Africa experience
- South-East Asia and ANZ experience
- Entrepreneurial experience
- Operational experience
- Strategy

- M&A, strategic partnerships
- M&A integration
- Business transformation
- E-commerce
- Sales and marketing



GOVERNANCE STRATEGIC REPORT FINANCIAL STATEMENTS ADDITIONAL INFORMATION

Our Board



Non-Executive Chair

Appointed: 2022

Skills and experience:

David Tyler joined the PZ Cussons Board as a Non-Executive Director in 2022, becoming Chair in March 2023. His business experience spans the consumer, retail, business services and financial services sectors. His executive career (1974 to 2006) was spent in financial and general management at Unilever, NatWest, Christie's and GUS. Since 2007, he has had a non-executive career, chairing Sainsbury's, Logica, Hammerson, 3i Quoted Private Equity, the White Company, Imagr, JoJo Maman Bébé and Hampstead Theatre. He has also been a Non-Executive Director at Experian, Burberry, Reckitt Benckiser and Rubix. David currently chairs Domestic & General and the Governmentbacked Parker Review on ethnic diversity in UK business.

Other appointments:

• Director and Chair of Domestic & General Limited



Jonathan Myers (E) **Chief Executive Officer**

Appointed: 2020*

Skills and experience:

Jonathan is an experienced FMCG executive, having worked for several well-known global branded consumer goods businesses across a range of categories including beauty, personal care, home care and food. Prior to joining PZ Cussons, he was Chief Operating Officer at Avon Products Inc, with overall responsibility for supply chain, marketing, digital, research and development and IT functions and was a core member of the executive team delivering a successful turnaround of the business. He spent the first 21 years of his career at Procter & Gamble, working across a wide range of categories with extensive experience in developed and developing markets, progressing to General Manager, oral care and feminine care for the Greater China Region. He has also held senior leadership positions at the Kellogg Company, serving as Managing Director, UK and Ireland and also Vice President, European markets.





Designated Non-Executive Director for employee



Executive



Sarah Pollard **Chief Financial Officer**

Appointed: 2021*

Skills and experience:

Sarah joined PZ Cussons from Nomad Foods, Europe's leading frozen food company, where she served as Deputy Chief Financial Officer. Prior to that, she was Finance Director for their Birds Eye business. Sarah is a chartered management accountant, having qualified with PricewaterhouseCoopers (PwC), and subsequently worked in investment banking, specifically in mergers and acquisitions at Deutsche Bank. Prior to Nomad Foods, Sarah held a number of senior finance positions at Diageo, Tesco and Unilever. She has worked in commercial, operational and corporate finance roles including investor relations and so brings with her a deep understanding of creating shareholder value in the consumer goods sector.



Vivek Ahuja 🛕 🕦 Ŗ **Senior Independent Director**

Appointed: 2024

Skills and experience:

Vivek is a global business leader with over 30 years of senior general management experience in international financial services and private equity. In his executive career, he was most recently CEO of Terra Firma, a leading European Private Equity firm, and prior to that, Deputy Group CFO at Standard Chartered plc. He is an experienced non-executive director, and is a Non-Executive Director of Aberdeen Group plc and Invested plc. and serves on the Council at King's College London. With extensive board and chair roles as an Investor Director, Vivek brings a wealth of strategic and financial expertise to multisector businesses.

Other appointments:

- · Non-Executive Director of Aberdeen Group plc
- Non-Executive Director of **Ebury Partners Limited**
- Non-Executive Director of Investec plc, Investec Bank plc and Investec Limited
- Council member of King's College London
- Non-Executive Director of The Royal Free London NHS Foundation Trust

(A) Audit and Risk Committee

Remuneration Committee

Nomination Committee Environmental and Social



(N)

Committees

Chair

Impact Committee

All Directors were independent on appointment except for Jonathan Myers and Sarah Pollard.



Kirsty Bashforth R D E N Non-Executive Director

Appointed: 2019

Skills and experience:

Kirsty is an experienced remuneration committee chair and holds specific expertise in organisational culture and change management. In her executive career of more than 30 years, she is currently Chief People & Culture Officer at Delinian Trading Ltd., having completed a three-year assignment as Chief Business Officer at Diaverum AB, and 24 years at BP plc in senior executive positions, including Group Head of Organisational Effectiveness and leading the strategic co-ordination of the company's global B2B business. Kirsty also chairs the Corporate Responsibility Committee at Serco Group plc.

Other appointments:

 Non-Executive Director of Serco Group plc (Chair of the Corporate Responsibility Committee)



Jitesh Sodha (A) (R)
Non-Executive Director

Appointed: 2021

Skills and experience:

Jitesh is an experienced FTSE director. Jitesh was most recently Chief Financial Officer at Spire Healthcare Group plc, was Chair of the Sustainability Committee from 2018 to 2024, and sat on the Disclosure Committee, Executive Committee and Safety, Quality and Risk Committee. Prior to that, Jitesh was Chief Financial Officer at De La Rue between 2015 and 2018, and at Greenergy International, Mobile Streams, where he led their IPO, and T-Mobile International UK.



Valeria Juarez (B) (A) (R)
Non-Executive Director

Appointed: 2021

Skills and experience:

Valeria is an international business leader with a focus on digital, brand-building, and business transformation. She currently leverages her 27 years of executive experience to drive impact across a plural portfolio of non-executive and advisory roles. This includes serving as a Non-Executive Director at Hunter Douglas Group Ltd. and providing strategic advice to lifestyle brands and digital start-ups. Her executive career spans leadership positions in both developed and emerging markets at Ralph Lauren, Amazon, Diageo, Boston Consulting Group, and Procter & Gamble. She brings extensive experience in general management, digital strategy, commercial operations, innovation, and marketing across branded consumer goods, fashion, and online retailing.

Other appointments:

 Non-Executive Director of Hunter Douglas Group Limited

Our Executive Committee



Jonathan Myers
Chief Executive Officer
Appointed to current role: 2020



Sarah Pollard
Chief Financial Officer
Appointed to current role: 2021



Cath Bailey
Chief People Officer
Appointed to current role: 2023



Abby Adderley
Chief Information Officer
Appointed to current role: 2025



Oghale ElueniManaging Director – Africa
Consumer Business

Appointed to current role: 2023



Dimitris Kostianis

Transformation Leader, and Chief
Executive Officer – PZ Cussons
Nigeria Plc

Appointed to current role: 2023



Kareem Moustafa
General Counsel and
Company Secretary

Appointed to current role: 2024



Steve NobleChief Supply Chain Officer

Appointed to current role: 2021



Alastair Smith

Managing Director – ANZ

Appointed to current role: 2022



Rob Spence
Managing Director – Europe

Appointed to current role: 2024



Paul Yocum
Chief Growth and
Marketing Officer
Appointed to current role: 2024



Ningcy Yuliana

Managing Director – Asia

Appointed to current role: 2023



Board Activity at a Glance

In line with the annual rolling agenda, the Board considered a number of topics on a regular basis. These included the following standing agenda items:

- Executive reports, including operational and financial performance, market summaries, health and safety, and other matters
- Strategy and strategic projects
- Reports from each Board Committee following Committee meetings
- Reports from the designated Non-Executive Director for employee engagement
- Governance, compliance and legal matters.

In addition to the standing items, the matters set out below were considered and approved.

STRATEGY

Board matters discussed	Stakeholders affected	Link to strategy
 FY25 Strategy Day Portfolio transformation Organic growth M&A ambitions Organisational design 	 Customers/Consumers Investors Communities – Environment Suppliers 	
Strategic review of brands and geographies	 Customers/Consumers Investors Employees Communities Suppliers 	
ES matters and frameworks	CommunitiesInvestorsEmployees	
Diversity, Equity & Inclusion update	• Employees	?? (

OPERATIONS

Board matters discussed	Stakeholders affected	Link to strategy
Reviews of businesses:	• Investors	
• Africa	Customers/Consumers	V 00 % % " " C 2
• ANZ	• Suppliers	
Childs Farm	• Employees	
• Indonesia		
UK and Ireland		













Grow Sustainably

FINANCE

Board matters discussed	Stakeholders affected	Link to strategy
Central costs and efficiencies	InvestorsSuppliersEmployees	
Results reporting, including Annual Report and Accounts	InvestorsEmployees	
Dividend payments	• Investors	
Principal and emerging risks	InvestorsEmployeesCommunity	
Budget approval	EmployeesInvestors	<u>کې</u> کې
Group tax strategy	• Investors	

GOVERNANCE

Board matters discussed	Stakeholders affected	Link to strategy
Director reappointment and Board composition	EmployeesInvestors	
Shareholder communications including Annual General Meeting	• Investors	
Governance disclosures including Modern Slavery Statement	EmployeesCommunity	?
Board and Committees evaluation	 Customers/Consumers Investors Communities – Environment Suppliers 	
Review of Board policies Board reserved matters Statement of Board responsibilities Terms of Reference	• Investors	

Corporate Governance Statement 2025

This Corporate Governance Statement as required by the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules 7.2 (DTR 7.2), together with the rest of the Corporate Governance Report and the Committee Reports, forms part of the Report of the Directors and has been prepared in accordance with the principles of the Financial Reporting Council's UK Corporate Governance Code 2018 (the 2018 Code). The 2018 Code is the standard used for evaluation in the year ended 31 May 2025. A copy of the 2018 Code can be found on the Financial Reporting Council's website: www.frc.org.uk. The Company will report against the 2024 UK Corporate Governance Code (the 2024 Code) in the FY26 Annual Report, the 2024 Code applying to accounting periods beginning on or after 1 January 2025.

Additional requirements under DTR 7.2 are covered in greater detail throughout the Annual Report and Accounts for which we provide reference as follows:

<u>></u>	The Group's risk management and internal control are found on page 68
<u>></u>	Information with regards to share capital is presented in the Report of the Directors from page 95
<u>></u>	Information on Board and Committee composition can be found on page 49
<u>></u>	Information on Board diversity including the Board Inclusion and Diversity Policy can be found on page 64

The Company's obligation is to state whether it has complied with the relevant principles and provisions of the 2018 Code, or to explain why it has not done so up to the date of this Annual Report and Accounts. The Company has complied with the principles and provisions of the 2018 Code during the financial year ended 31 May 2025.

The following pages will outline how the Company complies with the principles and provisions of the 2018 Code. Where supporting information is found outside of or in addition to this Governance Report, the page reference is given in the tables below.

BOARD LEADERSHIP AND COMPANY PURPOSE

Code Principle and Description	Annual Report and Accounts	Reference
A Effective Board	Nomination Committee Report	See page 63
B Purpose, strategy, values and culture	Strategic Report	See pages 3 and 16
C Prudent and effective controls and Board resources	Strategic Report – How we manage risk	See page 30
D Stakeholder engagement	Creating a dialogue with our stakeholders	See page 43
E Workforce policies and practices	 Non-Financial Information and Sustainability Statement Audit and Risk Committee Report 	See pages 46 and 66

Effective Board

The Board understands that its role is to provide leadership and set the purpose, values and standards of the Company and the Group. PZ Cussons' strategy and business model are set out on pages 3 and 8 of the Strategic Report and describes the basis upon which the Company generates and preserves value over the long term.

The Company is led by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the Company, thereby generating value for investors and contributing to wider society.

An internal Board evaluation was carried out in April and May 2025.

For more on this, see the Nomination Committee Report on page 65

Directors have the right to raise concerns at Board meetings and can ask for those concerns to be recorded in the Board minutes. The Group has also established a procedure which enables Directors, in relevant circumstances, to obtain independent professional advice at the Company's expense.

Board development and training

The Chair is responsible for leading the development, and monitoring the effective implementation, of training policies and procedures for the Directors. On appointment, each Director receives a formal and tailored induction. There is also a programme of ongoing training for Directors. The Directors are committed to their own ongoing professional development and the Chair discusses training with each Non-Executive Director at least annually. The Board undertakes a cycle of training on relevant corporate governance matters and matters relevant to operational and strategic objectives. Training is typically provided by the Company's external advisers.

Stakeholder engagement

We recognise the importance of clear communication and proactive engagement with all of our stakeholders. During the year under review, the Board used various engagement channels to receive valuable feedback from our key stakeholders.



For more details, see our Section 172(1) Statement: Creating a dialogue with our stakeholders on page 43

STATEMENT OF ENGAGEMENT WITH EMPLOYEES

The Board recognises that employee engagement is the responsibility of the whole Board and that our employees are our biggest asset. The Board has an approved plan setting out agreed principles on engagement, core themes to address based on feedback from the global employee survey and a calendar of events to ensure engagement takes place across the year, and across all business units and functions.

Designated Non-Executive Director for employee engagement

In line with the 2018 Code, Kirsty Bashforth is our designated Non-Executive Director for employee engagement with responsibility for ensuring that the Board engages effectively with our workforce.

Workforce concerns

Core themes for the year have been:

- Encouraging employees to be bold, critical thinkers who strive to win
- · Fostering employee resilience and focus during organisational change
- Explaining the strategy and the role played by individuals and teams in our success.

Engagement methods

Examples of engagement have included the following, with many attended by Kirsty Bashforth:

- Market visits by Non-Executive Directors
- · Employee focus groups about our culture and what it means to join PZ Cussons and work for us, now and in future
- Global employee events, for example, regular global Town Halls and our International Women's Day event joined by the Chair and other Directors
- · Training sessions equipping line managers and teams to understand how organisational change is managed and their role in the process
- Quarterly business updates and business unit events.



For more details, see People and Culture on page 16

Purpose, culture and values

Our business model is underpinned by our purpose, culture and values, and the strategy that the Board has set. The Board continues to understand, monitor and assess the Company's culture through various methods, including:

- Employee engagement: The Board receives an annual report from management on the results of the employee engagement survey which gives the Board insights into workforce experiences and concerns, ensuring alignment with our culture, purpose, and strategic priorities. The designated Non-Executive Director for employee engagement also provides regular reports to the Board.
- · Safety: The Board receives regular reports on health and safety through the CEO Report to each Board cycle.
- Site visits: Directors conduct site visits and experience the culture first hand and deepen their understanding of our business. During the course of the year, following his appointment, Vivek Ahuja visited our Nigeria and Indonesia businesses and interacted with employees.
- Policies and procedures: Practices and processes are in place to support our culture, covering areas like sustainability, ethical conduct, anti-bribery, and whistle-blowing. These policies are reviewed and updated as necessary.
- Whistle-blowing: The Board, through the Audit and Risk Committee, reviews reports against the Group's Code of Ethical Conduct, including from the Group's whistle-blowing facility, and evaluates the effectiveness of these arrangements.

Corporate Governance Statement 2025 continued

STATEMENT OF ENGAGEMENT WITH OTHER BUSINESS RELATIONSHIPS

The Directors have regard for the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year.



This statement should be read in conjunction with our Section 172(1) Statement: Creating a dialogue with our stakeholders on page 43, the Non-Financial Information and Sustainability Statement on page 42 and Board principal decisions on pages 46 and 47

DIVISION OF RESPONSIBILITIES

Code Principle and Description	Annual Report and Accounts	Reference
F Role of the Chair	Our Board	See page 50
G Independence	Our BoardNomination Committee Report	See pages 50 and 63
H External commitments	Our Board	See page 50
I Board function	Corporate Governance Statement	See page 56

Board roles

The responsibilities of the Chair, Chief Executive Officer, Senior Independent Director and Board and Board Committees are clear, set out in writing and regularly reviewed by the Board. There is a clear division between the Executive and Non-Executive responsibilities.

Role	Responsibilities
Chair of the Board David Tyler	The Chair of the Board is responsible for ensuring overall Board and individual Director effectiveness and for creating and embedding the right governance framework within the Board. Specific responsibilities include:
	• Effective running of the Board including setting the agenda and ensuring that the Board plays a full and constructive part in the approval of the Group's strategy and overall commercial objectives;
	Ensuring members of the Board receive accurate, timely and clear information;
	Reviewing and agreeing training and development for the Board;
	• Ensuring an appropriate balance is maintained between Executive and Non-Executive Directors with the skills, experience and expertise to provide guidance, challenge and oversight to the Board and executive management;
	• Ensuring there is effective communication with the Group's shareholders and other stakeholders;
	• Ensuring that the performance of the Board as a whole, its Committees and individual Directors is formally evaluated; and
	Promoting high standards of integrity and corporate governance throughout the Group, particularly at Board level.
Chief Executive Officer Jonathan Myers	The Chief Executive Officer is accountable to the Chair and the Board for providing timely, accurate and clear information in relation to the Group's performance and delivery of its strategy and overall commercial objectives. Specific responsibilities include
	• Developing the Group's objectives and strategy for approval by the Board, and with regard for the Group's shareholders, customers, employees and other stakeholders;
	The successful achievement of objectives and execution of the Group's strategy;
	• Managing the Group's risk profile in line with the Company's risk appetite and ensuring that effective internal controls are in place
	Ensuring effective communications with shareholders;
	Executive management matters affecting the Group and leading the Executive Committee;
	• Promoting and conducting the affairs of the Group with standards of integrity and corporate governance that align to the Group's integrity and purpose;
	Advising and making recommendations in respect of management succession planning and to make recommendations on the terms of employment and remuneration of the Executive Committee;
	Ensuring open, honest and transparent dialogue between the Board and the Executive Committee;
	• Ensuring, with the support of the Company Secretary, that the Executive Committee complies with its delegated authority and the matters reserved for the Board;
	• Leading and overseeing the development and implementation of good governance policies relating to whistle-blowing, insider dealing, disclosure, anti-corruption, safety and sustainability;
	Promoting an entrepreneurial and ethical culture which welcomes and supports a diverse workforce; and
	Championing the Group's values and behaviours.

Role	Responsibilities
Chief Financial Officer Sarah Pollard	 The Chief Financial Officer's specific responsibilities include: Implementing the Group's financial strategy, including balance sheet management and capital allocation; Supporting the Chief Executive Officer in the delivery of the Group's strategy and financial performance; and Overseeing financial reporting and internal controls.
Senior Independent Director Vivek Ahuja	 Acting as a sounding board for the Chair and serving as intermediary for the other Directors when necessary; Being available for confidential discussions with other Non-Executive Directors; Evaluating the Chair's performance as part of the Board's evaluation process and ensuring that an independent evaluation of the performance of the Chair is completed by an external evaluator at least once every three years; Chairing meetings of the Non-Executive Directors or other meetings where appropriate; and Being available to shareholders should the occasion occur when there is a need to convey concern to the Board other than through the Chair or the Chief Executive Officer.
Non-Executive Directors	 The Non-Executive Directors' specific responsibilities include: Contributing to the development of the Group's strategy; Promoting and supporting the Group's values and commitment to high standards of corporate governance; and Reviewing, oversight and constructive challenge of the Executive Committee on the delivery of the Company's objectives and strategy.

GOVERNANCE FRAMEWORK

The Board recognises that a good governance structure is not static but allows the Group to grow and develop.

The Board has overall authority for the management and conduct of the Group's business, strategy and development and is responsible for ensuring that this aligns with the Group's culture. The Board ensures the maintenance of a system of internal controls and risk management (including financial, operational and compliance controls) and reviews the overall effectiveness of the systems in place. The Board delegates the day-to-day management of the business to the Executive Directors and the Executive Committee. There is a schedule of matters reserved for the Board's decision which forms part of a delegated authority framework. Matters for the Board's decision include approval of the Group's strategy and objectives, setting the purpose and values of the Group, annual budget, material agreements and major capital expenditure. The schedule is reviewed regularly to ensure that it is kept up to date with any regulatory changes and is fit for purpose.

Corporate Governance Statement 2025 continued

THE BOARD

The Board's role is to provide leadership and set the purpose, values and standards of the Company and the Group. The Board has ultimate responsibility for the long-term success and sustainability of the business. It approves the Group's long-term objectives and commercial strategy and provides oversight of the Group's operations.

THE BOARD DELEGATES RESPONSIBILITY FOR CERTAIN MATTERS TO ITS PRINCIPAL COMMITTEES*

Audit and Risk Committee

Reviewing the Group's accounting and financial policies, its disclosure practices, internal controls, internal audit and risk management, and overseeing all matters associated with appointment, terms, remuneration and performance of the External Auditor.

Nomination Committee

Ensuring that the structure, size and composition of the Board and the Executive Committee are best suited to deliver the Company's strategy and meet current and future needs.

Remuneration Committee

Reviewing and recommending the framework and policy for remuneration of the Executive Directors and senior executives.

Environmental and Social Impact (ES) Committee

Approving the Group's ES strategy and performance targets, monitoring performance by the Group against its ES strategy and how the Group engages with key stakeholders.

THE EXECUTIVE COMMITTEE

The Board has delegated responsibility for the delivery of the Group's strategy and the day-to-day operational performance of the business to the Executive Directors who work closely with the wider Executive Committee to deliver this strategy.

* In addition to its principal Committees, the Board, from time to time, deals with certain matters in other Committees, both formal and ad hoc. Terms of Reference for each Committee listed above are available on the Company's website.

BALANCE OF INDEPENDENCE

The Board currently comprises four independent Non-Executive Directors (excluding the Chair) and two Executive Directors. The Board is of the opinion that the Non-Executive Directors remain independent, in line with the definition set out in the 2018 Code and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The Chair was independent on appointment.

CONFLICTS OF INTEREST

The Company Secretary keeps a register of all Directors' interests. The register sets out details of situations where each Director's interest may conflict with those of the Company (situational conflicts). The register is considered and reviewed at each Board meeting so that the Board may consider and authorise any new situational conflicts identified.

COMPANY SECRETARY

All Directors have access to the advice of the Company Secretary. The appointment and remuneration of the Company Secretary is a matter for the Board.

BOARD TIME COMMITMENTS

All Directors are required to obtain permission of the Board in respect of any proposed appointments to other listed company boards prior to committing to them. The Non-Executive Directors are required, by their letters of appointment, to devote sufficient time to meet the expectations of their role as required by the Board from time to time. The Board remains satisfied that all the Directors spend this amount of time on Board and Committee activity.

BOARD AND COMMITTEE MEETING ATTENDANCE

Each of the Directors has committed to attend all scheduled Board and relevant Committee meetings and has committed to make every effort to attend ad hoc meetings, either in person or by telephone/video call. During the year, the Chair and Non-Executive Directors met without the Executive Directors being present at the end of each scheduled Board meeting. The Non-Executive Directors also meet without the Executive Directors and the Chair present at least once a year. The table on page 49 sets out the membership and attendance of Directors at the scheduled Board and Committee meetings held during the year. Attendance is shown as the number of meetings attended by every Director eligible to attend.



For the Board and Committee meeting attendance table, see page 49

BOARD ACTIVITY

During the year, the Board held six scheduled meetings and a Board strategy day. A rolling agenda and forward calendar have been agreed and the agenda for each meeting is agreed with the Chair and Executive Directors. Board papers are circulated to Directors in advance of the meetings. If a Director cannot attend a meeting, he or she is able to consider the papers in advance of the meeting and will have the opportunity to discuss them with the Chair or Chief Executive Officer and to provide comments.

In line with the annual rolling agenda, the Board considered a number of topics on a regular basis.



For more details, see pages 54 to 55

BOARD COMPOSITION, SUCCESSION AND EVALUATION

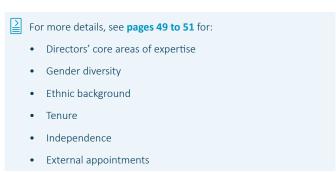
Code Principle and Description	Annual Report and Accounts	Reference
J Appointments to the Board	Our Board	See page 50
K Board composition, skills and experience	Our BoardNomination Committee Report	See pages 50 and 63
L Evaluation	Nomination Committee Report	See page 65

Appointments to the Board

There were no Board appointments during the year.

Skills, experience and knowledge

Our Board is a diverse and effective team, focused on promoting the long-term success of the Group for the benefit of all stakeholders.



Corporate Governance Statement 2025 continued

AUDIT, RISK AND INTERNAL CONTROL

Code Principle and Description	Annual Report and Accounts	Reference
M Effectiveness of External Auditor and internal audit and integrity of accounts	Audit and Risk Committee Report	See page 67
N Fair, balanced and understandable assessment of Company's prospects	Audit and Risk Committee ReportReport of the Directors	See pages 70 and 99
O Internal financial controls and risk management	Risk Management and Principal RisksAudit and Risk Committee Report	See pages 30 and 68

The Board's objective is to give shareholders a fair, balanced and understandable assessment of the Group's position and prospects for the business model and strategy and it has responsibility for preparing the Annual Report and Accounts. The Board is also responsible for maintaining adequate accounting records and seeks to ensure compliance with statutory and regulatory obligations. You can find an explanation from the Directors about their responsibility for preparing the financial statements in the Statement of Directors' responsibilities in the Report of the Directors on page 97.



REMUNERATION

The Code provides that remuneration policies and practices must be designed to support the Company's strategy and promote long-term sustainable success. The Board delegates responsibility to the Remuneration Committee, comprised of exclusively independent Non-Executive Directors, to ensure that there are formal and transparent procedures in place for developing the policy for the remuneration of Executive Directors and senior management and the application of the policy.

Code Principle and Description	Annual Report and Accounts	Reference
P Linking remuneration purpose and strategy	Remuneration Committee ReportRemuneration Policy	See pages 74 and 78
Q A formal and transparent procedure for developing policy	Remuneration Policy	See page 78
R Independent judgement and discretion	Remuneration Committee Report	See page 74

The Remuneration Committee Report sets out the Directors' Remuneration Policy, how the Directors' Remuneration Policy was applied throughout FY25 and how it will be applied during FY26.

Nomination Committee Report



David Tyler Nomination Committee Chair

Committee role

- Regularly assess the leadership and succession requirements of the business.
- Regularly evaluate the structure, size, and composition of the Board and its Committees.
- Identify and nominate candidates for Board vacancies for approval.
- · Assess the Board's diversity and balance of skills.
- Evaluate the performance of the Board.
- · Ensure a diverse pipeline for succession.

Priorities for 2026

- Monitor the development of succession plans for the Board, its Committees, and senior management.
- · Carry out an external Board evaluation.



Detailed responsibilities are set out in the Committee's Terms of Reference, which can be found on the Company's website: www.pzcussons.com

DEAR SHAREHOLDERS

On behalf of the Board, and as Chair of the Nomination Committee, I am pleased to present its report for the year ended 31 May 2025.

During the year, the Committee focused its time on Board and Executive Committee succession planning and its internal Board evaluation.

Consideration was also given to the implications of the change in Board composition on the membership of its Committees. Succession planning for the Board, its Committees and the Executive Committee will continue to be a key focus for FY26.

HOW THE COMMITTEE OPERATES

The Committee meets a minimum of twice a year and more frequently as necessary. During the year, the Committee met formally twice.

Only members of the Committee are entitled to attend the meetings. Other individuals, such as the Chief Executive Officer, Chief People Officer and external advisers, may be invited to attend all or parts of any meeting as and when appropriate. The Committee, however, ensures that it dedicates sufficient time to discussions without advisers present to facilitate candid exchanges of views by its members and to ensure the independence of the Committee is maintained.

BOARD AND COMMITTEE MEMBERSHIP

During the year, the Committee considered the membership of the Board and its Committees ahead of the planned retirement of John Nicolson in November 2024. There are no current plans to appoint any further Non-Executive Directors but this matter will be considered again during the course of FY26, in particular, in the light of strategic developments.

The Committee considered and recommended to the Board that Vivek Ahuja be appointed Senior Independent Director and a member of the Remuneration Committee and Valeria Juarez be appointed to the Audit and Risk Committee, both with effect from the conclusion of the 2024 AGM. The memberships of each Committee can be seen on page 49.

Kirsty Bashforth continues to be the designated Non-Executive Director for employee engagement.

INDEPENDENCE

In line with the definition set out in the UK Corporate Governance Code, the Nomination Committee is of the opinion that the Non-Executive Directors are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The Chair was independent on appointment. The balance of Directors (excluding the Chair) was two Executive Directors and four independent Non-Executive Directors, at the date of this report.

The Board complies with the provisions of the Code requiring each Director to seek re-election annually. The existence of a group of controlling shareholders (see the Report of the Directors on page 95) and the election or re-election of independent Directors is subject to a dual shareholder vote at the AGM, pursuant to which re-election or election must be approved by a majority vote of the shareholders of the Company and, separately, by a majority vote of the shareholders excluding the controlling shareholders.

Nomination Committee Report continued

SUCCESSION PLANNING AND LEADERSHIP DEVELOPMENT

The Committee is responsible for overseeing succession planning of the Board and senior management within the Company. In the last 12 months, the Committee has enacted the senior management succession plan with the appointment of two new Executive Committee members who were on our succession plans. Our succession planning process is ongoing in anticipation of further organisational changes, with a focus on the Company becoming a leaner, more agile, and cost-efficient organisation, with an emphasis on performance, pioneering leadership, brand-building, and long-term innovation.

The Committee received a comprehensive review of succession plans for Executive Committee roles and identified successors for a small group of critical positions beyond the Executive Committee. The findings also addressed talent review and gender diversity which provided confidence in the pipeline of future leadership talent.

Aligned with the Strategy, a Leadership Framework has been developed to define leadership behaviours and expectations. This framework is being embedded into talent processes and recruitment, ensuring alignment with the Company's BEST values outlined on page 16.

The Committee continues to ensure that there is a robust leadership pipeline, supported by effective succession planning and talent development. The Committee will continue to monitor leadership transitions and organisational changes to ensure alignment with the Company's plan for the long term.

GOVERNANCE MATTERS

The Terms of Reference were reviewed during the year to ensure that they are compatible with the UK Corporate Governance Code 2024 (the 2024 Code) which applies to accounting periods beginning on or after 1 January 2025.

The Committee also reviewed the Director Appointment and Induction Policy to align with the 2024 Code.

BOARD INCLUSION AND DIVERSITY

The Company is committed to having a diverse Board, including its Committees, and Executive Committee that reflects our workforce and consumers in our business locations. The Committee continues to keep under review the Board's skills and diversity as part of this commitment. The Board has approved an Inclusion and Diversity Policy for Board and Executive Committee appointments which is available in full on the Company's website.

The Committee acknowledges the significance of diversity and inclusion in shaping a resilient and forward-thinking Board. The Committee continues to welcome the findings of the Parker Review and supports its mission to enhance ethnic diversity within UK boardrooms. Our Board composition exceeds the targets set out in the Parker Review by having three Directors from a minority ethnic background. We are equally supportive of the FTSE Women Leaders Review. The Board meets the 40% female representation target and continues to meet the target for at least one senior board position to be held by a woman.

The Company makes decisions based on merit, objective criteria, and the needs of the Board and Executive Committee, while considering diversity, inclusion, and equal opportunity.

The Company uses external recruitment agencies that follow the voluntary code of conduct on diversity and best practices or have equivalent commitments to inclusion and diversity.

BOARD AND EXECUTIVE MANAGEMENT DIVERSITY DATA

We report our Board and executive management diversity data as follows as at our chosen reference date of 16 September 2025 (the date of this Annual Report and Accounts) further to the UK Listing Rules requirements.

As at 31 May 2025 and 16 September 2025, the Board included three women Directors representing 43% of the Board. One of the four senior positions on the Board was held by a woman and three Directors were from a minority ethnic background.

The names of our Board and Executive Committee members are set out on pages 50 to 52.

Board and executive management reporting on gender identity or sex

	No. of Board members	% of the Board	No. of senior positions on the Board (CEO, CFO, SID and Chair)	No. in executive management ¹	% of executive management
Men	4	57	3	8	67
Women	3	43	1	4	33
Other categorie	s 0	-	0	0	_
Not specified/ prefer not to say	y 0	_	0	0	_

1 Executive management means the Executive Committee (the most senior executive body below the Board). The Chief Executive Officer and Chief Financial Officer are included in the data fields for both the Board and the Executive Committee as they are members of both respectively.

Board and executive management reporting on ethnic background

No of conjur

me	No. of Board mbers	% of the Board	positions on the Board (CEO, CFO, SID and Chair)	No. in executive management ¹	% of executive management
White British or other White (including minority white groups)	/- 4	57	3	9	75
Mixed/Multiple Ethnic groups	1	14	0	1	8
Asian/Asian British	2	29	1	1	8
Black/African/ Caribbean/ Black British	0	0	0	1	8
Other ethnic group	0	0	0	0	0
Not specified/prefe not to say	er O	0	0	0	0

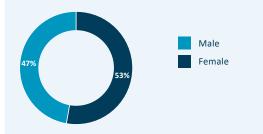
1 Executive management means the Executive Committee (the most senior executive body below the Board). The Chief Executive Officer and Chief Financial Officer are included in the data fields for both the Board and the Executive Committee as they are members of both respectively.

Data in relation to the gender of employees is collected voluntarily via our people management information system Workday, through which the individual self-reports their gender identity (or specifies they do not wish to report such data). The criteria of the standard form questionnaire are fully aligned to the definitions specified in the UK Listing Rules, with individuals requested to specify: self-reported gender identity. Selection from 'a' male; 'b' female; 'c' other category/please specify; 'd' not specified (due to local data privacy laws); or 'e' prefer not to say. For Non-Executive Board members, we collect data voluntarily through a manual process.

Data in relation to ethnicity is currently collected via a manual process. Each individual Board member and member of the Executive Committee is requested to self-report ethnic background in accordance with the classifications prescribed in the UK Listing Rules, as designated by the UK Office of National Statistics. As set out in the table on page 64, these are 'a' White British or other White; 'b' Mixed or Multiple Ethnic Groups; 'c' Asian or Asian British; 'd' Black; 'e' Other ethnic group/please specify; or 'f' not specified/prefer not to say.

SENIOR MANAGEMENT AND THEIR DIRECT REPORTS

In line with the 2018 Code, the gender balance of those in senior management, considered to be the Executive Committee members, and their direct reports (excluding administrative staff) at 31 May 2025 are disclosed. The names of our Executive Committee members are set out on page 52.



2025 BOARD AND COMMITTEE EVALUATION

To evaluate its own effectiveness, in accordance with best practice and the requirements of the 2018 Code, the Board undertakes annual effectiveness reviews using a combination of externally facilitated and internally run evaluations over a three-year cycle, with an externally facilitated evaluation in year one followed by internally run evaluations in years two and three. Each process is facilitated by the Company Secretary, working with the Chair.

The Board made progress on the priorities it set in the 2024 evaluation, focusing on strategic options and portfolio transformation, and leveraging Non-Executive Directors' expertise.

Strategic project oversight was prioritised in Board agendas. Talent development and leadership remained a central theme. The Board also maintained active oversight of its own composition.

The Board recognises the importance of continually monitoring and improving its performance. In accordance with the three-year cycle, an internal evaluation took place this year facilitated by the Company Secretary.

Process

The 2025 internal Board evaluation report was compiled through the completion of surveys issued to the Board. All Directors submitted responses.

The Board evaluation also included a review of the Audit and Risk Committee and the Remuneration Committee. Questions in the main Board evaluation were also specifically related to the Nomination Committee, Chair and Senior Independent Director.

The findings and recommendations of the evaluation were presented to and considered by the Board at its May 2025 meeting.

The Audit and Risk and Remuneration Committees considered the results of their own evaluations.

A number of recommendations were made to the Board and actions agreed.

Conclusions and actions agreed from 2025 evaluation

- Establish strategic priorities that will define the Company's long-term direction to deliver sustainable, profitable growth once the outcomes of significant strategic portfolio interventions are complete.
- Ensure the operating model of the Company evolves to reflect the new strategic priorities once the outcomes of strategic portfolio interventions are complete. This must have a sustainable cost structure which is fit for purpose.
- Allocate sufficient Board agenda time for full reviews and analysis
 of market trends, competitive intelligence, and related insights.
 This will be done at least twice a year.
- Reaffirm and reignite the BEST values, ensuring they are deeply embedded in all aspects of the business following right-sizing and changes to structure.
- Continue executing the established framework for assessing and reporting on material controls, ensuring full alignment with the 2024 Corporate Governance Code. Maintain focus on finalising key assessments and documentation required for Board attestation.

David Tyler

Nomination Committee Chair

16 September 2025

Audit and Risk Committee Report



Vivek Ahuja

Audit and Risk Committee Chair

Committee role

- Monitor the integrity of the financial statements and announcements and review significant financial reporting requirements, issues and judgements.
- Recommend the appointment and removal, approve the terms and remuneration, and assess the independence and performance of the External Auditor, reviewing the scope, findings, cost effectiveness and quality of the audit. Review the adequacy and effectiveness of the Group's risk management systems and mitigation programmes.
- Review the adequacy and effectiveness of the Group's systems and processes for internal financial control.
- Review the independence, effectiveness and output of the Group's Internal Audit and Risk function and programme.
- Review the adequacy of the Group's whistle-blowing arrangements and procedures for detecting fraud.

Priorities for 2026

- Oversee and assess management's continued progress on strengthening of internal controls, continuing to focus on readiness for corporate governance reform and focusing on material controls.
- Leveraging the Risk Management Framework to proactively support the Group as it advances its transformative journey. The Committee will concentrate on the evolving risk profile and oversee mitigations in response to strategic and operational initiatives.
- Continue to support the evolution of the Internal Audit and Risk function, supporting a culture of risk management and embedding and strengthening internal controls across the Group.
- Increased oversight of risk appetite and tolerance as the Group continues to strengthen its risk appetite framework.
- Review significant financial reporting matters and judgements as they relate to the Group's interim and full-year financial results.
- Oversight and support to the External Auditor.



Detailed responsibilities are set out in the Committee's Terms of Reference, which can be found on the Company's website: **www.pzcussons.com**

DEAR SHAREHOLDERS

I am pleased to present the Committee's report for the financial year ended 31 May 2025 which sets out a summary of the work of the Committee and how it has carried out its responsibilities during the year.

The Committee has continued to monitor the embedding of the processes and controls that have been designed as part of our ongoing controls improvement programme (Controls Transformation); the Committee sees the main benefits of this programme relating to risk reduction. The importance of the Controls Transformation work has been heightened by regulatory change and Corporate Governance Code reform. The Committee recognises the continued progress in this area and supports management to retain focus on improving the overall control environment.

The Committee recognises that Internal Audit and Risk plays a key role in controls improvement and ensuring cultural changes are embedded. While this is critical it can be difficult to measure and quantify.

HOW THE COMMITTEE OPERATES

The Committee meets a minimum of three times a year and more frequently as necessary. During the year, the Committee met five times. This enabled a focus on the full-year and interim results in September and February respectively and a focus on internal audit, risk, controls and audit planning in the remaining meetings.

Only members of the Committee are entitled to attend the meetings. However, other Directors and other individuals (including representatives of external advisers) are invited to attend for all or parts of any meeting as and when appropriate. The Chief Financial Officer, Group Internal Audit and Risk Director, and External Audit lead partner are invited to attend meetings of the Committee on a regular basis. During the year, the Chair of the Board, the Chief Executive Officer and other members of the management team routinely attended to review specific risks and mitigating action plans.

The Company Secretary acts as secretary to the Committee.

The experience of the Committee members, including myself, is summarised on pages 50 and 51. The Board considers each Committee member is independent and has a broad and diverse spread of commercial and relevant industry experience, such that the Board is satisfied that the Committee has the appropriate skills and experience to be fully effective and meets the 2018 Code requirement that at least one member has significant, recent and relevant financial experience.

RELATIONSHIP WITH THE EXTERNAL AUDITOR

The Committee has primary responsibility for managing the relationship with the External Auditor, including assessing their performance, effectiveness and independence annually and recommending to the Board their reappointment or removal.

Jonathan Studholme has been lead partner since the appointment of PwC as External Auditor in 2023.

During the year, the members of the Committee regularly met with representatives from PwC, without management present, to ensure that there were no issues in the relationship between management and the External Auditor which it should address. There were no material issues raised in this regard throughout FY25.

Activities of the Committee during the year

Over the course of this financial year, the Committee:

- Held a regular programme of meetings and discussions, supported by our interactions with the Company's management, External Auditor
 and the quality of the reports and information provided to us which enable the Committee members to effectively discharge our duties
 and responsibilities
- Oversaw and monitored the risk management process, ensuring alignment with the Risk Management Framework, including the identification and assessment of emerging and Principal Risks
- Oversaw the onboarding and first year audit of PwC following its appointment as the Company's External Auditor
- Oversaw continued progress of the Controls Transformation Programme which started in 2022, with the intent of creating and embedding an improved internal control framework and environment
- · Reviewed the programme of work associated with the above regarding preparation for Corporate Governance reform
- Reviewed the significant financial reporting matters and judgements identified by the finance team and PwC, through the external audit process, and the approach to addressing those matters, is set out in the table on page 68 of this Annual Report and Accounts
- Completed the annual assessment of the External Auditor's independence, qualifications, expertise and resources, and the effectiveness of the external audit process, in accordance with legal and regulatory requirements, including clauses 15 to 21 of the FRC Audit Committees and the External Audit: Minimum Standard.

The Committee considers the nature, scope and results of the External Auditor's work. A revised policy on the supply of any non-audit services that are appropriate to be provided by the External Auditor was approved in the year. The Committee receives and reviews reports from the Group's External Auditor relating to the Group's Annual Report and Accounts and the external audit process.

In respect of the audit for the financial year ended 31 May 2025, PwC presented its audit plan to the Committee. The audit plan included an assessment of audit risks, scope and materiality, and robust testing procedures.

The Committee approved the implementation of the plan following discussions with both PwC and management.

Audit and non-audit fees

The Company paid £4.0 million in audit fees for the financial year ended 31 May 2025.

Regarding non-audit services, the Company's policy limits PwC to working on the audit or such other matters where their expertise as the Company's External Auditor makes them the logical choice for the work. This is to preserve their independence and objectivity. In the year, the Group paid £0.2 million to PwC in respect of the review of the interim statement released in February 2025.

The non-audit fee was 5.1% of the audit fees.

Effectiveness and independence

The Chair of the Committee speaks to the audit partner to discuss any concerns, to discuss the audit reports and to ensure that the External Auditor has received support and information requested from management.

In accordance with the guidance set out in the Financial Reporting Council's 'Practice aid for audit committees', the assessment of the external audit has not been a separate compliance exercise, or an annual one-off exercise, but rather it has formed an integral part of the Committee's activities.

This has allowed the Committee to form its own view on audit quality, and on the effectiveness of the external audit process, based on the evidence it has obtained during the year.

Sources of evidence obtained and observations during the year:

By referring to the FRC's practice aid on audit quality	The Committee has looked to this practice aid for guidance and has ensured that assessment of the audit is a continuing and integral part of the Committee's activities.
Observations of, and interactions with, the External Auditor	The Committee has met with the lead audit partner without management and has had an open dialogue regarding the Committee's view of PwC's performance and overall working relationship between the Company and its External Auditor.
The audit plan, the audit findings and the External Auditor external report	The Committee scrutinises these documents and reviews them carefully at meetings in order to assess the External Auditor's ability to explain in clear terms what work they performed in key areas and also assess whether this is consistent with what they communicated to the Committee at the audit planning stage. The Committee has also regularly discussed the content of these reports in the meetings.
Input from those subject to the audit	The Committee has requested the insights from the Chief Financial Officer, the Group Internal Audit and

Having regard to the above, the Committee has considered the effectiveness of the external audit process. The Committee also received a review of the effectiveness of the external audit process which was compiled via a survey of those involved, including management and members of the Committee. Overall, the Committee is of the opinion that the process was robust, has improved year-on-year and the External Auditor has demonstrated professional scepticism and challenged management's assumptions where necessary.

the audit process.

Risk Director, and the Group Finance Director during

The Committee is satisfied with the scope of PwC's work, and that PwC continues to be independent and objective.

Audit and Risk Committee Report continued

KEY JUDGEMENTS AND ESTIMATES

The Committee reviewed the external reporting of the Group including the interim review and the Annual Report and Accounts. In assessing the Annual Report and Accounts, the Committee considers the key judgements and estimates. The significant issues and improvements considered by the Committee in respect of the year ended 31 May 2025 are set out below:

Significant issues and judgements

Decisions and improvements

Areas of significant

The Committee considered a number of areas of **financial judgement** significant financial judgement throughout the year. The key areas covered included: consideration of the impact of the continuing Nigerian Naira devaluation on the Group; going concern; the impairment testing of goodwill and other indefinite-lived intangible assets; the treatment of uncertain tax positions across the Group; the designation and treatment of assets held for sale: the classification and disclosure of adjusting items; and the treatment of trade expenditure and the processes and controls in place to manage associated risks. The Committee accepted the judgements recommended by management having challenged them, and considered alternative options.

Controls Transformation

The Committee monitored improvements to internal controls and increased its focus on the work underway to design and then embed controls improvements throughout the Group. The Controls Transformation project is focused on improving the use of SAP, standardising processes and embedding controls. It aims to establish an effective internal controls framework in anticipation of future corporate governance reform changes as well as improving finance shared services, organisation design, capability and efficiency.

Risk management

The Committee reviewed the development of risk management across the Group and approved the appointment of an interim Group Internal Audit and Risk Director.

Ethics and compliance

The Committee monitored investigation reports and was satisfied that management was continuing to reduce the Company's risk profile for fraud and compliance issues.

RISK MANAGEMENT AND INTERNAL CONTROLS

Internal control structure

The Board oversees the Group's risk management and internal controls and determines the Group's risk appetite. The Board has, however, delegated responsibility for the review of the risk management methodology, and the effectiveness of internal controls to the Committee.

Review of control environment

Financial control improvements continue to be progressed with the bedding in of the group-wide framework of control.

The Code of Ethical Conduct provides a framework document for the PZ Cussons ethics and compliance system. The Code is supported by a range of policies including:

- Conflicts of Interest Policy setting expectations for the avoidance of conflicts
- Whistle-blowing Policy setting the expectation of a 'speak-up' culture
- Gifts and Hospitality Policy establishing the circumstances for gifts and hospitality
- Inside Information and Share Dealing Policies ensuring compliance with Listing Rules and Market Abuse Regulations
- Anti-Fraud Policy establishing a zero tolerance for fraud
- Failure to Prevent the Facilitation of Tax Evasion Policy ensuring compliance with the duty to prevent criminal facilitation of tax evasion
- Risk Management Framework.

During previous years, the Board reviewed their approach to risk management and, as a result, a new Group Risk Management Framework was approved by the Audit and Risk Committee and has been operational across the Group since FY24. This complements the work that the Audit and Risk Committee has set for the multi-year controls improvement plans to address existing weaknesses identified, including upgrading the systems used to record trade promotions, improving our joiners, movers and leavers, and addressing outstanding segregation of duty conflicts within our enterprise management systems.

The Committee notes the control improvements made over the course of FY25, including work to ensure appropriate material controls over both reporting disclosures and Principal Risks are in place and operating effectively in advance of regulatory change. This project, enabled through a transformative change in our Finance function, will continue to require significant work in FY26 as we work towards compliance in FY27.

INTERNAL AUDIT FUNCTION

Internal Audit is a component of the Group Internal Audit and Risk team, reporting to the Committee and administratively to the Chief Financial Officer. The Group Internal Audit and Risk Director oversees the Internal Audit team in the Company's key markets, including in-house teams in Africa and Asia. In the UK, the function is supported by external partners as needed. It is an independent and objective function that delivers assurance over the Group's governance, internal controls, and risk management structures, and assists the Group in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate the effectiveness of systems, processes, and controls across the Group.

The Group Audit Charter provides the framework for discharging the responsibilities of the Internal Audit function. The Audit Charter is approved annually by the Audit and Risk Committee and formally defines the purpose, authority, and responsibilities of Internal Audit. The Group Internal Audit and Risk Director is responsible for ensuring that Internal Audit fulfil their responsibilities and mandate outlined in this Audit Charter.

The Audit and Risk Committee approves the risk-based internal audit plan on an annual basis. Any amendments made throughout the year require Committee approval. The internal audit plan is continually evaluated and adjusted to ensure it remains relevant considering evolving risks, business priorities, and external conditions. The Group Internal Audit and Risk Director updates the Committee on progress and significant findings related to the Internal Audit Plan during Committee meetings. Regular discussions with the Audit and Risk Committee Chair and the Chief Financial Officer are undertaken by the Group Internal Audit and Risk Director outside the Committee meetings as appropriate.

As per the Audit Charter, an internal effectiveness review was carried out in the year and reported to the Committee, which follows an External Quality Assessment (EQA) that was performed by a third party, BDO LLP, in FY24 with the function being deemed 'effective'. The Committee is satisfied that the current arrangements remain appropriate and effective for the Company.

RISK MANAGEMENT

While the Board oversees the Group's Risk Management Framework, it delegates responsibility for review of the risk management methodology and framework and the effectiveness of internal controls to the Audit and Risk Committee. The Group uses a defined, standardised and annually approved Risk Management Framework that reaffirms the Board's recognition that the management of risk is an important component of good management practice. It also ensures that the Group has an open and receptive approach to identifying, discussing and addressing risk.

The Risk Management Framework ensures the Group identifies, assesses, mitigates and monitors risks that threaten the successful delivery of our strategic objectives. The framework outlines the Group's underlying approach to risk management, documents the roles and responsibilities of key stakeholders, and outlines key aspects of the risk management methodology.

The risk management methodology covers initial risk identification, including emerging risks, assessment and evaluation of risk, the extent to which risks can be mitigated, the implementation of effective risk mitigation activities, and the effective monitoring and reporting of risk.

The Group operates both top-down and bottom-up approaches to ensure that significant strategic and operational risks are identified, including review and approval of the Principal Risks as can be seen on pages 30 to 38. The Group Internal Audit function provides independent assurance to both management and the Committee on the effectiveness of the Group's Risk Management Framework and as to whether sound internal control systems operate to mitigate these risks.

The Committee has completed a robust assessment of the Group's emerging and Principal Risks and is satisfied that the Risk Management Framework is effective. The framework continues to provide a strong foundation for the further embedding of risk management principles across the Group.



See Risk Management and Principal Risks section for further details on $\ensuremath{\text{page 30}}$

WHISTLE-BLOWING POLICY

The Company is required to maintain a mechanism for the confidential reporting of suspected fraud and other wrongdoing. The Company has a standalone Whistle-blowing Policy which links to the Code of Ethical Conduct; this is subject to oversight by the Audit and Risk Committee.

Navex Global, a leading whistle-blowing system provider, is engaged to provide a telephone and web-based reporting system for use with the Whistle-blowing Policy.

The whistle-blowing system is maintained by the General Counsel and Company Secretary along with the Head of Ethics and Compliance. The Committee receives reports on the effectiveness of the Whistle-blowing Policy and reports regularly to the Board on these matters.

CLIMATE-RELATED RISKS

The Company supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). The Committee considered compliance with TCFD, as disclosed in the Annual Report and Accounts, as part of its review of Principal Risks and related mitigation plans. The final TCFD statement can be found on pages 26 to 29.

Audit and Risk Committee Report continued

STATEMENT OF COMPLIANCE

The Company confirms that it has complied with the terms of the Statutory Audit Services for Large Companies Market Investigation (Mandatory User of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the Order) throughout the year. In addition to requiring mandatory audit re-tendering at least every ten years for FTSE 350 companies, the Order provides that only the Audit and Risk Committee, acting collectively or through its Chair, and for and on behalf of the Board, is permitted:

- To the extent permissible in law and regulation, to negotiate and agree the statutory audit fee and the scope of the statutory audit
- · To initiate and supervise a competitive tender process
- To make recommendations to the Directors as to the External Auditor appointment pursuant to a competitive tender process
- To influence the appointment of the audit engagement partner
- To authorise an External Auditor to provide any non-audit services to the Group, prior to the start of those non-audit services.

The Board is ultimately responsible for the Group's system of internal controls and risk management, and discharges its duties in this area by:

- Holding regular Board meetings to consider the matters reserved for its consideration
- Receiving regular management reports which provide an assessment of key risks and controls
- Scheduling regular Board reviews of strategy including reviews of the material risks and uncertainties (including emerging risks) facing the business
- Ensuring there is a clear organisational structure with defined responsibilities and levels of authority
- Ensuring there are documented policies and procedures in place
- · Seeking assurance from the Group Internal Audit function
- Reviewing regular reports containing detailed information regarding financial performance, rolling forecasts, actual and forecast covenant compliance, cash flows, and financial and non-financial KPIs.

Notwithstanding the continued focus on controls improvement to be continued in FY26, the overall controls environment of the Company has improved year-on-year.

FAIR, BALANCED AND UNDERSTANDABLE

The Directors are required to confirm that they consider, taken as a whole, that the Annual Report and Accounts is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Committee has satisfied itself that the financial reporting processes and controls over the information presented in the Annual Report and Accounts are satisfactory, that the information is presented fairly (including the calculations and use of alternative performance measures) and has confirmed to the Board that the financial reporting processes and controls around the preparation of the Annual Report and Accounts are appropriate, allowing the Board to make the 'fair, balanced and understandable statement' in the Report of the Directors on page 99.

FINANCIAL REPORTING

The Company reports to shareholders on its financial performance twice a year. During the 12 months prior to the date of this report, the Committee reviewed the interim financial statements for the six months to 30 November 2024 and the full-year Annual Report and Accounts for the year to 31 May 2025. The principal steps taken by the Committee during the past 12 months in relation to its review of the published financial statements were:

- Review of the 30 November 2024 interim financial statements and 30 November 2024 interim announcement and consideration of PwC's comments on the drafts of these documents
- Review of plan for preparing the Annual Report and Accounts for the year ending 31 May 2025
- Review of the significant judgements and estimates that impact the financial statements
- Review of the Annual Report and Accounts for the year ending 31 May 2025 and consideration of PwC's comments on these documents.

The Committee monitors the implications of new accounting standards and other regulatory developments for the Company's financial reporting and regularly receives technical updates from the External Auditor.

VIABILITY STATEMENT AND GOING CONCERN

The Committee has reviewed the basis for the Company's viability statement on pages 40 to 41 that is drafted with reference to the financial forecasts for the next four years. In light of the impact of rising living costs on the global economy and the volatility of the Naira currency in Nigeria where the Group operates, the Committee placed additional scrutiny on the assumptions used in the forecasts to ensure they are appropriate. The Committee provides advice to the Board on the viability statement.

The Committee ensured sufficient review was undertaken of the adequacy of the financial arrangements and cash flow forecasts. Accordingly, the Committee recommended to the Board that this statement be approved.

Similarly, the Committee placed additional focus on the appropriateness of adopting the going concern basis in preparing the Group's financial statements for the year ended 31 May 2025 and satisfied itself that the going concern basis of presentation of the financial statements and the related disclosure is appropriate.

Vivek Ahuja

Audit and Risk Committee Chair

16 September 2025



Environmental and Social Impact Committee Report



Valeria Juarez
Environmental and Social Impact Committee Chair

Committee role

- Regularly review the Group's ES strategy and performance targets.
- Monitor progress of the Group against its ES strategy and goals.
- Oversee how the Group engages with key stakeholders on ES.
- Consider the climate-related risks and opportunities facing the Group.

Priorities for 2026

- Review the Group's ES strategy, processes and goals especially in light of the Group's organisation simplification.
- Monitor performance against carbon emission reduction, sustainable sourcing, sustainable packaging and related KPIs.
- Monitor progress towards long-term net zero ambition by 2045.
- Oversee participation in the UN Global Compact.
- Continue to monitor progress against the DEI strategy and goals and the development of targets and metrics.



Detailed responsibilities are set out in the Committee's Terms of Reference, which can be found on the Company's website: **www.pzcussons.com**

DEAR SHAREHOLDERS

On behalf of the Board, and as Chair of the Environmental and Social Impact (ES) Committee, I am pleased to present its report for the year ended 31 May 2025.

The Committee is pleased to report the continued progress against the goals set out in the Group's ES strategy. During the year, the Committee reviewed the Group's ES priorities and initiatives to ensure the effectiveness of the programme and its alignment with our wider strategic goals.

The Committee oversees the Company's sustainability strategy, policies, performance measures and disclosures related to environmental and social impact matters, and how PZ Cussons considers, engages with, reports to and maintains its reputation with key stakeholders. The Committee is supported by the Executive Committee through the Sustainability Steering Group and functional and regional workstreams.

In accordance with the Terms of Reference, the Committee met three times in the year. Only members of the Committee are entitled to attend the meetings. However, other Directors and other individuals may be invited to attend for all or parts of any meeting as and when appropriate. The Company Secretary acts as secretary to the Committee.

The Committee's Terms of Reference were reviewed during the year to ensure that they are compatible with the 2024 Code, which will be applicable in FY26.

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

ES strategy

Our ES strategy provides operational focus and, alongside a set of clearly defined performance targets, supports the Company in achieving its goals. The Committee has continued to monitor progress against this during the year. The Committee has also reviewed the priorities for FY26 and approved the refreshed ES strategy; we are now focusing on fewer priorities where we have the biggest opportunity to drive impact.



More information about the ES strategy can be found on page 20

Carbon neutrality and reduction commitments

The Committee was pleased to see that the Company remains on track to meet its targets to reduce and off-set its GHG emissions. In FY25, PZ Cussons achieved carbon neutrality across its global operations. The Company is also on track to reach its near- and long-term ambition to reduce emissions: a 42% reduction in Scopes 1 and 2 against the 2021 baseline by 2030 and net zero across Scopes 1, 2 and 3 by 2045. The near-term goal was achieved in FY24, and in FY25, the Group reported a 68.7% reduction in Scopes 1 and 2 and a 31.1% reduction in Scopes 1, 2 and 3 against the 2021 baseline, supporting progress towards the long-term net zero ambition. The Committee will continue to monitor and advise on projects which will best achieve these targets.

Waste, water, and sustainable procurement commitments

The Committee continued to monitor the progress being made against targets to reduce landfill waste, water usage, and plastic, and to ensure responsible sourcing of paper and palm oil. Further progress was achieved in FY25 against the 2021 baseline, as detailed in the Sustainability Report on pages 22 to 23.

Diversity, Equity and Inclusion (DEI)

Following the successful launch of our DEI strategy in FY24, this year the Committee supported the launch of the PZ Cussons Global Women's network, 'EmpowHer'. The Committee continued to monitor progress against the DEI strategy and received regular updates on key metrics against its four pillars of: Culture of Belonging, Pioneering Leadership, Talent Diversity; and Communities.

UN Global Compact (UNGC) and Carbon Disclosure Project (CDP) reporting

The Committee received updates on the implementation plan to embed the UNGC framework across the business. The Committee also reviewed the CDP scores achieved for 2024, noting the strong performance on climate as a result of the work undertaken in the year to improve the Company's submission.

FY22 Performance Share Plan (PSP) sustainability measure

The Committee reviewed performance against the sustainability targets for the FY22 PSP awards, which vested in September 2024, and made its recommendation to the Remuneration Committee. Further detail can be found on page 112 of the FY24 Annual Report and Accounts.

Sustainability disclosures

The Committee reviewed and approved the Group's sustainability disclosures, including the annual Sustainability Report and TCFD Report on pages $20\ to\ 29$.

Valeria Juarez

Environmental and Social Impact Committee Chair

16 September 2025

Remuneration Committee Report



Kirsty Bashforth
Remuneration Committee Chair

Committee role

- To set, develop and oversee the implementation of the Directors' Remuneration Policy for the Executive Directors and senior executives, having regard for the remuneration principles of the wider organisation and the relationship between the remuneration of the members of the Board and the wider employee population.
- To evaluate the performance of and determine specific remuneration packages for each Executive Director, the Chair, the Company Secretary and the other senior executives.
- To maintain an active dialogue with stakeholders, ensuring that the shareholders and other advisory bodies' views are taken into account when setting the remuneration of senior executives and members of the Board



Detailed responsibilities are set out in the Committee's Terms of Reference, which can be found on the Company's website: www.pzcussons.com

DEAR SHAREHOLDERS

On behalf of the Board, I am pleased to present our 2025 Remuneration Committee Report. This report is divided into three sections as set out below.

- (1) This Remuneration Committee Chair Statement providing a summary of key reward activity during the year.
- (2) A Summary of the Directors' Remuneration Policy (the Policy) our 2023–26 Policy as approved by our shareholders in a binding vote at our 2023 Annual General Meeting (AGM) on 23 November 2023.
- (3) The Report on the Directors' Remuneration setting out how the Directors' Remuneration Policy was applied throughout FY25 and how the Committee intends to apply it in FY26.

I would like to begin by acknowledging the outcome of the 2024 AGM vote on the Directors' Remuneration Report of 84.2%. When the Committee considers how our executives are paid we take into account a range of factors as a matter of course. This includes performance against the incentive targets set, adjusted and statutory Group financial outcomes, the contributions of executives against a challenging operating environment (particularly given the ongoing weakness of the Naira) and the experience of our wider stakeholders including our employees and shareholders. Downwards discretion was applied to the annual bonus last year. We remain mindful of shareholder feedback and take it into account when determining remuneration decisions.

BUSINESS CONTEXT FOR THE YEAR ENDED 31 MAY 2025

2025 has been a year of continued delivery against our strategy, with like for like sales increasing by 8.0% as we continued to drive our businesses. The UK saw its strongest profit performance for three years with better innovation and commercial execution. There was successful product development including Original Source 2in1 foam and Imperial Leather: Ultimate moisture, and expanded brand partnerships, including Carex with Magic Light Pictures – owner of the *Gruffalo* and *Zog* intellectual property, and a new Childs Farm *Bluey* partnership with BBC Studios.

In Nigeria, we had multiple price increases throughout the year driving revenue growth and to offset double-digit inflation. Throughout Africa, the operational interventions made throughout the year have helped sustain strong trading momentum and management has significantly reduced our exposure to future macro-economic shocks.

Indonesia has seen its fifth consecutive quarter of revenue growth, with a doubling of e-commerce revenue (now 8% of total revenue) and further growth in our Telon, warming oil, and innovation supported by the ongoing re-launch of Cussons Baby.

In ANZ, we continued to gain market share with Morning Fresh, Rafferty's Garden and Radiant, partly offsetting category softness driven by cost-of-living pressures.

We have also made progress on the plan to simplify our business. In June, we announced the sale of our 50% stake in PZ Wilmar, for \$70 million, materially strengthening our financial position. We continue to consider the future of our wider African business.

Elsewhere, the St.Tropez business in the US experienced a significant fall in operating profits and revenue, impacted by a difficult, more competitive environment. Following an extensive auction process, we decided to retain the brand but run the business a different way,

including a new reward model for the new St.Tropez leadership to drive growth and a new partnership in the US with Emerson Group, a leading distributor to North American retailers.

The key financial headlines are:

- Like for like (LFL) revenue growth of 8.0% driven by pricing in Africa and strong brand activity in UK and Indonesia.
- Reported revenue decline of 2.7% due to the 38% depreciation of the Nigerian Naira versus Sterling compared to FY24.
- Free cash flow was £43.4 million, an increase on the prior year of £41.6 million, due to improved working capital movements. Net debt was £112.0 million down from £115.3 million in FY24 with net debt/EBITDA of 1.7x (FY24: 1.5x).
- Adjusted operating profit margin reduction of 30bps, to 10.7%, but growth of 30bps excluding PZ Wilmar (announced sale in June 2025). An increase in marketing investment more than offset by a reduction in overheads as a % of revenue. On a constant currency basis, adjusted operating profit margin grew by 80bps.

REMUNERATION DECISIONS YEAR ENDED 31 MAY 2025

Variable remuneration earned during the year

Once again, the Committee has carefully considered the progress made by management during the year, the impact of the trading environment on Group performance and the experience of both our shareholders and the wider workforce. A summary of decisions, and the context in which they were made, is set out below.

Annual bonus payout

For FY25, the Committee set 60% of the opportunity based on Adjusted Operating Profit, 20% on Operating Free Cash Flow Conversion and 20% on key personal and business objectives relating to delivery of the strategy and key business priorities.

The following performance was achieved:

- Adjusted Operating Profit of £54.6 million (at budget rate) which gives a payout of 84.8% of maximum on this element
- Operating Free Cash Flow Conversion of 84.7% (at budget rate) which gives a payout of 68.3% maximum on this element.

This gives a combined achievement of 80.6% of maximum on the financial performance elements of the bonus.

The Committee reviewed the bonus outcome in the context of overall Company performance including progress on simplifying the business, brand-building focus and operational performance, together with the individual contribution of the CEO and CFO in navigating a challenging environment, particularly in our Africa business. Considering all these factors in the round, the Committee concluded that the formulaic bonus outcome was appropriate, and no discretion should be applied.

The Committee also assessed the Executive Directors' performance against key personal and business objectives including strengthening our brand-building capabilities, embedding our new operating model and delivering the portfolio transformation. Assessing their contribution in the round, and notwithstanding the above-budget financial performance delivered, the Committee determined an overall achievement of 50% of maximum on this element for both Executive Directors.

Combining the financial and the personal elements, the bonus outcome was 74.5% of the maximum.

This results in bonus awards of 111.7% of salary for the CEO and 93.1% of salary for the CFO. 40% will be deferred into shares for two years as per the Policy. Full details of the performance assessment can be found on pages 85 and 86.

Vesting of the FY23 Performance Share Plan (PSP)

September 2025 marks the vesting of the final PSP awards, which were based on three key performance measures:

- Earnings Per Share (EPS) growth (weighted 60%)
- Revenue growth from Must Win Brands measured relative to growth in revenue from Portfolio Brands (weighted 20%)
- Sustainability targets (weighted 20%).

The EPS growth and revenue growth targets were not achieved and as a result these elements of the awards lapsed.

The element relating to sustainability was based on three components, (i) Carbon neutrality, (ii) Package sustainability and (iii) our employee wellbeing, weighted equally.

Assessment of the performance against these three measures is set out in full on page 88 and resulted in 15.1% of the maximum award vesting.

Board changes

John Nicolson retired from the Board on 21 November 2024 and his fees reflect the period to that date.

Following John's retirement, Vivek Ahuja was appointed Senior Independent Director. The fees paid to him from that date include the additional fee paid to the Senior Independent Director.

Detail of fees paid to Non-Executive Directors during FY25 can be found on page 84.

OUR APPROACH TO REMUNERATION FOR THE YEAR ENDING 31 MAY 2026

The key changes to the implementation of pay for FY26 include:

Base salaries

The base salaries for the CEO and CFO have been increased by 2.9% to $\pm 684,903$ and $\pm 428,064$ respectively with effect from 1 September 2025. This is below the average increase for the wider employee population in the UK of 3.6%.

FY26 annual bonus

For the FY26 annual bonus, the weight of the financial measures is unchanged at 60% for Adjusted Operating Profit and 20% for Operating Free Cash Flow. The remaining 20% continues to be linked to key business objectives, which have been updated to further align them with our strategy and key priorities for FY26. More detail on the weightings and measures is provided on pages 86 and 87. A minimum of 40% of the bonus earned will be deferred into shares for at least two years.

There are no changes to the threshold, target or maximum bonus opportunities.

The Committee set the FY26 annual bonus targets on a business-as-usual basis in the context of the portfolio transformation projects including continued strategic evaluation of Group operations in Africa. The Committee will review the appropriateness of the targets set should a transaction occur. It will also ensure that the original targets remain appropriate and that the FY26 annual bonus outcome is a fair reflection of underlying financial performance and the shareholder experience.

Remuneration Committee Report continued

FY26 Restricted Share Plan (RSP) awards

Having considered the share price performance in recent years, and the possibility of future windfall gains arising from a significant increase in the number of RSP shares granted, the Committee agreed to a one-off reduction in the levels of RSP to be awarded to both the CEO and CFO. Accordingly, the CEO will be granted a FY26 RSP award of 79% of salary (reduced from 90% in FY25) and the CFO, 66% of salary (reduced from 75% in FY25).

Non-Executive Director fees

There will be no fee increase for Non-Executive Directors in FY26. This is the second year in a row that there has been no fee increase.

Further summary details on how we intend to implement the Policy in FY26 are set out in the 'Remuneration at a Glance' summary on page 77 with full details on pages 78 to 83.

Wider employee experience

The Committee continues to take account of remuneration policies and practices across the Company when considering the remuneration arrangements for the Executive Directors and other senior executives. Given the organisational changes, throughout the year the Committee partnered with management to oversee senior executive remuneration package adjustments in line with role changes, market practice, specific context and remuneration policy principles. The Committee carefully considered the remuneration approach for the wider employee group, alongside relevant market data when making remuneration decisions for this group.

Updates on the wider employee remuneration experience continue to be provided to the Committee by the management team, at each Committee meeting. In my role as designated Non-Executive Director for employee engagement, as well as Chair of the Remuneration Committee, I meet monthly with the Chief People Officer to discuss overall remuneration across the Company, and have had individual discussions with the regional HR leads of Europe and ANZ specifically. I also had the opportunity to join a number of engagement sessions with employees which added further context.

The key remuneration activities for the wider employee population for FY25 considered by the Committee when making its decisions are set out below:

- Employee salary levels continue to be reviewed annually against a range of relevant factors which include market data, economic forecasts and Group financial budgets. The salary increase budget for FY25 for UK-based employees was 3.6%, with salary awards based on individual performance, assessed through our performance management process. The salary budgets in other countries reflected local economic factors and our need to attract and retain the talent needed to deliver our ambitious strategy. For example, the budget in Nigeria was 30%, Indonesia was 6.5% and Australia was 3.5%.
- For FY25, all bonuses for eligible employees continued to include an
 element of company-wide performance. This gave the potential for
 employees to be rewarded for their contribution to the overall success
 of the PZ Cussons Group as well as their own business unit. Our leaders
 continue to have an element relating to their personal contribution.
- The Committee supported the organisational changes towards brandbuilding. These included the establishment of a Marketing function under new leadership, and the creation of European and Asian business units
- We continue to reward critical talent and support retention by granting share awards in the form of RSPs to senior leaders and managers.
 We believe that the use of RSPs enables the Company to compete internationally for the best executive talent and provides a powerful tool to help retain and motivate key members of our current and future leadership teams. These awards are well received by participants.
- The Share Incentive Plan (SIP), launched in 2021, created further alignment between UK employees and investors. Under HMRC rules, only UK employees can participate. The current take-up of the SIP is 43% of all eligible employees.

Concluding remarks

In reaching its decisions on Directors' remuneration outturns for FY25 and policy implementation for FY26, the Committee carefully considered the reported financial performance of the Company, alongside the strategic progress that has been made, as well as our shareholder and wider stakeholder experience. The Committee believes that decisions made reflect underlying financial and individual performance within the challenging context of Nigerian economic strain and our Africa business strategic review. The approach for FY26 continues to support clear alignment between remuneration and key areas of strategic focus. I look forward to consulting with our shareholders as the Committee embarks on the three-year policy review process and I welcome your views on any of the matters set out in this report and to gaining your support at the AGM.

Kirsty Bashforth

Remuneration Committee Chair

16 September 2025

Remuneration at a Glance

DIRECTORS' REMUNERATION AND HOW IT WILL BE IMPLEMENTED IN FY26

The Committee is responsible for determining, and agreeing with the Board, the Directors' Remuneration Policy and has oversight of its implementation, in line with its Terms of Reference.

The following table sets out a summary of the Directors' Remuneration Policy as approved by shareholders at the November 2023 AGM and how it will be implemented in FY26. Full detail is provided on pages 78 to 83.

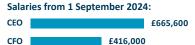
Key Policy features

Implementation in FY25

Proposed approach for FY26

Salary

Base salaries



Salaries from 1 September 2025:

CEO £684,903 (+2.9%)
CFO £428,064 (+2.9%)

Pension/benefits/ all-employee share schemes

Executive Directors will receive pension benefits in line with those generally provided to employees in the location in which they are based.

10%

CEO and CFO: 10% of salary in line with UK employee population.

10%

CEO and CFO: 10% of salary in line with UK employee population.

Annual bonus

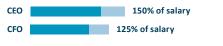
Incentive scheme which focuses Directors on delivery of annual goals and milestones which are consistent with the Group's longer-term strategic aims.

40% of any bonus earned deferred into shares for two years.

Opportunity:

Policy maximum of 150% of salary.

Maximum bonus for FY25:



Actual bonus outcome of 74.5% of maximum for the CEO and CFO.

Opportunity:

Policy maximum of 150% of salary.

Maximum bonus for FY26:



Long-Term Incentive Plan (LTIP)

LTIP which focuses on generating sustained shareholder value over the longer term and aligning the Directors' interests with those of the Company's shareholders.

Recovery and withholding provisions continue to apply.

Restricted Share Plan (RSP) subject to underpins.

Opportunity:

Awards made in FY25 to the CEO and CFO equivalent to:

CEO: 90% of salary

CFO: 75% of salary

Underpins:

The vesting of the RSP is subject to the underpins. The Committee retains the ability to reduce vesting (including to nil) subject to the underpins measured over the vesting period. A holding period applies for two years.

Restricted Share Plan (RSP) subject to underpins.

Opportunity:

Awards made in FY26 to the CEO and CFO equivalent to:

CEO: 79% of salary

CFO: 66% of salary

Underpins:

There are no changes to the underpins or holding period for FY26.

Shareholding guidelines

Alignment of the Executive and Non-Executive Directors' interests with those of the Group's shareholders.

Requirement for Executive Directors to build up interests in the Company's shares worth 200% of salary.

Executive Directors will be expected to retain a minimum of half the after-tax number of vested shares from current PSP and RSP awards until they satisfy the shareholding guideline.

The Chair and Non-Executive Directors are expected to build up interests in the Company's shares worth 100% of their net base fee within four years of appointment.

No change for Executive Directors, Chair and Non-Executive Directors.

Current shareholding of the Executive Directors and Non-Executive Directors is shown on page 90.

Remuneration Policy

This part of the report sets out the Directors' Remuneration Policy and complies with the relevant provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It has also been prepared taking into account the 2018 UK Corporate Governance Code (the 2018 Code) and the requirements of the UKLA Listing Rules.

The Directors' Remuneration Policy received approval through a binding vote at the 2023 AGM held on 23 November 2023. The Remuneration Policy; as approved by shareholders, can be found in the Annual Report & Financial Statements 2024 on the Company website: www.pzcussons.com/investors/general-meetings.

The Committee considered the principles listed in the 2018 Code when designing the Directors' Remuneration Policy and took these into account in its design and implementation:

Clarity, simplicity and balance: Remuneration arrangements have defined parameters which are transparently communicated to shareholders and other stakeholders, including maximum incentive quantum and incentive plan pay-out schedules. With the proposed introduction of the RSP, we have sought to simplify our remuneration arrangements further, while maintaining focus and balance between short- and long-term performance.

Linked to the strategy and performance of the business: Our remuneration frameworks incentivise both short-term objectives through the annual bonus plan and our long-term transformation objectives and shareholder value creation through our RSP.

Shareholder value and alignment: Remuneration should support and align with our shareholders' long-term interests by linking the annual bonus to our key strategic measures and having the right underpins in place for the RSP. Our increased bonus deferral, alongside our RSP, delivers a significant proportion of remuneration in shares, some of which have to be retained in line with our shareholding guidelines. We are also introducing a shareholding guideline for our Non-Executive Directors to ensure a consistent focus on sustainable growth of shareholder value.

Alignment to culture, purpose and the wider workforce: Our purpose – For Everyone, For Life, For Good – supports the approach of cascading down the Directors' remuneration arrangements through the organisation as appropriate, ensuring that there are common goals and outcomes. The Committee reviews remuneration arrangements throughout the Company and takes these into account when setting Directors' remuneration.

Risk, proportionality and governance: Our incentive plans are designed to have a robust link between pay and performance, by using Group key performance indicators through the annual bonus and RSP underpins. The Committee is able to exercise discretion to adjust incentive outturns at the end of the performance period to mitigate any risk of payment for failure, or any risk that Executives have been unduly penalised by the structure of the incentive. Provisions are also in place to allow for the application of clawback and/or malus in specific circumstances.

Predictability: The Committee seeks to maintain a consistent approach to its annual duties including setting targets and underpins, reviewing incentive outturns and salary review. Consistency of process helps to ensure consistency of outcomes.

DIRECTORS' REMUNERATION POLICY TABLE

The table below summarises the approved Remuneration Policy, which can be found in full in the 2024 Annual Report on the Company website: www.pzcussons.com/investors/general-meetings

Element	Summary	Implementation for FY26
Base salary	Base salaries are normally reviewed annually taking into account: The scope of the role and the markets in which PZ Cussons operates The performance and experience of the individual. Pay levels in other organisations of a similar size and complexity Pay increases elsewhere in the Group.	The Committee has reviewed the salary for the Executive Directors with effect from 1 September 2025 and agreed to increase the CEO salary to £684,903 (2.9% increase) and the CFO salary to £428,064 (2.9% increase).
Benefits	Benefits that may be provided include car benefits, life assurance, health insurance for each Executive Director and family, permanent health cover and personal tax advice. Executive Directors may also participate in any allemployee share or benefits plans on the same basis as any other employees.	No change.
Provision for retirement	Participation in a defined contribution pension plan or provision of a cash allowance in lieu of a pension contribution; for the UK, this is currently 10% of base salary.	No change.

GOVERNANCE STRATEGIC REPORT FINANCIAL STATEMENTS ADDITIONAL INFORMATION

Element	Summary	Implementation for FY26		
Annual bonus scheme	The maximum annual bonus opportunity for current Executive Directors is: Chief Executive: 150% of salary Other Executive Directors: 125% of salary	The Committee may apply discretion to amend the bonus payout should th not, in the view of the Committee, reflect underlying business performance or individual contribution. Recovery and withholding provisions apply to cash and deferred shares.		
	Typically, a minimum of 40% of the bonus earned will be deferred into shares. The deferral period will usually be two years (unless the Committee determines otherwise).			
Restricted Share Plan (RSP)	Award opportunities in respect of any financial year are limited to rights over shares with a market value determined by the Committee. The current maximum opportunity for Executive Director roles is: Chief Executive: 90% of salary Chief Financial Officer: 75% of salary Award levels and underpins are reviewed before each award cycle to ensure that they remain appropriate.	Awards normally vest three years from the date of grant subject to review by the Committee of performance against pre-determined underpins. If any of the underpin criteria are not met, the Committee will consider whether to reduce vesting (including to nil). After vesting, shares are usually subject to an additional two-year holding period. In addition to the underpins, the Committee retains general discretion to adjust the vesting levels to ensure they appropriately reflect the underlying performance of the Group or individual. Recovery and withholding provisions apply to awards granted under the RSP.		
Shareholding guidelines	Requirement to build up interests in the Company's shares worth 200% of salary. Executive Directors will be required to retain a minimum of half the after-tax number of vested shares from current PSP and RSP awards until they satisfy the shareholding guideline.	No change.		
Post- employment share ownership requirements	shareholding guideline. Executives will be required to maintain a minimum shareholding of 200% of salary for the first year following	No change.		

LEGACY AWARDS

The Committee retains the ability to make any remuneration payments or payments for loss of office notwithstanding that they are not in line with the Policy set out above where:

- The terms of payment were agreed before the Policy came into effect, as long as they were in line with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed
- The terms of the payment were agreed at a time when the relevant individual was not a Director of the Company and the payment was not in anticipation of the individual becoming a Director of the Company, in the Committee's opinion.

MINOR AMENDMENTS

The Committee retains the ability to make minor amendments to the Policy for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation without seeking shareholder approval.

DISCRETION

The Committee will operate the annual bonus and awards under the LTIP in accordance with the plan rules, shareholder-approved Policy, and Listing Rules where applicable.

As per typical market practice, the Committee retains discretion in a number of areas including (but not limited to) the participants, timing, vehicle and size of the award. The Committee may amend or substitute any performance conditions or underpins if they are of the view that the original conditions are no longer appropriate and the new conditions are not materially less difficult to satisfy. In exceptional circumstances, the Committee has the discretion to change the vesting level to ensure that the outcomes are fair, appropriate and reflective of the underlying financial performance of the Group.

An award may be subject to adjustments in the event of a variation of the Company's share capital, demerger, delisting, special dividend or other corporate event materially impacting the value of awards.

Remuneration Policy continued

RECOVERY AND WITHHOLDING PROVISIONS

The Committee may, in its discretion, subject to applicable laws, apply malus and/or clawback to annual bonus, PSP and RSP awards at any time within three years of grant or payment as applicable, in circumstances of a material misstatement of results, error in payout calculations or the calculation being based on incorrect information, misconduct, corporate failure or reputational damage.

Malus may be applied at any time prior to the vesting of any award or payment of any declared bonus, and clawback can be applied after an award or bonus is paid or vests and where the triggering event occurs at any time prior to the third anniversary of the date the award or bonus vests/is paid. The clawback may be affected through a withholding of variable pay, by reducing the size of, or imposing further conditions on, any outstanding or future awards, or by requiring the individual to return the value of the cash or shares delivered to recover the amount overpaid.

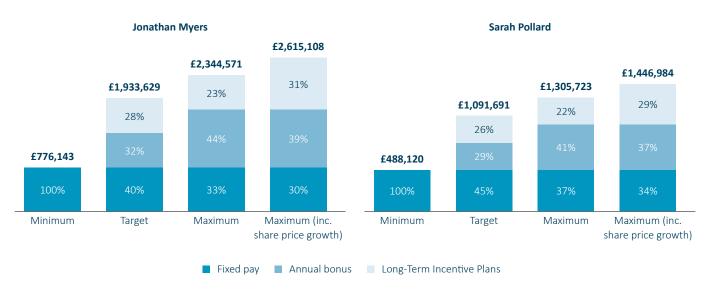
NON-EXECUTIVE DIRECTORS REMUNERATION POLICY TABLE

The components of Non-Executive Directors' remuneration are described below:

Element	Summary	Implementation for FY26	
Non- Executive Director fees	Fees are normally reviewed every year and may be amended to reflect market positioning and any change in responsibilities. Fees are based on the level of fees paid to Non-Executive Directors serving on boards of other relevant UK-listed companies and the time commitment and contribution expected for the role.	The Committee recommends the remuneration of the Chair to the Board. Fees paid to Non-Executive Directors are determined and approved by the Board as a whole. The Company covers the costs of attending meetings and Non-Executive Directors may be reimbursed for any business expenses incurred (including any tax due) in fulfilling their roles.	
	Non-Executive Directors receive a basic fee and an additional fee for further duties (for example, chairing of a Committee or Senior Independent Director responsibilities).		
	The maximum level of fees payable to the Non-Executive Directors will not exceed the limit set out in the Company's Articles of Association.		
Shareholding guidelines	Expectation that Non-Executive Directors build up interests in the Company's shares worth 100% of their base fee, net of statutory deductions, within four years of appointment.	No change.	

PERFORMANCE SCENARIOS

The Committee believes that an appropriate proportion of the executive remuneration package should be variable and performance-related to encourage and reward superior Group and individual performance. The following chart illustrates executive remuneration in specific performance scenarios including a maximum performance scenario with a 50% increase in share price.



Fixed elements of remuneration

Base salary as at 1 September 2025 (£684,903 for Jonathan Myers and £428,064 for Sarah Pollard); an estimate of the value of benefits and pension contributions at 10% of base salary.

Minimum performance Target performance		Maximum performance	Maximum performance including share price growth
Annual bon	ıs		
0%	60% of maximum opportunity Jonathan Myers – 60% of 150% of salary Sarah Pollard – 60% of 125% of salary	100% of maximum opportunity Jonathan Myers – 150% of salary Sarah Pollard – 125% of salary	100% of maximum opportunity Jonathan Myers – 150% of salary Sarah Pollard – 125% of salary
Long-Term I	ncentive Plan – RSP		
0%	100% of award Jonathan Myers – 79% of salary Sarah Pollard – 66% of salary	100% award Jonathan Myers – 79% of salary Sarah Pollard – 66% of salary	100% of award with a 50% increase in share price over the vesting period Jonathan Myers – 79% of salary Sarah Pollard – 66% of salary

RECRUITMENT REMUNERATION ARRANGEMENTS

When hiring a new Executive Director, the Committee will set the Executive Director's ongoing remuneration in a manner consistent with the Policy detailed in the table above. Our approach to remuneration on recruitment is consistent with our overall philosophy of offering a package sufficient to attract talent of the calibre needed while aiming to pay no more than is necessary.

New appointments may have their salaries set at a lower level while they become established in their role with higher than typical increases made on a phased basis subject to the individual's performance and contribution to the Group.

To facilitate the hiring of candidates, the Committee may make an award to buy-out variable remuneration arrangements forfeited on leaving a previous employer. In doing so, the Committee will take account of relevant factors including the form of award, the value forfeit, any performance conditions and the time over which the award would have vested. The intention of any buy-out would be to compensate in a like for like manner as far as is practicable.

The maximum level of variable pay that may be awarded to new Executive Directors (excluding buy-out arrangements) in respect of their recruitment will be in line with the maximum level of variable pay that may be awarded under the annual bonus plan and LTIP. The Committee will ensure that such awards are linked to the achievement of appropriate and challenging performance measures and/or underpins as appropriate.

Appropriate costs and support will be covered if the recruitment requires relocation of the individual.

If an Executive Director is promoted internally, existing awards and ongoing prior remuneration obligations will usually continue to run and they will typically continue to participate in plans or benefits that were in place prior to their appointment to the Board.

On recruitment of a Non-Executive Director, the Policy elements set out in the table above will apply.

EXECUTIVE DIRECTOR CONTRACTS AND LOSS OF OFFICE PAYMENTS

Executive Directors have indefinite service contracts and no Executive Director has a notice period in excess of one year or a contract containing any provision for pre-determined compensation on termination exceeding one year's salary and contractual benefits. Details of the current Executive Directors' service contracts are shown below:

Name	Date of appointment		
Jonathan Myers	1 May 2020		
Sarah Pollard	4 January 2021		

Upon the termination of an Executive Director's employment, the Committee's approach to determining any payment for loss of office will normally be guided by the following principles:

- The Committee shall seek to apply the principle of mitigation where possible, as well as seeking to find an outcome that is in the best interests of the Company and shareholders as a whole, taking into account the specific circumstances
- Relevant contractual obligations, as set out above, shall be observed or taken into account
- The Committee reserves the right to make additional exit payments where such payments are made in good faith to satisfy an existing legal obligation (or by way of damages for breach of any such obligation) or to settle or compromise any claim or costs arising in connection with the employment of an Executive Director or its termination, or to make a modest provision in respect of legal costs and/or outplacement fees
- The treatment of outstanding variable remuneration shall be as determined by the relevant plan rules, as set out on the next page
- · Any payments for loss of office shall only be made to the extent that such payments are consistent with this Policy.

Remuneration Policy continued

LONG-TERM INCENTIVE PLANS

Cessation of directorship/employment before the vesting date

Death	The award will normally vest as soon as practicable following death and will not typically be subject to a holding period.
Injury, ill health, disability, sale of the participant's employing	The award will normally vest on the original vesting date. The Committee will have sole discretion as to the extent to which the award will vest, taking into account the extent to which the performance conditions and performance underpins have been met for the PSP and RSP respectively.
company or business out of the Group or any other reason if the Committee so decides	Alternatively, the Committee has the discretion to allow the award to vest at the time of cessation of directorship/employment by the Group, taking into account the extent to which the performance conditions or underpins have been met up to that date.
	Awards will be subject to any applicable holding period unless the Committee determines otherwise.
	The Committee will reduce the award to reflect the period that has elapsed at the time of cessation unless the Committee determines otherwise.
Any other reason	The award will lapse upon cessation of directorship/employment.

Cessation of directorship/employment during the holding period

(i.e. in respect of shares held for a compulsory holding period):

Death	The award will vest as soon as practicable following death.
Lawful dismissal without notice by the Company	The award will lapse upon cessation of directorship/employment.
Any other reason	The award will generally be released at the end of the holding period unless the Committee determines otherwise.

Annual bonus scheme - cash element

The extent to which any annual bonus is paid in respect of the year of departure will be determined by the Committee (in such proportion of cash and shares as it considers appropriate) taking into account the performance metrics and whether it is appropriate to time pro-rate the award for the time served during the year. The bonus will be paid at the usual time unless in exceptional circumstances when the Committee may determine to accelerate the payment.

Annual bonus scheme – deferred share element

Death, injury, disability, redundancy, retirement, the sale of the participant's employing company or business out of the Group or any other reason if the Committee so decides.	The award will vest on the normal vesting date unless the Committee determines otherwise.
Any other reason.	The award will lapse upon cessation of directorship/employment.

RETIREMENT BENEFITS

Retirement benefits will be received by any Executive Director who is a member of any of the Group's pension plans in accordance with the rules of such plan.

CHANGE IN CONTROL

The rules of the LTIP provide that, in the event of a change of control or winding-up of the Company, all awards will vest early taking into account: i) the extent to which the Committee considers that the performance conditions or underpins have been satisfied at that time and ii) the pro-rating of the awards to reflect the proportion of the performance period that has elapsed, although the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances. Deferred bonus awards will normally vest in full on a takeover or winding-up of the Company. In the event of a special dividend, demerger or similar event, the Committee may determine that awards vest on the same basis. In the event of an internal corporate reorganisation, awards may be replaced by equivalent new awards over shares in a new holding company. Similarly, in the event of a merger of equals, the Committee may invite participants to voluntarily exchange their awards that would otherwise vest for equivalent new awards over shares in a new holding company.

The Committee may, in the circumstances referred to above, determine to what extent any bonus should be paid in respect of the financial year in which the relevant event takes place, taking into account the extent to which the Committee determines the relevant performance metrics have been (or would have been) met.

STATEMENT OF CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE COMPANY

When reviewing and setting Executive Director remuneration, the Committee takes into account the pay and employment conditions of all employees of the Group. The Committee is provided with information at each meeting setting out management approach to pay around the Group. During the last year, this has covered a range of items including management's activities to support employees during the cost-of-living crisis in high inflation countries, other reward activities across the Group as well as the group-wide pay review budget, which is one of the key factors considered by the Committee when reviewing the salaries of the Executive Directors. Although the Group has not carried out a formal employee consultation regarding Board remuneration, it does comply with local regulations and practices regarding employee consultation more broadly.

COMMUNICATION WITH SHAREHOLDERS

The Committee is committed to an ongoing dialogue with shareholders and seeks the views of significant shareholders, their representative bodies and other interested parties such as proxy agencies when formulating and implementing the Policy.

TERMS AND CONDITIONS FOR NON-EXECUTIVE DIRECTORS

Non-Executive Directors are appointed pursuant to the terms of their appointment letters for an initial period of three years, normally renewable on a similar basis. Notwithstanding this, all Non-Executive Directors are subject to annual re-election at the Company's AGM and their election is subject to a dual-vote including the votes of only those shareholders who are not members of the Concert Party shareholders. The expiry dates of the letters of appointment are set out below.

Name	Expiry of term
David Tyler (Chair)	23 November 2025
Kirsty Bashforth	31 October 2025
Jitesh Sodha	30 June 2027
Valeria Juarez	21 September 2027
Vivek Ahuja	30 April 2027

The letters of appointment of Non-Executive Directors and service contracts of Executive Directors are available for inspection at the Company's registered office during normal business hours and will be available at the AGM.

Report on the Directors' Remuneration

This Report on the Directors' Remuneration sets out how the current Policy was applied throughout FY25 and how our Directors' Remuneration Policy will be applied during FY26. The Report on Directors' Remuneration is subject to an advisory vote at our 2025 AGM.

Information contained within the Report on Directors' Remuneration has not been subject to audit unless stated.

SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

The table below sets out in a single figure, the total amount of remuneration, including each element received by each of the Directors for the year ended 31 May 2025 (amounts are rounded to the nearest Pound Sterling):

EXECUTIVE DIRECTORS

		Jonathan Myers	Sarah Pollard
6 1 /6 1	2025	659,200	412,000
Salary/fees ¹	2024	633,245	392,500
D 2	2025	22,750	17,250
Benefits ²	2024	22,748	17,248
	2025	65,920	41,200
Pension ³	2024	63,324	39,250
	2025	747,870	470,450
Total fixed	2024	719,317	448,998
	2025	744,287	387,650
Bonus ⁴	20245	646,855	333,796
	2025	55,682	28,009
PSP ⁶	2024	34,906	16,439
	2025	799,969	415,659
Total variable	2024	681,761	350,235
Total	2025	1,547,839	886,109
	2024	1,401,078	799,233

NON-EXECUTIVE DIRECTORS

		David Tyler ⁷	Kirsty Bashforth	John Nicolson ⁸	Jitesh Sodha	Valeria Juarez	Vivek Ahuja ⁹
Salary/fees ¹	2025	286,125	77,500	45,231	60,000	65,000	69,942
	2024	280,219	74,375	68,750	58,750	63,577	6,413
Benefits ²	2025	-	_	_	_	_	-
	2024	-	_	_	_	_	_
Total	2025	286,125	77,500	45,231	60,000	65,000	69,942
	2024	280,219	74,375	68,750	58,750	63,577	6,413

- 1 The amount of salary/fees payable in the period, reflecting the pay increases effective 1 September 2024.
- 2 Taxable benefits comprise life assurance, healthcare insurance and car allowance. £21,500 car allowance for CEO and £16,000 car allowance for CFO. In respect of the Non-Executive Directors, certain travel and accommodation expenses in relation to attending Board meetings are also treated as a taxable benefit.
- 3 Jonathan Myers and Sarah Pollard receive salary supplements of 10% of salary in lieu of pension contributions.
- 4 Details of the performance measures and weightings, as well as results achieved under the annual bonus arrangements in place in respect of the year, are shown on pages 87 and 88.
- 5 Includes relevant dividend equivalent shares value for previous year Deferred Bonus Awards as shown on page 89.
- 6 The value of the 2021 PSP has been updated since the previous Annual Report. Calculations now use actual vesting share price of £0.901 and includes relevant dividend equivalent shares value.
- 7 David Tyler was appointed to the Board on 24 November 2022 and as Chair on 23 March 2023.
- 8 John Nicolson retired from the Board on 21 November 2024.
- 9 Vivek Ahuja was appointed Senior Independent Director on 21 November 2024.

BASE SALARY (AUDITED)

Base salaries for individual Executive Directors are reviewed by the Committee annually, with increases taking effect from 1 September. Salaries are set with reference to the scope of the role and the markets in which PZ Cussons operates, the performance and experience of the individual, pay levels in other organisations of a similar size and complexity, and pay increases elsewhere in the Group.

The following table sets out details of the changes to base pay for the Executive Directors.

	Jonathan Myers CEO	Sarah Pollard CFO
Salary with effect from 1 September 2025	£684,903	£428,064
Salary with effect from 1 September 2024	£665,600	£416,000

Jonathan Myers' and Sarah Pollard's base salaries have both been increased by 2.9% from 1 September 2025. This is below the average level awarded to the wider employee population in the UK.

NON-EXECUTIVE DIRECTOR FEES (AUDITED)

There are no increases to fees for Non-Executive Directors for FY26.

	From 1 September 2025	From 1 September 2024	Increase
Basic fees			
Chair ¹	£286,125	£286,125	0%
Non-Executive Director	£60,000	£60,000	0%
Additional fees			
Senior Independent Director	£10,000	£10,000	0%
Chair of Audit and Risk or Remuneration Committee	£12,500	£12,500	0%
Chair of any other Committee	£5,000	£5,000	0%
Director responsible for employee engagement ²	£5,000	£5,000	0%

- 1 The Chair of the Board does not receive additional fees for chairing other Board Committees.
- 2 The Chair of the Remuneration Committee also acted as the Non-Executive Director responsible for employee engagement from 14 September 2023.

ANNUAL BONUS FOR THE YEAR ENDED 31 MAY 2025 (AUDITED)

In respect of the year ended 31 May 2025, the CEO, Jonathan Myers, and the CFO, Sarah Pollard, both participated in the annual bonus scheme.

Under this scheme, the CEO was eligible to earn a cash bonus of up to 150% of base salary and the CFO 125% of base salary. Under the new Remuneration Policy, 40% of any bonus earned will be deferred into Company shares which vest after two years and are subject to recovery and withholding provisions and continued employment.

As set out last year, the FY25 annual bonus was based on two key financial indicators: 60% Adjusted Operating Profit, 20% Free Cash Flow, with the remaining 20% of the bonus being subject to delivery against key business objectives relating to delivery of the strategy and key business priorities/personal objectives for FY25. A summary of the performance targets and outturns are set out in the following tables.

FY25 FINANCIAL TARGETS

The financial targets and our performance against them are set out below:

	Proportion of total bonus ¹	Threshold (10% payout) ²	Target (60% payout) ²	Stretch (100% payout) ²	Actual performance ³	% of total bonus payable ⁴
Adjusted Operating Profit⁵	60%	£47.7m	£53.0m	£55.7m	£54.6m	50.9%
Operating Free Cash Flow ⁵	20%	69.5%	81.9%	95.2%	84.7%	13.7%
Total						64.5%

- $1\quad \hbox{Personal objectives make up the remaining 20\% of the bonus opportunity as explained on page 86.}$
- 2 The financial targets were set on a constant currency basis, consistent with prior years and typical market practice to mitigate participants benefiting or being penalised for currency movements outside
- 3 The actual performance in the table is based on budgeted FX rates used for management reporting to determine the value of bonus payable.
- 4 % of total bonus payable is derived using internal payout curves. For Adjusted Operating Profit, the payout is 84.8% of maximum and for Operating Free Cash Flow the payout is 68.3% of maximum.
- 5 These measures are defined in the Alternative Performance measures section on pages 171 to 173.

Report on the Directors' Remuneration continued

FY25 KEY BUSINESS OBJECTIVES

The FY25 Key Business Objectives (KBO) and milestones achieved are set out in the table below. KBO 1 and 2 are shared between the CEO and CFO, KBO 3 is specific to the CEO and KBO 4 is specific to the CFO.

КВО	Milestones achieved
1 Deliver FY25 budget targets: CEO and CFO	• Shared goal to hit the numbers by way of reliable delivery of revenue growth, growth margin % Operating Profit, EPS and Cash.
2 Drive portfolio transformation through to execution: CEO and CFO	 Successful review of future of the St.Tropez brand within the business and plan for future. Successful outcome of strategic review of Africa. Outcome defined through the strategic review process in identifying the scope of the transactions to be implemented.
3 Deliver PZ Cussons FY25 BU and functional priorities: CEO	 A number of initiatives were delivered in respective business units to deliver priorities: Build a powerhouse of profitable growth in the UK. Strengthen the platform for accelerated growth in ANZ. Get Indonesia back to reliable growth. Maintain our competitive position in Nigeria. Drive profitable growth beyond our core. There was a continued focus on functional improvement to enable growth and transformation in the: HR function (Talent, PZ Leadership and Culture), IT function (Digital and Group), Supply Chain function (Next Generation Supply Chain and Structural Cost Reduction) and Global Brand-building (Brand-building, Innovation and Commercial roadmap).
4 Deliver PZ Cussons FY25 BU and functional priorities: CFO	 Significant progress was made across the Finance function: Lead a second year of preventative measures to manage Group being risked by FX/cash challenges in Nigeria. Improvements on internal FP&A and management information. Oversee external audit improvement (PwC) and continue to drive ICFR UK corporate reform compliance. Develop the Financial Leadership Team structure.

The Committee reviewed the bonus outcome in the context of overall Group performance, taking into consideration the experience of the key stakeholders, including employees and shareholders, during the year. The Committee considered both outcomes and drivers of adjusted and statutory financial performance and the drivers of these, together with the individual contribution of the CEO and CFO in navigating a challenging trading environment; particularly in our Africa business which continues to be impacted by macro-economic factors such as the devaluation of the Nigerian Naira. Taking all these factors into account, we concluded that the resulting 64.5% of maximum being earned for financial performance was appropriate and that no discretionary adjustment was warranted.

The Committee also reviewed the performance of the Executive Directors against the objectives set out above, while also taking into account the experience of the Company's wider stakeholders, and determined a bonus payout of 10% out of a maximum of 20% against the KBOs, taking the total payout to 74.5%.

40% of the FY25 annual bonus, totalling £297,715 for the CEO and £155,060 for the CFO will be deferred into shares for two years.

ANNUAL BONUS FOR THE YEAR ENDING 31 MAY 2026

Executive Directors will continue to be eligible to participate in the annual bonus scheme in respect of the year ending 31 May 2026 under the Policy. The annual bonus opportunity for the CEO and CFO will continue to be 150% and 125% of salary respectively, which can be earned for delivery against challenging targets, with 60% of maximum payable for on-target performance under the financial metrics.

For the FY26 annual bonus, the Adjusted Operating Profit measure remains unchanged at 60% and the Free Cash Flow measure unchanged at 20% to prioritise focus for the Executive Directors on profitability and cash management. Revenue remains a weighted bonus metric for local leaders and will be considered as part of the Committee's holistic review of financial performance at the end of the year. The remaining portion of the bonus (20%) will be based on key personal and business objectives relating to delivery of the strategy and key business priorities for FY26.

Targets for the FY26 bonus have been set by the Committee to be appropriately demanding and also reflective of current commercial circumstances, internal planning and market expectations. Targets have been set on a business-as-usual basis, to account, inter alia, for the Company's recent announcement to embark on a new strategic direction for the St.Tropez brand, as well as the sale of its stake in PZ Wilmar as part of the continuing strategic evaluation of Group operations in Africa. The Committee will review the appropriateness of the targets set for the FY26 annual bonus, to ensure that the original targets remain appropriately stretching and the FY26 annual bonus outcome is a fair reflection of underlying financial performance and the shareholder experience. The Directors consider that the Group's future targets are commercially sensitive and could provide our competitors with insights into our business plans and expectations. As such, they should therefore remain confidential to the Company at this time (although they will be retrospectively disclosed in next year's Directors' Remuneration Report).

Bonuses are payable at the discretion of the Committee and the Committee may apply discretion to amend the bonus payout should it not, in the view of the Committee, reflect underlying business performance or individual contribution.

In line with the Policy, a minimum of 40% of the FY26 bonus earned will be deferred into shares. The deferral period will typically be two years (unless the Committee determines otherwise).

Awards made under the annual bonus scheme will be subject to recovery and withholding provisions that would enable the Committee to recover amounts paid in circumstances of i) a material misstatement of audited results, ii) employee misconduct associated with the governance or conduct of the business, iii) an erroneous calculation of a performance condition, iv) reputational damage or v) corporate failure. The ability to apply these provisions operates for a period of up to three years for awards to Executive Directors and other senior executives.

LONG-TERM INCENTIVE PLANS

The following sets out details of:

- Performance Share Plan Awards
- Restricted Share Plan Awards
- · Deferred Bonus Awards

Executive Directors and certain senior executives were eligible to participate in the PSP, which provided for the grant of conditional rights to receive nil-cost shares subject to continued employment over a three-year vesting period and the satisfaction of certain performance criteria established by the Committee. The current version of the PSP, the PZ Cussons plc Long-Term Incentive Plan 2020 (the LTIP 2020), was approved by shareholders and adopted at the 2020 Annual General Meeting. Following shareholder approval of the Policy at the AGM in November 2023, the Executive Directors, and other senior executives, were granted awards under the RSP. More details are provided below.

PERFORMANCE SHARE PLAN AWARDS (AUDITED)

The outstanding awards granted to each Director of the Company under the Performance Share Plan are as follows:

	Date of award	Number of awards at 1 June 2024	Granted/ allocated in year	Vested in year	Lapsed in year	Dividend Equivalent Shares	Number of awards at 31 May 2025	Share price at date of award (£)	Share price at date of vesting (£)	Vesting/ transfer date ¹
J Myers	23-Sep-21	403,806	-	35,009	368,797	3,731	-	2.265	0.901	23-Sep-24
S Pollard	23-Sep-21	190,198	_	16,490	173,708	1,755	-	2.265	0.901	23-Sep-24
J Myers	23-Sep-22	461,580	_	_	-	_	461,580	2.005	_	23-Sep-25
S Pollard	23-Sep-22	232,178	_	_	_	_	232,178	2.005	_	23-Sep-25

¹ Subject to performance conditions. Shares vesting under the award are subject to a two-year post-vesting holding period.

VESTING OF PSP AWARDS GRANTED IN THE YEAR ENDED 31 MAY 2023

PSP awards were made to the CEO and CFO in the year to 31 May 2023 and are due to vest on 23 September 2025. They are based on performance over the period from 1 June 2022 to 31 May 2025. The CEO and CFO were granted 461,580 and 232,178 shares respectively on the date of grant (23 September 2022), using a share price of £1.992. The awards shall vest on 23 September 2025 at 15.1% of maximum, based on the performance criteria detailed in the following table. A three-month average share price to 31 May 2025 (£0.7989) has been used to estimate the value of these awards.

The performance metrics, as disclosed in FY23, were aligned with the business' mid- to long-term priorities. The table below sets out the relative weightings and a description of each measure, as well as the targets for threshold and maximum levels of vesting. Details of the performance against each of the metrics is also set out.

	Weighting	Threshold (25% payout)	Maximum (100% payout)	Actual performance	% of maximum payable
EPS growth	60%	2% p.a.	6% p.a.	(15.5)%	0%
Revenue growth from Must Win Brands	20%	2%	6%	1.9%	0%
Sustainability targets	20%	See below	See below	See below	15.1%
Total					15.1%

The FY23 LTIP was the third year of sustainability targets and the overall vesting level for FY23 awards has been discussed in detail at both the Environmental and Social Impact and Remuneration Committees, with both Committees in full agreement on the vesting level. The following table sets out the detailed performance against the targets. Each element is equally weighted.

Report on the Directors' Remuneration continued

Target	Target Extent of Vesting	Performance description	Weighted Performance achievement %	
Carbon neutrality	Carbon Neutral in global operations (Scopes 1+2) by end of the performance period.	Carbon Neutrality: FY25 PZ Cussons has achieved carbon neutrality in operations across all	4.2%	
	Carbon Neutral in global operations + 10% absolute reduction by end of performance period (Scopes 1+2) + established verified baseline Scope 3 measurement.	business units. Absolute Carbon Reduction (Market Based): FY25 presented a 68.7% reduction versus our FY21 baseline		
	Carbon Neutral in global operations + 10% absolute reductions (Scopes 1+2) by end of performance period.	year. This result shows we have met and surpassed our SBTi aligned target five years ahead of our target plan.		
		Scope 3 verified baseline: Scope 3 2021 baseline is measured, verified and published.		
		Scope 3 reduction plan: An SBT-aligned reduction plan to 2045 was not developed.		
Package sustainability	10% reduction in virgin plastic by end of performance period (2021 baseline).	Plastic reduction: FY25 presented a 12.5% reduction in virgin plastic intensity versus our FY21 baseline year.	4.2%	
	10% reduction in virgin plastic by end of performance period (2021 baseline) + 80% certified paper in packaging.	Paper certification: certified or recycled paper currently sitting at 96%. The data covers over 95% (by		
	10% reduction in virgin plastic by end of performance period (2021 baseline) + 100% certified paper in packaging.	tonnage) of our manufactured and third-party sourced consumer goods. Certification and recycled content are based on supplier documentation and have not been independently verified or physically reviewed.		
Employee wellbeing	Employee wellbeing score average 72% across the three-year performance period.	The latest employee wellbeing score, provided by our external survey provider, is 82%. This means we	6.7%	
	Employee wellbeing score average 75% across the three-year performance period.	averaged over 78% across the three-year performance period which is equivalent to a maximum level of vesting.		
	Employee wellbeing score average 78% across the three-year performance period.			
Total			15.1%	

The Committee has reviewed the overall level of vesting of 15.1% of maximum in the context of wider business performance and stakeholder experience and is comfortable that vesting is justified at this level with no need to apply discretion.

RESTRICTED SHARE PLAN AWARDS (AUDITED)

The outstanding awards granted to each Director of the Company under the Restricted Share Plan are as follows:

	Date of award	Number of awards at 1 June 2024	Granted/ allocated	Face value	Vested	Lapsed in year	Number of awards at 31 May 2025 ¹	Share price at date of award (£)	Share price at date of vesting (£)	Gain (£)	Vesting/ transfer date ²
J Myers	27-Nov-23	411,899	_	£576,000	_	_	411,899	1.442	-		27-Sep-26
S Pollard	27-Nov-23	214,530	-	£300,000	_	-	214,530	1.442	-	-	27-Sep-26
J Myers	26-Sep-24	_	662,948	£599,040	_	_	662,948	0.944	_	-	26-Sep-27
S Pollard	26-Sep-24	_	345,285	£312,000	_	_	345,285	0.944	_	-	26-Sep-27

¹ Jonathan Myers and Sarah Pollard were granted the above awards on 26 September 2024, calculated using the five-day average mid-market quotation at close of business on 24 September 2024 of £0.9036. The share price used to determine the number of shares subject to the award was in accordance with the rules of the LTIP 2020. The awards were in the form of Conditional Shares.

Following shareholder approval of the Policy at the 2023 AGM, the Executive Directors were granted a conditional award under the RSP in FY25. The maximum award was 90% of base pay for the CEO and 75% of base pay for the CFO. The award vesting date for Executive Directors was aligned with that of the rest of the Company's LTIP awards at 26 September 2027. Post-vesting, awards will be subject to a further two-year holding period.

² Shares vesting under the award are subject to a two-year post-vesting holding period.

The vesting of the RSP is subject to three underpins detailed below, over the three financial years to May 2027. The Committee will also retain the ability to reduce vesting (including to nil) subject to performance against the underpins measured over the vesting period:

- No material weakness in the underlying financial health or sustainability of the business
- Maintenance of appropriate governance frameworks, including acceptable controls and compliance performance and no events that result in significant reputational damage to the Company (as determined by the Board)
- To ensure ongoing focus on our critical ESG commitments, satisfactory performance against environmental and societal commitments.

The Committee retained discretion to ensure that overall vesting levels are aligned to the underlying financial performance on both a Group and individual basis. Recovery and withholding provisions as set out in the Policy will also apply to these awards.

The Executive Directors will be granted awards under the RSP in the year ended 31 May 2026. Having considered the share price performance in recent years, and the possibility of future windfall gains arising from a significant increase in the number of RSP shares granted, the Committee agreed to a one-off reduction in the levels of RSP to be awarded to both the CEO and CFO. Accordingly, the CEO will be granted a FY26 RSP award of 79% of salary (reduced from 90% in FY25) and the CFO, 66% of salary (reduced from 75% in FY25). Post-vesting, awards will be subject to a further two-year holding period. Awards are expected to be made in September 2025. The vesting of the RSP will remain subject to the three underpins detailed above over the three financial years to May 2028. The Committee will retain the ability to reduce vesting (including to nil) subject to performance against the underpins measured over the vesting period, as well as the discretion to ensure that overall vesting levels are aligned to the underlying financial performance on both a Group and individual basis. Recovery and withholding provisions as set out in the Policy will also apply to these awards.

DEFERRED BONUS AWARDS (AUDITED)

Under the current Directors' Remuneration Policy, 40% of any bonus is deferred into shares for two years. The table below includes grants of the previous Policy where 25% of any payment was deferred into shares for three years.

	Date of award	Basis of award	Number of awards at 1 June 2024	Granted/ allocated in year ¹	Face value of awards in year	Vested in year	Lapsed in year	Dividend Equivalent Shares in year	Number of awards at 31 May 2025	Share price at date of award (£)	Share price at date of vesting (£)	Gain (£)	Vesting/ transfer date ²
J Myers	23-Sep-21	25% of annual bonus	98,011	_	_	98,011	-	10,450	_	2.265	0.901	nil	23-Sep-24
S Pollard	23-Sep-21	25% of annual bonus	18,719	-	_	18,719	-	1,993	_	2.265	0.901	nil	23-Sep-24
J Myers	23-Sep-22	25% of annual bonus	60,653	_	_	-	-	-	60,653	2.005	_	-	23-Sep-25
S Pollard	23-Sep-22	25% of annual bonus	28,569	_	_	-	-	_	28,569	2.005	_	-	23-Sep-25
J Myers	27-Sep-23	25% of annual bonus	115,659	-	_	-	_	-	115,659	1.510	_	-	27-Sep-26
S Pollard	27-Sep-23	25% of annual bonus	58,177	_	_	-	_	_	58,177	1.510	_	-	27-Sep-26
J Myers	26-Sep-24	40% of annual bonus	_	282,177	£254,975	-	_	-	282,177	0.944	_	-	26-Sep-26
S Pollard	26-Sep-24	40% of annual bonus	_	146,967	£132,799	_	_	_	146,967	0.944	_	-	26-Sep-26

¹ Jonathan Myers and Sarah Pollard were granted the above awards on 26 September 2024, calculated using the five-day average mid-market quotation at close of business on 24 September 2024 of £0.9036. The share price used to determine the number of shares subject to the award was in accordance with the rules of the DBSP 2021.

As disclosed in the Report on Directors' Remuneration for the year ended 31 May 2021, and in line with the Company's Remuneration Policy at the time, 25% of the annual bonus earned for the year ended 31 May 2021 was deferred into shares, in the form of conditional awards, for both Jonathan Myers and Sarah Pollard. These are set out in the prior table. These awards vested on 23 September 2024, on the third anniversary of grant, conditional only on continued employment.

Last year's Report on Directors' Remuneration sets out the deferral of annual bonus earned for the year ended 31 May 2024 for both Jonathan Myers and Sarah Pollard. In line with the Company's Remuneration Policy at the time, 40% was deferred into shares with awards ordinarily vesting on the second anniversary of grant, conditional only on continued employment. These awards are detailed in the prior table.

² Awards granted prior to 2024 ordinarily vest on the third anniversary of grant and awards granted from 2024 will ordinarily vest on the second anniversary of grant, conditional only on continued employment.

Report on the Directors' Remuneration continued

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS

The Committee has established share ownership guidelines that require Executive Directors:

- To build up and retain holdings of shares (and/or deferred shares net of tax) worth 200% of salary
- To retain shares, until this share ownership threshold is met, with a value equal to 50% of the net gain after tax arising from the acquisition of shares pursuant to any of the Company's share incentive plans
- To defer 40% of any bonus earned into shares for two years, as set out in the Remuneration Policy
- After ceasing to be a Director, to maintain the lower of: (1) a shareholding of at least 200% of their base salary for the first year following cessation of their employment, and 100% for the second year; and (2) their shareholding on cessation.

In addition, there is an expectation that Non-Executive Directors build up interests in the Company's shares worth 100% of their base fee, net of statutory deductions, within four years of appointment.

INTERESTS IN SHARES (AUDITED)

The interests in the Company's shares of each of the Executive Directors as at 31 May 2025 (together with interests held by any connected persons) were:

	Ordinary shares held at 31 May 2025	Interests in share incentive schemes that are not subject to performance conditions as at 31 May 2025	Interests in share incentive schemes that are subject to performance conditions as at 31 May 2025 ¹	Shares held under the SIP as at 31 May 2025 ²	Value of shares held at 31 May 2025 as a % of base salary
J Myers	290,543	1,533,336	461,580	8,678	146.00%
S Pollard	59,604	793,528	232,178	8,533	102.68%

- 1 Includes unvested awards under the PSP that remain subject to performance conditions.
- 2 Between 31 May 2025 and 11 September 2025, Jonathan Myers and Sarah Pollard each acquired 1,010 shares under the SIP.

While the Executive Directors have not yet met the guideline given their dates of appointment to the Company and Board, progress is being made towards achieving the 200% of salary guideline.

The interests in the Company's shares of each of the Non-Executive Directors (together with interests held by any connected persons) as at 31 May 2025, or date of resignation if earlier, are detailed below:

	Shareholding requirement as % of net fee	Ordinary shares held at 31 May 2025 or date of resignation if earlier	Total price paid to acquire shares	Shareholding as % of fee at 31 May 2025 or date of resignation if earlier
David Tyler	100%	59,005	£76,687	51%
Kirsty Bashforth	100%	22,469	£38,524	121%
John Nicolson ¹	n/a	0	0	0
Jitesh Sodha	100%	22,200	£54,923	173%
Valeria Juarez	100%	23,860	£35,386	111%
Vivek Ahuja	100%	20,000	£18,995	60%

¹ As at date of retirement, 21 November 2024.

As set out above, Non-Executive Directors are expected to build up interests in the Company's shares worth 100% of their base fee, net of statutory deductions, within four years of appointment. As at 31 May 2025, the Non-Executive Directors exceeded this expectation, with the exception of David Tyler and Vivek Ahuia.

There have been no changes in the interests of any Non-Executive Director between 31 May 2025 and 11 September 2025.

PENSION BENEFITS (AUDITED)

Directors are eligible for membership of the Company's defined contribution pension arrangements and/or the provision of cash allowances in lieu thereof. The contribution for Jonathan Myers and Sarah Pollard is set at 10% of salary, in line with the rate applicable to the wider UK employee population. No Executive Director has accrued benefit relating to legacy defined benefit pension schemes previously operated by the Group.

LOSS OF OFFICE PAYMENTS AND PAYMENTS TO FORMER DIRECTORS (AUDITED)

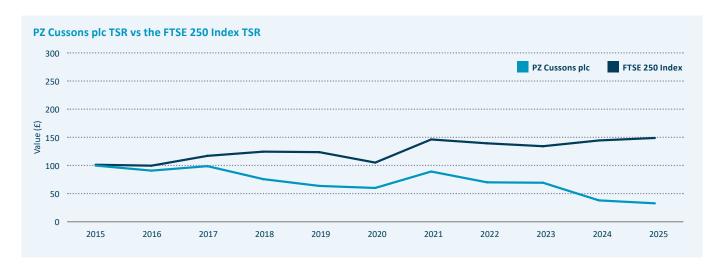
There were no loss of office or payments to former Directors during the year.

LIMITS ON SHARES ISSUED TO SATISFY SHARE INCENTIVE PLANS

The Company's share incentive plans may operate over newly issued ordinary shares, treasury shares or ordinary shares purchased in the market. In relation to all of the Company's share incentive plans, the Company may not, in any ten-year period, issue (or grant rights requiring the issue of) more than 10% of the issued ordinary share capital of the Company to satisfy awards to participants, nor more than 5% of the issued ordinary share capital for executive share plans. In respect of awards made during the year ended 31 May 2025 under the Company's share incentive plans, no new ordinary shares were issued.

PERFORMANCE GRAPH

The graph below illustrates the performance of PZ Cussons plc measured by Total Shareholder Return (TSR) over the ten-year period to 31 May 2025 against the TSR of a holding of shares in the FTSE 250 Index over the same period, based on an initial investment of £100.



CHIEF EXECUTIVE OFFICER REMUNERATION FOR PREVIOUS TEN YEARS

		Total remuneration (£000)	Annual bonus % of maximum opportunity	LTIP % of maximum opportunity
2024–25	Jonathan Myers	1,548	74.5%	15.1%
2023–24	Jonathan Myers	1,401	66.4%	8.67%
2022–23	Jonathan Myers	1,569	80.1%	20.0%
2021–22	Jonathan Myers	1,151	54.4%	n/a
2020–21	Jonathan Myers	1,518	100.0%	n/a
2019–20¹	Alex Kanellis	660	n/a	n/a
2018–19	Alex Kanellis	802	0%	0%
2017–18	Alex Kanellis	732	0%	0%
2016–17	Alex Kanellis	1,586	100.0%	0%
2015–16	Alex Kanellis	1,105	47.4%	0%

¹ For 2019–20 the figure for total remuneration represents the pay of A Kanellis from 1 June 2019 to 31 January 2020, the fees paid to C Silver while acting as Executive Chair from 1 February 2020 through 30 April 2020 and the pay of J Myers since his appointment on 1 May 2020. No bonus was paid to any of these individuals and the 2017 and 2018 PSP awards lapsed in full.

RELATIVE IMPORTANCE OF SPEND ON PAY

The table below shows PZ Cussons' distributions to shareholders and total employee pay expenditure for the financial years ended 31 May 2024 and 31 May 2025, and the percentage change:

	2025 £m	2024 £m	Change %
Total employee costs	76.7	79.7	(4)%
Dividends paid	15.1	21.9	(31)%

Report on the Directors' Remuneration continued

CHANGE IN DIRECTORS' REMUNERATION AND FOR EMPLOYEES

The table below shows the change in annual Director remuneration (defined as salary, taxable benefits and annual bonus), compared to the change in employee annual remuneration for a comparator group, from FY24 to FY25.

The PZ Cussons (International) Limited employee population was chosen as a suitable comparator group because it is considered to be the most relevant, due to the UK employment location and the structure of total remuneration (employees are able to earn an annual bonus as well as receiving a base salary and benefits), and because PZ Cussons plc has no employees other than the Executive Directors.

	UK Employees	Jonathan Myers (CEO)	Sarah Pollard (CFO)	David Tyler (Chair)¹	Kirsty Bashforth	Dariusz Kucz²	John Nicolson⁵	Jeremy Townsend ³	Jitesh Sodha	Valeria Juarez	Vivek Ahuja⁴
2024-25											
Salary/fees	5.9%	4.1%	5.0%	2.1%	4.2%	n/a	(34.2)%	n/a	2.1%	2.2%	990.6%
Benefits	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonus	26.4%	16.8%	16.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2023-24											
Salary/fees	5%	4.2%	8.7%	n/a	14.4%	n/a	5.8%	n/a	6.8%	15.6%	n/a
Benefits	7.2%	0.8%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonus	(26.2)%	(13.4)%	(10.4)%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2022-23											
Salary/fees	3.5%	3.4%	8.7%	n/a	(0.6)%	(0.7)%	(0.6)%	(0.6)%	9.1%	44.4%	-
Benefits	0.0%	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	_
Bonus	41.6%	52.4%	62.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
2021-22											
Salary/fees	3.5%	3.5%	10.5%	_	6.1%	5.1%	4.7%	4.7%	100.0%	100.0%	-
Benefits	0.0%	0.0%	0.0%	_	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	_
Bonus	(62.0)%	(56.0)%	38.0%	_	n/a	n/a	n/a	n/a	n/a	n/a	_
2020-21											
Salary/fees	3.0%	0.0%	n/a	_	17.5%	0.0%	0.0%	(19.0)%	_	_	_
Benefits	0.0%	0.1%	n/a	_	(100.0)%	(100.0)%	(100.0)%	n/a	_	_	_
Bonus	0.0%	n/a	n/a	_	n/a	n/a	n/a	n/a	_	_	_

- 1 David Tyler was appointed to the Board on 24 November 2022 and as Chair on 23 March 2023. The % increase for 2023-24 was skewed due to the prior year's figure reflecting an incomplete financial year of service; therefore, the figure is inappropriate and not presented in the table.
- 2 Darius Kucz retired from the Board on 14 September 2023. The % fee increase for 2023-24 was skewed on the current year's figure, reflecting an incomplete financial year of service; therefore, the figure is inappropriate and not presented in the table.
- 3 Jeremy Townsend retired from the Board on 28 February 2024. The % fee increase for 2023-24 was skewed due to the current year's figure reflecting an incomplete financial year of service; therefore, the figure is inappropriate and not presented in the table.
- 4 Vivek Ahuja was appointed to the Board on 1 May 2024
- 5 John Nicolson retired from the Board on 21 November 2024.

CEO TO ALL-EMPLOYEE PAY RATIO

Option A was used for the analysis because it is the 'purest' approach. Under Option A, companies are required to determine total full-time equivalent total remuneration for all UK employees for the relevant financial year. The CEO single figure is the pay received by Jonathan Myers in relation to FY25. As set out, in setting remuneration for the CEO, both internal and external benchmarks are considered, as is the remuneration of the broader workforce. The Committee receives market updates from their independent advisers which provide context from other listed companies. Executive pay policy for the CEO, other Directors and senior management is then set as to be appropriately positioned for the size and scope of the roles and experience of the individuals.

The ratio is considered to be reflective of the pay, reward and progression policies within the Company's UK employee population. Pay levels for roles are set taking into account internal relativities and external benchmarks, and promotions are considered on an annual cycle.

Employee data includes those employed as at 31 May 2025. For any employee who joined after 1 June 2024 and was still employed at 31 May 2025, remuneration for that employee has been calculated as if the employee had been employed for the full year. Where there was no identifiable employee at the 25th, 50th or 75th percentile, then the data for the employee closest to that percentile has been used. If two employees were equally close to the relevant percentile then the employee with the most representative pay mix was selected. Additionally, where pay includes statutory pay such as maternity, paternity or sick pay, these amounts have been included in the calculation.

		CEO Single figure			
	Method	(£000)	Upper quartile	Median	Lower quartile
2024-25	А	1,548	17	29	41
2023-241	А	1,401	14	20	30
2022-23	А	1,569	18	29	44
2021-22	А	1,151	15	23	30
2020-21	А	1,518	19	29	40
2019-20	А	660	9	13	19

1 CEO single figure has been updated to reflect actual vesting share price of the 2021 PSP award and dividend equivalent figures. See note 5 and 6 under the single figure table.

The median pay ratio has increased in the year to 31 May 2025. This was driven primarily by the annual bonus payout year-on-year change, given a significant proportion of the CEO's remuneration package comprises of variable pay.

The salary and total pay for the individuals identified at the lower quartile, median and upper quartile positions as at 31 May 2025 are set out below:

2025	Salary	Total pay
Upper quartile individual	£73,500	£91,633
Median individual	£46,567	£53,875
Lower quartile individual	£33,344	£37,837

CONSIDERATION BY THE DIRECTORS OF MATTERS RELATING TO DIRECTORS' REMUNERATION

Throughout the year, the Committee has comprised exclusively independent Non-Executive Directors in accordance with the 2018 Code. The Committee held four scheduled meetings during the 2025 financial year with our activities summarised in the table below.

The following Directors were members of the Remuneration Committee when matters relating to the Directors' remuneration for the year were being considered:

- Kirsty Bashforth (Chair from 1 July 2020)
- Jitesh Sodha
- Valeria Juarez
- Vivek Ahuja (from 21 November 2024)

During the year, the Committee received advice from Willis Towers Watson (WTW) in relation to market practice. WTW is a member of the Remuneration Consultants Group and has signed the voluntary Code of Practice for remuneration consultants. The fees paid to WTW in respect of this work were charged on a time and materials basis and totalled £43,400 excluding VAT for the year. WTW does not have any other connections with PZ Cussons plc or any Director of the Company. The Committee appointed WTW following a full review process and is satisfied that the advice provided by WTW is objective and independent.

During the year, the Committee consulted David Tyler (in his capacity as Non-Executive Chair) on issues where it felt his experience and knowledge could benefit its deliberations and he attended meetings by invitation. The Committee also consulted Jonathan Myers as CEO on proposals relating to the remuneration of members of the Group's senior management team and he too attended meetings by invitation. The CFO, Chief People Officer and Group Reward Director also attended meetings by invitation. The Committee is supported by the Company Secretary who acts as Secretary to the Committee. Invitees are not involved in any decisions or discussions regarding their own remuneration.

In setting remuneration for Executive Directors and senior managers, both internal and external benchmarks are considered, as is the remuneration of the broader employee population.

Report on the Directors' Remuneration continued

COMMITTEE ACTIVITIES DURING THE YEAR ENDED 31 MAY 2025

July 2024 · Remuneration Policy review. · Approval of executive salary review. • Review of draft Remuneration Report in respect of FY24. • Review of vesting of past awards under the PSP and update on the progress of in-flight awards. • Update on external environment from independent adviser. • Review of levels of share ownership. • Review annual bonus awards for FY24. • Review of company-wide remuneration dashboard. • Review and approval of structure and financial targets for the annual bonus scheme for FY25. September • Update on external environment from independent advisor. • In-flight PSP award update. 2024 · Approval of shareholder communication. Approval of Executive Director FY22 PSP vesting. • Approval of FY24 Directors' Remuneration Report. • Review and approval of FY25 RSP and Deferred Bonus Share Plan awards · Review of post-audit annual bonus awards for FY24. Review of company-wide remuneration dashboard. · Review of final target for FY25 annual bonus. · Good leaver approval. • Review of Executive Director FY25 Key Business Objectives. February 2025 • Update on external environment from independent adviser. • Review of the revised Corporate Governance Code reward provisions. · Update on FY25 annual bonus performance. Review of company-wide remuneration dashboard. • Update on the progress of in-flight PSP awards. Review approach to remuneration for strategic review of Africa. Good leaver approval. • Review of interim FY25 RSP awards. May 2025 • Update on external environment from independent advisor. • Review of company-wide remuneration dashboard including salary review proposals. • Update on FY25 annual bonus performance. · Review of approach to interim remuneration changes for • Consideration of FY26 annual bonus design principles. Executive Committee. • Update on the progress of in-flight PSP awards. • Review approach to ED and NED share ownership guidelines. · Review of Board Chair's fee.

SHAREHOLDER ENGAGEMENT

The Committee recognises the importance of understanding the perspective of the shareholders when taking decisions. We communicate with our shareholders during both Remuneration Policy reviews and in advance of any significant changes to the implementation of our policy. While we note that there are a range of different views among institutional investors on the most appropriate pay models and performance metrics, we will always consider the views expressed to us and explain why we take a different approach if we choose to do so.

STATEMENT OF SHAREHOLDER VOTING

The Committee is directly accountable to the shareholders and, in this context, is committed to an open and transparent dialogue with the shareholders on the issue of executive remuneration. For example, during FY24, this took the form of consultation on the proposed Policy, as well as questions at the 2024 AGM held on 21 November 2024. The votes cast at the 2024 AGM in respect of the advisory vote on the 2024 Report on Directors' Remuneration and in respect of the binding vote for the Directors' Remuneration Policy are shown below.

The Remuneration Committee Chair will be available to answer questions from the shareholders regarding remuneration at the 2025 AGM and looks forward to ongoing dialogue with shareholders during FY26.

ADVISORY VOTE ON THE 2024 REPORT ON DIRECTORS' REMUNERATION AND THE CHAIR'S ANNUAL STATEMENT (2024 AGM)

votes	101	votes against		_	
Number	%	Number	%	Votes cast	Votes withheld
290,233,658	84.19	54,490,079	15.81	344,723,737	39,577

BINDING VOTE ON AMENDMENTS TO THE DIRECTORS' REMUNERATION POLICY (2023 AGM)

Votes for		Votes against		_	
Number	%	Number	%	Votes cast	Votes withheld
236,473,923	71.24	95,488,209	28.76	331,962,132	12,150,481

By order of the Board of Directors

Kirsty Bashforth

Remuneration Committee Chair

16 September 2025

Report of the Directors

The Directors present their report, together with the audited Consolidated Financial Statements, and the Report of the Auditor, for the year ended 31 May 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the manufacture and distribution of soaps, detergents, toiletries, beauty products, pharmaceuticals, electrical goods, edible oils, fats and spreads, and nutritional products. The subsidiary undertakings and joint ventures principally affecting the profits, liabilities and assets of the Group are listed in note 28 of the Consolidated Financial Statements.

RESULTS AND DIVIDENDS

A summary of the Group's results for the year is set out in the Financial Review on pages 12 to 15 of the Strategic Report.

The Directors recommend a final dividend of 2.10p (2024: interim dividend of 2.10p) per ordinary share to be paid on 27 November 2025 to ordinary shareholders on the register at the close of business on 31 October 2025, which, together with the interim dividend of 1.50p (2024: 1.50p) paid on 9 April 2025, makes a total of 3.60p for the year (2024: 3.60p).

SCOPE OF THE REPORTING IN THIS ANNUAL REPORT AND ACCOUNTS

The Group's statement on corporate governance can be found on pages 56 to 62 which is incorporated by reference and forms part of this Report of the Directors. For the purposes of compliance with DTR 4.1.5 R(2) and DTR 4.1.8 R, the required content of the Management Report can be found in the Strategic Report and this Report of the Directors, including the sections of the Annual Report and Accounts incorporated by reference.

The information required to be disclosed by the UK Listing Rules, UKLR 6.6.1 R (for the purposes of UKLR 6.6.4 R) and section 416(1)(a) of the Companies Act can be found in the following locations:

Section	Topic	Location
1	Details of long-term incentive schemes and other employee share schemes	· ·
2	Shareholder waivers of dividends	Employee Share Ownership Trust (ESOT): see note 24 of the Consolidated Financial Statements
3	Shareholder waivers of future dividends	ESOT: see note 24 of the Consolidated Financial Statements
4	Agreements with controlling shareholders	Report of the Directors on page 96

All the information referenced above is hereby incorporated by reference into this Report of the Directors.

THE BOARD

The Directors who served throughout the year, and unless stated otherwise were in office up to the date of signing the financial statements, are detailed below:

Service in the year ended 31 May 2025

David Tyler	Served throughout the year
Jonathan Myers	Served throughout the year
Sarah Pollard	Served throughout the year
John Nicolson	Served until 21 November 2024
Kirsty Bashforth	Served throughout the year
Jitesh Sodha	Served throughout the year
Valeria Juarez	Served throughout the year
Vivek Ahuja	Served throughout the year

DIRECTORS' INTERESTS

Details of the Directors' and connected persons' interests in the share capital of the Company can be found in the Report on Directors' Remuneration on page 90. No Director had any beneficial interest during the year, in shares or debentures of any subsidiary company. Save for their service contracts or letters of appointment, there were no contracts of significance subsisting during, or at the end of, the financial year with the Company or any of its subsidiaries in which a Director of the Company was materially interested.

OTHER SUBSTANTIAL INTERESTS

The Company had been notified in accordance with the FCA's Disclosure and Transparency Rule 5.1.2 of the following direct or indirect interests amounting to 3% or more of its issued share capital as at the end of the financial year and at 11 September 2025:

	As at 11 Septe	mber 2025	As at 31 M	ay 2025
	Number of shares	%	Number of shares	%
Zochonis Charitable Trust	63,019,193	14.70%	63,019,193	14.70%
Sir J B Zochonis Will Trust	49,320,712	11.50%	49,320,712	11.50%
Heronbridge Investment Mgt	31,157,024	7.27%	31,157,024	7.27%
FIL Limited	21,848,999	5.10%	21,848,999	5.10%
Majedie Asset management	21,160,944	4.94%	21,160,944	4.94%
J B Zochonis Settlement	19,927,130	4.65%	19,927,130	4.65%
Lindsell Train Investment Management	18,682,474	4.36%	18,682,474	4.36%
Mrs C M Green Settlement	15,322,741	3.57%	15,322,741	3.57%

The information provided above was correct at the date of notification; however, the date it was received may not have been within the current financial year. It should be noted that these holdings are likely to have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

Report of the Directors continued

ADDITIONAL STATUTORY INFORMATION

Directors' indemnification and insurance

Indemnities are in force under which the Company has agreed to indemnify the Directors, the Company Secretary and officers of Group subsidiaries, to the extent permitted by law, against claims from third parties in respect of certain liabilities arising out of, or in connection with, the execution of their duties. The indemnified individuals are also indemnified against the cost of defending criminal prosecution or a claim by the Company, its subsidiaries or a regulator provided that, where the defence is unsuccessful, the indemnified person must repay those defence costs.

The Company purchases and maintains directors' and officers' liability insurance cover. This insurance has been in place during the year and remains in place at the date of signing this report.

Significant agreements -Relationship Agreement

For the purposes of the UK Listing Rules, certain shareholders in the Company, principally comprising the founding Zochonis family, related family groups and trusts under their control are deemed to be controlling shareholders of the Company (together, the Concert Party). In FY21, the Takeover Panel approved the reconstitution of the Concert Party as comprising the core members of the founding Zochonis family, related family groups and certain related trusts holding. As of 31 May 2025, the Concert Party held in the aggregate, approximately 42.86% of the issued share capital of the Company.

The Financial Conduct Authority's UK Listing Rules require a listed company with a controlling shareholder (being a shareholder who exercises or controls, on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at a general meeting) to be able to carry on the business that it carries on as its main activity independently from such controlling shareholder at all times.

The Board confirms that the Company entered into a written relationship agreement with the Concert Party on 31 May 2024 containing undertakings (and a procurement obligation) that transactions and arrangements with the Concert Party and/or any of their associates will be conducted at arm's length and on normal commercial terms; that neither the Concert Party nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the UK Listing Rules; and that neither the Concert Party nor any of its associates will propose or procure the proposal of a shareholder resolution that is intended or appears to be intended to circumvent the proper application of the UK Listing Rules (the Undertakings). This replaced the relationship agreement dated 17 November 2014.

The Board also confirms that:

- the Company complied with the Undertakings in the Relationship Agreement;
- so far as the Company is aware, the Undertakings in the Relationship Agreement were complied with by the Concert Party and its associates: and
- so far as the Company is aware, the procurement obligation included in the Relationship Agreement was complied with by the Concert Party.

Political and charitable contributions

Charitable contributions in the UK during the year amounted to £0.1 million (2024: £0.3 million).

No political contributions were made in the year (FY24: £nil).

Research and development

The Group maintains in-house teams and facilities for research and development in the UK, Indonesia, Nigeria and Australia. In addition, research and development is subcontracted to approved external organisations. Currently all such expenditure is charged against profit in the year in which it is incurred, as it does not meet the criteria for capitalisation under IAS 38 'Intangible Assets'.

Greenhouse gas emissions

Global greenhouse gas emissions data for the year are contained within the Sustainability Report on page 24.

Employment of people with disabilities

During the year, the Group has maintained its policy of providing equal opportunities for the appropriate employment, training and development of people with disabilities. If any employees should become disabled during the course of their employment, our policy is to oversee the continuation of their employment and to arrange training for these employees.

Employee information The Group recognises the benefits of keeping employees informed of the progress of the business and of involving them in the Company's performance. While global information is usually shared from Group, the methods of achieving such involvement are different in each country and have been developed over the years by local management working with local employees in ways that suit their particular needs and environment. Employee views are provided to the Board through updates from the designated Non-Executive Director for employee engagement.

Further details on our engagement with employees can be found on pages 16 to 17.

GOVERNANCE STRATEGIC REPORT FINANCIAL STATEMENTS ADDITIONAL INFORMATION

Inclusion and diversity PZ Cussons is a diverse organisation in terms of its ethnic and cultural make-up and this is something that we continue to promote. We employ a workforce of many different nationalities including Indian, Polish, Indonesian, Singaporean, Thai, Greek, Australian, Nigerian, Ghanaian, Kenyan, American, Irish and British. We are clear that we want our leadership team to reflect the diversity of the markets in which we function and for that reason we are focused on developing local talent who understand different cultures. We do not employ any person below the local legal working age and we will not, in any circumstances, employ anyone below the age of 16.

> PZ Cussons has adopted a diversity and inclusion statement that sets out the Company's commitment to having a Board (including the Committees of the Board) and an Executive Committee that reflects the diversity of our workforce and consumers in the countries in which we operate.

For the purposes of disclosure under Section 414C(8) of the Companies Act, further details on the composition of our global employee population as at 31 May 2025 are set out in the table below:

	2025	i	2024	ı	202	3	2022	2	2021	L
	No.	%	No.	%	No.	%	No.	%	No.	%
Female employees	689	29	688	28	726	27	756	27	832	28
Male employees	1,661	71	1,749	72	1,918	73	2,005	73	2,111	72
Female senior managers	76	48	75	43	74	40	61	36	51	32
Male senior managers	83	52	101	57	109	60	109	64	110	68
Female Group Board Directors	3	43	3	37	3	33	4	44	3	43
Male Group Board Directors	4	57	5	63	6	67	5	56	4	57

External Auditor

PwC has indicated its willingness to act as External Auditor to the Company for the year ending 31 May 2026 and, in accordance with section 485 of the Companies Act 2006, a resolution for its reappointment will be proposed at the forthcoming Annual General Meeting (AGM). A statement on the independence of the External Auditor is included in the Audit and Risk Committee Report on page 67.

Principal Risks and uncertainties facing the Group

The Group's business activities, financial condition and results of operations could be affected by a variety of risks or uncertainties. These are summarised in the Risk Management and Principal Risks section on pages 30 to 38 of the Strategic

Annual General Meeting

The Company's 2025 AGM will be held at Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG at 10:30am on 20 November 2025. The resolutions that will be proposed at the AGM are set out in the separate Notice of AGM, which accompanies this Annual Report and Accounts.

Share capital

As of 31 May 2025, the Company's issued share capital consisted of 428,724,960 ordinary shares of 1p each.

No shares were issued in the year. Further information about the Company's share capital is given in note 24 of the Consolidated Financial Statements.

attaching to shares

Rights and obligations Subject to applicable statutes and other shareholders' rights, shares may be issued with such rights and restrictions as the Company may by ordinary resolution decide, or, if there is no such resolution or so far as it does not make specific provision, as the Board may decide.

Report of the Directors continued

ADDITIONAL STATUTORY INFORMATION CONTINUED

ADDITIONAL CIMICI	THE CHIMATION CONTINUES					
Restrictions on voting	Unless the Board decides otherwise, no member shall be entitled to vote at any meeting in respect of any shares held by that member if any call or other sum that is then payable by that member in respect of that share remains unpaid.					
Powers of Directors	Subject to the Company's Memorandum and Articles of Association, the Companies Act 2006 and any directions given by special resolution, the business of the Company will be managed by the Board, which may exercise all the powers of the Company.					
Articles of Association	The rules governing the appointment and replacement of Directors are contained in the Company's Articles of Association. Changes to the Articles of Association must be approved by shareholders in accordance with legislation in force from time to time.					
Purchase of own shares	The Company was authorised by shareholders at the 2024 AGM to purchase its own shares in the market up to a maximum of 10% of its issued share capital. The Company is seeking to renew this authority at the forthcoming AGM, within the limits set out in the notice of that meeting.					
	No shares were purchased from 1 June 2024 to 31 May 2025 (2024: nil) and up to the date of this report, and no acquisitions were made by the ESOT (see note 24 of the Consolidated Financial Statements).					
Restrictions on the	There are no restrictions on the transfer of securities in the Company except:					
transfer of securities	• pursuant to certain restrictions under the Company's employee share incentive plans, where the shares are subject to the plan rules;					
	• that certain restrictions may from time to time be imposed by laws and regulations (for example, relating to insider trading); and					
	• pursuant to the UK Listing Rules of the Financial Conduct Authority whereby certain employees of the Company require the approval of the Company to deal in the Company's ordinary shares.					
Going concern	The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group and liquidity position are described within the Financial Review. In addition, note 19 of the Consolidated Financial Statements includes policies in relation to the Group's financial instruments and risk management, and policies for managing credit risk, liquidity risk, market risk, foreign exchange risk, price risk, cash flow and interest rate risk, and capital risk.					
	After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of approving the Financial Statements. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts. A viability statement has been prepared and approved by the Board and this is set out on pages 40 to 41.					
Events after the balance sheet date	The post-balance sheet events are described in note 29 to the Consolidated Financial Statements.					
Engagement with employees, suppliers and customers	Please see the Statement of engagement with employees on page 57, the Statement of engagement with other business relationships on page 58 and the Section 172(1) Statement on page 43.					
Additional disclosures	Other information that is relevant to the Report of the Directors, and which is incorporated by reference into this report, can be located as follows:					
	Proposed future developments for the business are set out on pages 4 to 6					
	• Details of Group subsidiaries including overseas branches are set out in note 28 of the Consolidated Financial Statements					
	• Financial instruments and risk management are set out in note 19 of the Consolidated Financial Statements					

• Trade payables under vendor financing arrangements are set out in note 20 of the Consolidated Financial Statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements:
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in Our Board on pages 50 to 51, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and result of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the Principal Risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a
 Director in order to make themselves aware of any relevant audit
 information and to establish that the Group's and Company's auditors
 are aware of that information.

By order of the Board of Directors.

Kareem Moustafa

General Counsel and Company Secretary

16 September 2025

Independent Auditor's Report to the Members of PZ Cussons plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion:

- PZ Cussons plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 May 2025 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2025 (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets, as at 31 May 2025; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 4, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- Our audit focused on those entities with the most significant contribution to the group's revenue. Our work incorporated full scope audits of seven components, the audit of the Company and consolidation entries.
- One UK component audit, as well as the audit of the Company, was performed by the Group engagement team, with the remaining six component audits completed by UK and overseas component audit teams.
- The entities where we conducted audit work, together with audit work performed at the consolidated level, accounted for approximately 82% of the Group's revenue.

Key audit matters

- Impairment of goodwill and brands (group)
- Trade promotions rebates (group)
- Impairment of investment in subsidiaries and amounts owed by group companies (parent)

Materiality

- Overall group materiality: £5.1 million (2024: £5.3 million) based on 1.0% of revenue.
- Overall company materiality: £1.1 million (2024: £0.6 million) based on 1.0% of total assets.
- Performance materiality: £3.1 million (2024: £2.6 million) (group) and £0.7 million (2024: £0.3 million) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, 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. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Permanent as equity balances and going concern, which were key audit matters last year, are no longer included because of the de-designation of loans as permanent as equity and removal of the materiality uncertainty in respect of going concern, respectively. Otherwise, the key audit matters below are consistent with last year.

Key audit matter

Impairment of goodwill and brands (group)

As at 31 May 2025, the group recognised brands of £220.0 million (2024: £206.3 million) and goodwill of £10.4 million (2024: £54.7 million) as per note 10 of the financial statements. An impairment charge of £35.3 million in relation to the goodwill related to a group of brand CGUs was recognised during the year.

During the year ended 31 May 2025, the group performed its annual impairment assessment for indefinite lived brands and goodwill as required by IAS 36. The group undertakes a two step approach first testing the brands; each brand is considered its own cash generating unit (CGU), and then goodwill is allocated to the CGU or groups of CGUs as appropriate and representing the lowest level which goodwill is monitored by management.

For step one, the process involves determining the carrying amount of each brand CGU by attributing and allocating assets excluding goodwill to the CGU and preparing discounted cash flows analyses to determine the CGUs' recoverable amount. Based on our review of the cash flow models and the significant assumptions, we consider Rafferty's Garden, Childs Farm, Sanctuary Spa and St.Tropez brands to be the most sensitive to the changes in assumptions.

For step two, goodwill is allocated to a brand CGU or to a group of brand CGUs (where more than one brand benefits from the goodwill synergies) to determine the step two CGU carrying amounts for goodwill impairment testing. The discounted cash flow analyses used for the purposes of step one are also used to determine the recoverable amount of the CGUs for goodwill impairment testing.

Refer to the Audit and Risk Committee Report and Note 1 and Note 10 within the Notes to the Consolidated Financial Statements of the Annual Report & Accounts 2025.

How our audit addressed the key audit matter

In assessing the appropriateness of valuation of goodwill and brands we have performed the following procedures:

- we evaluated and assessed the Group's future cash flow forecasts, the process by which they were drawn up and tested the mathematical accuracy of the underlying value in use calculations;
- we evaluated management's rationale for determining the CGUs and the allocation of assets including goodwill to the brand or group of brands;
- we compared key assumptions around revenue growth rates to external market research on growth rates and other supporting evidence where the Group expects to grow in excess of the market;
- we compared actual results with previous forecasts to assess historical accuracy of management forecasts and discussed any variances with the Directors and management to understand reasons for variances;
- we reconciled forecasts used back to the board approved budget and a five year plan;
- we assessed management's assumptions for margins by comparing to historical data and reviewed the central costs allocation;
- we reconciled the assets used in the model back to the group consolidation:
- we considered management bias throughout the assumptions used and considered any contradictory evidence;
- we engaged our internal valuations experts to review the model, assess
 management's key assumptions for the discount rates used by assessing
 the cost of capital calculations for the Group and comparing against
 comparable organisations and the long-term growth rates by comparing
 with external forecasts;
- we carried out sensitivity analysis to assess the impact of changes in the key assumptions such as revenue growth rate, long term growth, discount rates and the gross margin rate, on the value in use; and
- we assessed the adequacy of the disclosure provided in note 10 of the Group financial statements in relation to the relevant accounting standards. We consider disclosures to be adequate and in line with the requirements of the relevant standards.

Based on the above procedures we concluded that no additional impairments are required, and the disclosures made are appropriate.

Independent Auditor's Report to the Members of PZ Cussons plc continued

Key audit matter

Trade promotions - rebates (group)

Due to the industry in which PZ Cussons operates, being consumer goods, it is customary that there is associated trade and promotional spend incurred.

Trade promotions comprise fixed and variable elements and we consider the variable element to be a significant accounting estimate. A number of estimates are made in arriving at the trade promotions liabilities and related adjustments to revenue, which could be prone to management bias and error.

As at 31 May 2025, the group recognised trade promotion liabilities of £23.4 million (2024: £25.8 million) and the total trade promotions (adjustments to revenue) included in the consolidated income statement amounted to c. £121.1 million (2024: c. £120.3 million). There is a level of estimation involved in accruing for such arrangements and a potential for management to manipulate profit and we have considered it to be a significant risk in relation to completeness and accuracy of liabilities and related adjustments to revenue due to fraud or error.

Refer to the Audit and Risk Committee Report and Note 1 within the Notes to the Consolidated Financial Statements of the Annual Report & Accounts 2025

How our audit addressed the key audit matter

In assessing the completeness and accuracy of trade promotion liabilities and the related adjustments to revenue, we have performed the following procedures:

- we obtained the year end incentive accrual calculation and the schedule that reconciles the opening accrual to the closing accrual;
- we tested the inputs of the accrual calculation by tracing a sample of open accruals to supporting evidence;
- we tested a sample of incentives paid in the current year to ensure the accrual was made before the claim was paid or settled. For this same sample, we recalculated the value of the accrual, and corroborated to third party evidence;
- we performed a look back test, by selecting a sample of accruals in the opening balance, and testing them to subsequent claim or settlement data;
- we tested post-year end claims and settlements, and compared them to the amounts accrued for; and

Based on our audit work, we have found the estimates made in relation to trade promotions to be acceptable. We also consider the disclosures made in the financial statements to be appropriate.

Impairment of investment in subsidiaries and amounts owed by group companies (parent)

The Company has investments in subsidiaries of £36.8m (2024: £36.8m) and amounts owed by group companies of £66.6m (2024: £15.8m). Given the magnitude of these balances and management judgement involved in determining whether any impairment triggers exist, we considered there to be a risk of impairment of these assets.

Management has considered the investment balance and amounts owed by group companies for impairment and has not identified any impairment indicators as at 31 May 2025.

Refer to Note 4 (Investments) and Note 5 (Receivables) within the Notes to the Company Financial Statements of the Annual Report & Accounts 2025.

In assessing the appropriateness of valuation of investment in subsidiaries we have performed the following procedures:

- we obtained a schedule of investments in subsidiaries and ensured this is reconciled to the financial statements;
- we challenged management's assertion that no impairment triggers were identified that would necessitate a full impairment review to be performed:
- we performed a review of net assets of the subsidiary entity against the carrying value, compared the carrying value to the Group's market capitalisation and our review of the financial performance of the subsidiaries; and
- we reviewed the disclosures included within Note 4 of the Company accounts and consider these to be appropriate.

Based on these procedures we concluded that there were no triggers that would indicate the directors were required to perform a full impairment test of the carrying value of investments in subsidiaries.

In respect of the amounts owed by group companies:

- we performed a reconciliation of the amounts owed by group companies and ensured this agreed with the counterparty;
- we evaluated management's assessment of the recoverability of amounts owed by group companies including assessing the ability of other subsidiary companies to settle the intercompany balances; and
- we also assessed the adequacy of the disclosure provided in Note 5
 of the Company financial statements in relation to the relevant
 accounting standards.

We found no exceptions as a result of our testing and consider the recoverability of investments in subsidiaries and amounts owed by group companies to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The Group is a manufacturer of personal healthcare products and consumer goods. The Group operates worldwide with the UK, Nigeria, Indonesia and Australia being the most significant territories.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the entities by us, as the Group engagement team, or component auditors operating under our instructions. Where work was performed by component auditors, we determined the level of involvement we needed to have in this work to be able to conclude that sufficient appropriate audit evidence had been obtained. Our work incorporated full scope audits of seven components, the audit of the Company and on consolidation entries. One UK component audit, as well as the audit of the Company, was performed by the Group engagement team, with the remaining six component audits completed by UK and overseas component audit teams.

The impact of climate risk on our audit

We made enquiries of management to understand the process they have adopted to assess the extent of the potential impact of climate risk on the group's financial statements, including their commitments made to achieving Net Zero carbon emissions for Scope 1,2 & 3 by 2045. The key areas of the financial statements where management evaluated that climate risk has a potential impact are set out in note 1, in the notes to the financial statements. The directors have reached the overall conclusion that there has been no material impact on the financial statements for the current year from the potential impact of climate change.

We used our knowledge of the group to challenge management's assessment. We particularly considered how climate risk would impact the assumptions made in the forecasts prepared by management used in their impairment analyses, going concern and viability. We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section) within the Annual Report with the financial statements and our knowledge obtained from our audit.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or on our key audit matters for the year ended 31 May 2025.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£5.1 million (2024: £5.3 million).	£1.1 million (2024: £0.6 million).
How we determined it	1.0% of revenue	1.0% of total assets
Rationale for benchmark applied	We considered materiality in a number of different ways, and used our professional judgement having applied 'rule of thumb' percentages to a number of potential benchmarks. On the basis of this, we concluded that 1.0% of revenue is an appropriate level of materiality. We have chosen this as our benchmark based on the review of key performance measures disclosed to users of the financial statements and considering the overall scale of the business. This figure takes prominence in the Annual Report, as well as the communications to both the shareholders and the market.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark for non-trading companies.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £1.0 million to £3.9 million (2024: £0.3 million to £3.5 million). Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 60% (2024: 50%) of overall materiality, amounting to £3.1 million (2024: £2.6 million) for the group financial statements and £0.7 million (2024: £0.3 million) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £0.3 million (group audit) (2024: £0.3 million) and £0.06 million (company audit) (2024: £0.03 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Independent Auditor's Report to the Members of PZ Cussons plc continued

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtained from management their latest assessments that support the board's conclusions with respect to the going concern basis of preparation for the financial statements;
- Evaluated management's forecast and assessed downside scenarios and challenged the adequacy and appropriateness of the underlying assumptions to ensure that they are appropriately severe but plausible;
- Reviewed management accounts for the financial period to date and checked that these were consistent with the starting point of management's scenarios and supported the key assumptions included in the assessments;
- Evaluated the historical accuracy of the budgeting process to assess the reliability of the data;
- Challenged management with regards to the impact of climate change and how this has been taken into account in the forecasts;
- Reviewed the terms and the availability of the Revolving Credit Facility (RCF) and the Term Loan and management's analysis of both liquidity and covenant compliance to satisfy ourselves that no breaches are anticipated over the period of assessment.
- · Tested the mathematical integrity of management's going concern forecast models; and
- Reviewed the disclosures made in respect of going concern included in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described overleaf

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 May 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Report on the Directors' Remuneration

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

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate Governance Statement 2025 is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Independent Auditor's Report to the Members of PZ Cussons plc continued

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the general product safety regulations and bribery acts, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate revenue and financial performance, and management bias within accounting estimates and judgements. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- challenging assumptions and judgements made by management in their significant accounting estimates, in particular around the trade promotions, uncertain tax positions, valuation of pension liabilities and valuation of brands and goodwill;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- discussions with the Audit and Risk Committee, management, internal audit and the in-house legal team including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- reviewing minutes of meetings of those charged with governance throughout the year and post year end to identify any one off or unusual transactions;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims; and
- in addressing the risk of fraud within promotional trade spend accruals, performing retrospective reviews of prior year positions; performing substantive testing over the accrual balance and agreeing to contracts; and considering whether post year end settlements support or contradict those judgements reached.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not
 visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements and the part of the Report on the Directors' Remuneration to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 23 November 2023 to audit the financial statements for the year ended 31 May 2024 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ended 31 May 2024 to 31 May 2025.

OTHER MATTER

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Jonathan Studholme (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLPChartered Accountants and Statutory Auditors
Manchester
16 September 2025

Consolidated Income Statement

For the year ended 31 May 2025

	Note	2025 £m	2024 £m
Revenue	2	513.8	527.9
Cost of sales		(307.0)	(396.8)
Gross profit		206.8	131.1
Selling and distribution expense		(85.4)	(82.8)
Administrative expense		(106.4)	(139.3)
Share of results of joint venture	14	5.6	7.3
Operating profit/(loss)	2	20.6	(83.7)
Finance income		3.9	12.2
Finance expense		(18.0)	(24.2)
Net finance expense	6	(14.1)	(12.0)
Net monetary gain/(loss) arising from hyperinflationary economies ¹		_	(0.2)
Profit/(loss) before taxation		6.5	(95.9)
Taxation	7	(11.7)	24.1
Loss for the year ²	4	(5.2)	(71.8)
Attributable to:			
Owners of the Parent		(5.8)	(57.0)
Non-controlling interests		0.6	(14.8)
		(5.2)	(71.8)
		pence	pence
Loss per share ²			
Basic (p)	9	(1.38)	(13.60)
Diluted (p) ³	9	(1.38)	(13.60)

 $^{1\}quad \hbox{Represents the hyperinflation impact in relation to Ghana}.$

² Wholly derived from continuing operations.

³ The basic and diluted loss per share are equal as a result of the Group incurring a loss for the year.

Consolidated Statement of Comprehensive Income

For the year ended 31 May 2025

	Note	2025 £m	2024
Loss for the year	Note	(5.2)	£m (71.8)
Other comprehensive (expense)/income		(3.2)	(71.0)
Items that will not be reclassified subsequently to income statement			
Re-measurement loss on net retirement benefit surplus	23	(4.6)	(6.8)
Taxation on other comprehensive (expense)/income	21	1.2	1.7
Total items that will not be reclassified to income statement		(3.4)	(5.1)
Items that may be reclassified subsequently to income statement			
Exchange differences on translation of foreign operations ¹		0.2	(69.4)
Share of other comprehensive expense of joint venture accounted for using the equity method		(1.0)	(20.0)
Cash flow hedges – fair value movements		0.2	(0.6)
Total items that may be subsequently reclassified to income statement		(0.6)	(90.0)
Other comprehensive expense for the year		(4.0)	(95.1)
Total comprehensive expense for the year		(9.2)	(166.9)
Attributable to:			
Owners of the Parent		(10.1)	(133.3)
Non-controlling interests		0.9	(33.6)
		(9.2)	(166.9)

¹ Includes a hyperinflation adjustment of £1.9 million (2024: £4.3 million) in relation to Ghana, net of £0.8 million (2024: £1.3 million) deferred taxation.

STRATEGIC REPORT GOVERNANCE **Financial Statements** Additional information

Consolidated Balance Sheet

As at 31 May 2025

	Note	2025 £m	2024 £m
Assets			
Non-current assets			
Goodwill and other intangible assets	10	253.9	279.3
Property, plant and equipment	11	43.4	42.8
Investment properties	12	10.0	6.6
Right-of-use assets	13	13.6	10.2
Net investment in joint venture	14	_	_
Trade and other receivables	17	2.1	32.1
Deferred tax assets	21	15.8	22.2
Tax receivable		4.8	0.6
Retirement benefit surplus	23	27.4	32.1
		371.0	425.9
Current assets			
Inventories	16	70.0	68.5
Trade and other receivables	17	119.2	99.0
Derivative financial assets	19	0.4	_
Current taxation receivable		0.1	0.2
Cash and cash equivalents	18	45.1	51.3
		234.8	219.0
Assets held for sale	15	9.4	4.7
		244.2	223.7
Total assets		615.2	649.6
Equity			
Share capital	24	4.3	4.3
Treasury shares	24	(32.0)	(34.5)
Capital redemption reserve		0.7	0.7
Hedging reserve	19	(0.2)	(0.4)
Currency translation reserve		(158.4)	(159.6)
Retained earnings		399.6	425.3
Other reserves		5.7	6.5
Attributable to owners of the Parent		219.7	242.3
Non-controlling interests		(6.2)	(7.1)
Total equity		213.5	235.2

		2025	2024
	Note	£m	£m
Liabilities			
Non-current liabilities			
Borrowings	18, 19	102.4	160.3
Trade and other payables	20	0.6	2.6
Lease liabilities	19	12.6	9.7
Deferred taxation liabilities	21	34.1	39.8
Retirement and other long-term employee benefit obligations	23	11.7	12.2
		161.4	224.6
Current liabilities			
Borrowings	18, 19	54.7	6.3
Trade and other payables	20	155.1	158.7
Lease liabilities	19	2.3	2.4
Derivative financial liabilities	19	0.4	0.5
Current taxation payable		27.5	21.7
Provisions	22	0.3	0.2
		240.3	189.8
Total liabilities		401.7	414.4
Total equity and liabilities		615.2	649.6

The Consolidated Financial Statements from pages 108 to 163 were approved by the Board of Directors and authorised for issue on 16 September 2025. They were signed on its behalf by:

J Myers S Pollard

16 September 2025

PZ Cussons plc Registered number 00019457

Consolidated Statement of Changes in Equity

For the year ended 31 May 2025

				Attributable t	o owners of t	he Parent				
	Note	Share capital £m	Treasury shares £m	Capital redemption reserve £m	Hedging reserve ¹ £m	Currency translation reserve ² £m	Retained earnings £m	Other reserves ³	Non- controlling interests ⁴ £m	Total £m
At 1 June 2023		4.3	(36.9)	0.7	0.2	(89.0)	511.7	4.6	26.5	422.1
Loss for the year		_	_	_	_	_	(57.0)	_	(14.8)	(71.8)
Other comprehensive expense		_	_	_	(0.6)	(70.6)	(5.1)	_	(18.8)	(95.1)
Total comprehensive expense for the year		_	_	_	(0.6)	(70.6)	(62.1)	_	(33.6)	(166.9)
Transactions with owners:										
Ordinary dividends	8	_	_	_	_	_	(21.9)	_	_	(21.9)
Share-based payments	25	_	_	_	_	_	_	1.9	_	1.9
Shares issued from ESOT		_	2.4	_	_	_	(2.4)	_	_	_
Total transactions with owners recognised directly in equity		_	2.4	_	_	_	(24.3)	1.9	_	(20.0)
At 31 May 2024		4.3	(34.5)	0.7	(0.4)	(159.6)	425.3	6.5	(7.1)	235.2
At 1 June 2024		4.3	(34.5)	0.7	(0.4)	(159.6)	425.3	6.5	(7.1)	235.2
(Loss)/Profit for the year		_	_	_	_	_	(5.8)	_	0.6	(5.2)
Other comprehensive income/ (expense)		_	_	_	0.2	1.2	(5.7)	_	0.3	(4.0)
Total comprehensive income/ (expense) for the year		_	_	_	0.2	1.2	(11.5)	_	0.9	(9.2)
Transactions with owners:										

2.5

2.5

(32.0)

4.3

(15.1)

3.4

(2.5)

(14.2)

399.6

(0.2)

(158.4)

0.7

(0.8)

(0.8)

5.7

(6.2)

(15.1)

2.6

(12.5)

213.5

Total transactions with owners

recognised directly in equity

Ordinary dividends

At 31 May 2025

Share-based payments

Shares issued from ESOT

8

25

¹ Reserve relates to continuing hedges.

² Includes a hyperinflation adjustment of £1.9 million (2024: £4.3 million) in relation to Ghana.

³ Other reserves relate to the Group's share-based payment schemes.

⁴ Refer to note 28 for more details.

Consolidated Cash Flow Statement

For the year ended 31 May 2025

Not	2025 e £m	2024 £m
Cash flows from operating activities		
Cash generated from operations 2	6 49.2	47.7
Interest paid	(14.9)	(21.5)
Taxation paid	(10.8)	(13.3)
Net cash generated from operating activities	23.5	12.9
Cash flows from investing activities		
Interest received	2.2	9.0
Purchase of fixed assets 10, 11, 1	2 (6.9)	(6.1)
Proceeds from disposal of fixed assets	0.9	0.8
Cash flow from disposal of current asset investment	0.9	_
Rental income	1.1	_
Loans advanced to joint venture	_	(4.0)
Loan repayments from joint venture	2.5	12.7
Net cash (used in)/generated from investing activities	0.7	12.4
Cash flows from financing activities		
Dividends paid to Company shareholders	8 (15.1)	(21.9)
Acquisition of non-controlling interests	(0.2)	_
Repayment of lease liabilities	(3.5)	(2.4)
Repayment of borrowings	(165.7)	(206.0)
Proceeds from borrowings	156.0	121.4
Financing fees paid on committed credit facility	(0.2)	(0.8)
Net cash used in financing activities	(28.7)	(109.7)
Net decrease in cash and cash equivalents	(4.5)	(84.4)
Effect of foreign exchange rates	(1.7)	(120.7)
Cash and cash equivalents at the beginning of the year	51.3	256.4
Cash and cash equivalents at the end of the year	8 45.1	51.3

Notes to the Consolidated Financial Statements

Year ended 31 May 2025

GENERAL INFORMATION

PZ Cussons plc is a public limited company registered in England and Wales which is listed on the London Stock Exchange and is domiciled and incorporated in the UK under the Companies Act 2006. The address of the registered office is given on page 175. PZ Cussons plc is the parent company and ultimate parent of the Group.

The principal activities of the Group are the manufacturing and distribution of hygiene, baby and beauty products.

These Consolidated Financial Statements are presented in Pound Sterling (GBP) and, unless otherwise indicated, have been presented in £ million to one decimal place.

1. ACCOUNTING POLICIES

The Consolidated Financial Statements are prepared in accordance with UK-adopted International Accounting Standards including interpretations issued by the IFRS Interpretations Committee and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) measured at fair value
- Defined benefit pension plans plan assets measured at fair value
- · Hyperinflationary accounting in Ghana.

The preparation of financial statements, in conformity with IFRSs, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may ultimately differ from those estimates. Key sources of estimation uncertainty are described on pages 124 to 125.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group, liquidity position and available borrowing facilities are described within the Financial Review. In addition, note 19 of the Consolidated Financial Statements includes policies in relation to the Group's financial instruments and risk management and policies for managing credit risk, liquidity risk, market risk, foreign exchange risk, price risk, cash flow and interest rate risk, and capital risk. The Group meets its funding requirements through internal cash generation and borrowings. Borrowings are amounts drawn under both committed and uncommitted borrowing facilities. The Group has a £325.0 million (2024: £325.0 million) committed credit facility which is available for general corporate purposes. As at 31 May 2025, the Group had headroom on the committed facility of £167.5 million (2024: £164.0 million) and net debt of £112.0 million (2024: £164.0 million). £115.3 million) comprising cash of £45.1 million (2024: £51.3 million) and borrowings of £157.1 million (2024: £166.6 million). In assessing going concern, the Group has prepared both base case and severe but plausible cash flow forecasts for a period of 18 months until the end of November 2026 (the going concern review period), which is at least 12 months from the date of approval of the financial statements. The Group's base case forecasts are based on the Board-approved budget and the first year of the current five-year plan, and indicate forecasted continued compliance with its banking covenants and sufficient liquidity throughout the going concern review period. In the 2024 Annual Report and Accounts, the Directors disclosed that, should mitigations prove insufficient, the impact of Naira exchange rate volatility on forecast interest cover covenant compliance represented a material uncertainty that may have cast significant doubt upon the Group's ability to continue as a going concern. In FY25, the Naira exchange rate has been more stable and the Group was in compliance with all of its covenants throughout the year. Management has prepared a base case forecast for the going concern period and, consistent with the approach taken at 31 May 2024, has modelled the following severe but plausible downside scenarios: 5% reduction in Group revenue, Group gross margin decline of 200bps and a 10% decline in the Naira exchange rate of USD/ NGN 1,700 used in the base case forecast. None of these severe but plausible scenarios, either separately or in combination, forecast a breach in the interest cover covenant prior to management action and there remain mitigating actions available to management should they be required. Therefore, while the Group remains exposed to fluctuations in the Naira exchange rate, the Directors have determined that this no longer represents a material uncertainty. The Directors consider it appropriate to continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

(a) New and amended accounting standards adopted by the Group

The following amended standards and interpretations were adopted by the Group during the year ending 31 May 2025:

- Classification of liabilities as current or non-current and non-current liabilities with covenants (Amendments to IAS 1 Presentation of financial statements).
- Lease liability in a sale and leaseback (Amendments to IFRS 16 Leases).
- Supplier financing arrangements (Amendments to IAS 7 Statement of cash flows and IFRS 7 Financial Instruments).

These amended standards have not had a significant impact on the Consolidated Financial Statements.

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform Pillar Two Model Rules – Amendments to IAS 12. The Group continues to apply the mandatory temporary exception to the accounting for deferred taxation arising from the jurisdictional implementation of the Pillar Two rules set out therein.

(b) New accounting standards and interpretations in issue but not yet effective

The following new and amended standards have been issued which are not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates issued in August 2023 and effective from 1 January 2025.
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures issued in May 2024 and effective from 1 January 2026.
- Annual improvements to the following IFRS Accounting Standards amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash flows, issued in July 2024 and effective from 1 January 2026.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures issued in May 2024 and effective from 1 January 2027.
- IFRS 18 Presentation and Disclosure in Financial Statements issued in April 2024 and effective from 1 January 2027.

The Group continues to assess the expected impact of standards not effective until 1 January 2027, all other new and amended standards are not expected to have a significant impact on the Group's Consolidated Financial Statements.

(c) Accounting policies

Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of PZ Cussons plc and entities controlled by PZ Cussons plc (its subsidiaries) made up to 31 May each year. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the financial and operational policies of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Any resulting gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The total profits or losses of subsidiaries are included in the Consolidated Income Statement and the interest of non-controlling interests is stated as the non-controlling interest's proportion of the fair values of the assets and liabilities recognised. Comprehensive income attributable to the non-controlling interests is attributed to the non-controlling interests even if this results in the non-controlling interests recognising a deficit balance.

The interest of non-controlling interests in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. Where non-controlling interests are acquired, the excess of cost over the value of the non-controlling interest acquired is recorded in equity.

Where necessary, the financial statements of subsidiaries are adjusted to conform to the Group's accounting policies. Intra-group transactions and balances, and any unrealised gains or losses on transactions between Group companies, are eliminated on consolidation.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are, with limited exceptions, recognised at their fair values at the acquisition date.

Where acquisitions are achieved in stages, commonly referred to as 'stepped acquisitions', and result in control being obtained by the Group as part of a transaction, the Group re-assesses the fair value of any existing investment as part of determining the fair value of consideration. In determining the fair value of the Group's existing interest, reference is given to the fair value of consideration paid to increase the Group's interest in the existing investment as well as considering the specific fair values of assets and liabilities transferred to gain control. Any increase or impairment of the Group's existing investment is credited/charged to the Consolidated Income Statement.

Goodwill arising on a business combination represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill arising on the acquisition of a subsidiary is separately presented on the Group's balance sheet.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Consolidated Income Statement.

Goodwill is subsequently measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if there are indicators of impairment. The method used for impairment testing is to allocate goodwill to appropriate cash generating units (CGUs) based on the smallest identifiable group of assets that generate independent cash inflows, and to estimate the recoverable amounts of the CGUs as the higher of the asset's fair values less costs of disposal and the value-in-use. For the purposes of goodwill impairment testing, goodwill related to each of the Beauty brands is aggregated together into the Beauty group of CGUs as this is the manner in which the core assets are used to generate cash flows and is the lowest level at which goodwill is monitored by management. An impairment arises if the recoverable amount of the CGU is less than the carrying amount, in which case the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. Impairment losses recognised for goodwill cannot be reversed in a subsequent period. On disposal of a subsidiary or an equity method investment, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

1. ACCOUNTING POLICIES CONTINUED

Investments in joint ventures

Under IFRS 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of results of joint venture' in the Consolidated Income Statement.

Revenue

Revenue comprises sales of goods after the deduction of discounts, trade spend, rebates and sales-related taxes. It does not include intra-group sales. Trade promotions, which consist primarily of customer pricing allowances, placement/listing fees and promotional allowances, are governed by agreements with our trade customers (retailers and distributors).

Discounts can either be immediately deducted from the sales value on the invoice or settled later through credit notes. Rebates are generally in the form of credit notes. Amounts provided for discounts payable at the end of a period require estimation; historical data and accumulated experience is used to estimate the provision using the most likely amount method and in most cases the discount can be estimated with a high level of accuracy using known facts. These amounts are reported within Trade and other payables. Any differences between actual amounts settled and the amounts provided are not material and recognised in the subsequent reporting period.

Customer contracts generally contain a single performance obligation and revenue is recognised when control of the products has transferred to our customer as there are no longer any unfulfilled obligations to the customer. This is generally on delivery to the customer but depending on specific customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. This is considered the appropriate point where the performance obligations in our contracts are satisfied as the Group no longer has control over the inventory. Estimating the amount of variable consideration associated with discounts and assessing whether other consideration payable to customers (e.g. marketing investment payments) represents payment for a distinct good or service require a degree of estimation and judgement applied by management.

Trade promotions

The Group provides for amounts payable to trade customers for promotional activity. Where a promotional activity spans across the year-end, an accrual is reflected in the Consolidated Financial Statements based on our expectation of customer and consumer uptake during the promotional period and the extent to which temporary promotional activity has occurred.

Where promotions, rebates or discounts give rise to variable consideration, the Group accounts for this by using the 'most likely amount' method and this is generally estimated using known facts with a high degree of accuracy. Revenue is constrained to the extent that variable consideration has been taken into account for the period and that no reversal in consideration is expected.

Foreign currencies

The financial statements of each Group entity are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each entity are presented in Pound Sterling, which is the functional currency of the Company, and the presentational currency for the Consolidated Financial Statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the actual rate of exchange prevailing on the dates of the transactions, or at average rates of exchange if they represent a suitable approximation to the actual rate. At each balance sheet date, monetary assets and liabilities denominated in currencies other than the functional currency of the local entity are translated at the appropriate rates prevailing on the balance sheet date. Foreign exchange gains and losses arising from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement except when deferred in equity as qualifying hedges or permanent as equity balances.

In preparing the Consolidated Financial Statements, the balances in individual Group companies are translated from their functional currency into the Group reporting currency (Pound Sterling). Apart from the financial statements of Group companies in hyperinflationary economies (see below), the income statement, the cash flow statement and all other movements in assets and liabilities are translated at average exchange rates for the year as a proxy for the transaction rate, or at the transaction rate itself if more appropriate. Assets and liabilities are translated at year-end exchange rates. Cumulative foreign currency translation differences arising on the translation and consolidation of foreign operations' income statements and balance sheets denominated in foreign currencies are recorded as a separate component of equity.

To determine the existence of hyperinflation, the Group assesses the qualitative and quantitative characteristics of the economic environment of the country, such as the cumulative inflation rate over the previous three years. The financial statements of a Group company whose functional currency is that of a hyperinflationary economy are adjusted for inflation and then translated into Pound Sterling using the balance sheet exchange rate. See further details below.

On disposal of a foreign operation the cumulative translation differences will be transferred to the income statement in the period of the disposal as part of the gain or loss on disposal. Repayments of permanent as equity balances are not considered full or partial disposals, since the parent company continues to own the same percentage of the subsidiary and as a result there is no recycling of exchange differences from other comprehensive income to the Consolidated Income Statement.

Hyperinflationary economies

Ghana was designated as a hyperinflationary economy from 1 December 2023. As a result, IAS 29 *Financial Reporting in Hyperinflationary Economies* has been applied from 1 June 2023 to the Group's Ghanaian subsidiary undertaking. The application of IAS 29 includes:

- Adjustment to historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial
 recognition to the current balance sheet date
- · Adjustment to the income statement for inflation during the current reporting period
- Translation of income statement at the period-end foreign exchange rate instead of an average rate
- Adjustment to the income statement to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

The Ghanaian Combined Consumer Price Index (CPI) was 260.5% for May 2025 (for May 2024: 220.0%). The cumulative effect arising from the re-statement of the opening non-monetary items is recognised in other comprehensive income. This impact for the year ended 31 May 2025 was £1.9 million (2024: £4.3 million). In the year ended 31 May 2025, the application of IAS 29 resulted in a £2.5 million (2024: £3.7 million) increase of total assets, a £0.2 million (2024: £0.6 million) increase in the operating profit and the recognition of a £nil (2024: £0.2 million) monetary loss. The comparative information in the FY24 Consolidated Financial Statements was not re-stated as it was presented in a stable currency (Pound Sterling).

Finance income

Finance income includes interest receivable on cash and cash equivalents, interest receivable on loans to joint venture, net finance income in relation to defined benefit pension schemes, finance income in relation to leases and the change in the fair value of deferred consideration on business combinations.

Finance expense

Finance expense includes interest expense in relation to financial liabilities (which includes the unwind of the discount rate applied to lease liabilities), finance expense on defined benefit pension schemes, amortisation of fees incurred in arranging financing and the change in the fair value of deferred purchase consideration on business combinations.

Adjusting items

Adjusting items are material in value or related to significant one-off changes in the structure or value of the business. Certain adjusting items may be recognised across multiple years if, for example, they are deemed to be part of a significant transformation project which would not be expected to recur. Such projects are required to be agreed upfront with a clear scope, timeline and budget. The Directors apply judgement in assessing the presentation of such items as adjusting items.

The Directors believe that the separate disclosure of these items is relevant to an understanding of the Group's financial performance by providing an alternative and meaningful basis upon which to analyse underlying business performance and make year-on-year comparisons. The same measures are used by management for planning, budgeting and reporting purposes, and for the internal assessment of operating performance across the Group.

These alternative performance measures should be viewed as supplemental to, but not as a substitute for, measures presented in the consolidated financial information relating to the Group, which are prepared in accordance with IFRS. Further, they may not be comparable with similarly titled measures reported by other companies due to differences in the way they are calculated.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

1. ACCOUNTING POLICIES CONTINUED

Taxation

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised within that statement.

Current taxation is the expected taxation payable on the taxable income for the year, using taxation rates enacted or substantively enacted at the financial year-end date, and any adjustment to taxation payable in respect of previous years.

Deferred taxation is provided on temporary differences between the carrying amounts of assets and liabilities recognised for financial reporting purposes and the amounts used for taxation purposes, on an undiscounted basis. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using taxation rates enacted or substantively enacted at the financial year-end date.

Deferred taxation liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group has previously adopted the amendment to IAS 12 *Deferred Tax* related to Assets and Liabilities arising from a Single Transaction and as a result recognises a separate deferred taxation asset in relation to its lease liabilities and a deferred taxation liability in relation to its right-of-use assets, even if balances qualify for offset under paragraph 74 of IAS 12.

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform Pillar Two Model Rules – Amendments to IAS 12. The Group continues to apply the mandatory temporary exception to the accounting for deferred taxation arising from implementation of the Pillar Two rules set out therein.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current taxation assets against current taxation liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current taxation liabilities on a net basis.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used. The Group maintains adequate provisions for potential liabilities that may arise from periods that remain open and not yet agreed by tax authorities. The ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of agreements with relevant tax authorities. In assessing uncertain tax treatments, management is required to make judgements in determination of the facts and circumstances in respect of the tax position taken, together with estimates of amounts that may be required to be paid in ultimate settlement with the tax authorities. As the Group operates in a multi-national tax environment, the nature of the uncertain tax positions is often complex and subject to change. Original estimates are refined as and when additional information becomes known.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment with the exception of freehold land which is shown at cost less accumulated impairment. Except for freehold land and assets in the course of 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 at rates not less than 2% per annum

Plant and machinery not less than 8% per annum

Fixtures, fittings and vehicles not less than 20% per annum

In the case of major projects, depreciation is provided from the date the project is brought into use.

An asset is derecognised from the Consolidated Balance Sheet when it is sold or retired and no future economic benefits are expected from that asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement when the asset is derecognised.

Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Property, plant and equipment that has been impaired is reviewed for possible reversal of the impairment at each subsequent balance sheet date.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the value that would have been determined had an impairment loss not been recognised in prior years. Impairment loss or reversal of impairment is recognised in the Consolidated Income Statement as part of administrative expense.

Investment properties

On acquisition, an investment property is initially recognised at cost. Investment property is subsequently recognised at cost less accumulated impairment and is presented as a separate line on the Consolidated Balance Sheet. Gains or losses on disposal are recognised within administrative expenses in the Consolidated Income Statement.

Other intangible assets

Other intangible assets comprise brands and software.

Brands

An acquired brand is only recognised on the Consolidated Balance Sheet where it is supported by a registered trademark, where brand earnings are separately identifiable or the brand could be sold separately from the rest of the business. Brands acquired as part of a business combination are recorded in the Consolidated Balance Sheet at fair value at the date of acquisition. Trademarks, patents and purchased brands are recorded at cost less accumulated impairment.

The Directors believe that acquired brands have indefinite lives because, having considered all relevant factors, there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group. Further, the Directors have the intention and the ability to maintain the brands. In forming this conclusion the Directors have not taken into consideration planned future expenditure in excess of that required to maintain the asset at that standard of performance.

In accordance with IAS 36 *Impairment of Assets*, as the brands have indefinite lives they are tested for impairment annually, and more frequently where there is an indication that the asset may be impaired. The method used for impairment testing is similar to that used for goodwill whereby the brand is allocated to a CGU based on the smallest identifiable group of assets that generate independent cash inflows. The recoverable amount of the CGU is determined as the higher of the asset's fair value less costs of disposal and the value-in-use. An impairment arises if the recoverable amount of the CGU is less than the carrying amount. Any impairment is recognised immediately in the Consolidated Income Statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Income Statement.

Software

Expenditure on research activities is recognised in the Consolidated Income Statement as an expense as incurred. Expenditure on development activities directly attributable to the design and testing of identifiable software products and systems are capitalised if the product or systems meet the following criteria:

- The completion of the development is technically and commercially feasible to complete
- Adequate technical resources are sufficiently available to complete development
- It can be demonstrated that future economic benefits are probable
- The expenditure attributable to the development can be measured reliably.

Development activities involve a plan or design for the production of new or substantially improved products or systems. Directly attributable costs that are capitalised as part of the software product or system include employee costs. Other development expenditures that do not meet these criteria as well as ongoing maintenance costs are recognised as an expense as incurred. Development costs for software are carried at cost less accumulated amortisation and are amortised on a straight-line basis over their useful lives (not exceeding ten years) at the point at which they come into use.

Leases

Lessee accounting

The Group assesses whether a contract is or contains a lease at inception of the contract. 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 and leases of low-value assets where the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The use of these exemptions does not have a material impact.

Right-of-use assets

At commencement date, right-of-use assets are measured at cost, which comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs.

After initial recognition right-of-use assets are depreciated on a straight-line basis over the shorter period of lease term and useful life of the underlying asset. They are also assessed for impairment where indicators of impairment exist.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

1. ACCOUNTING POLICIES CONTINUED

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments, excluding those paid at the commencement date, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the Group's incremental borrowing rate specific to the term, country, currency and start date of the lease. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in substance fixed payments), less any lease incentives receivable
- · Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- · Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Variable lease payments that do not depend on an index or rate are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

The carrying value of the lease liability is subsequently increased to reflect interest on the lease liability and reduced by the lease payment made. The carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities are presented as a separate line in the Consolidated Balance Sheet, within current and non-current liabilities.

As a practical expedient, IFRS 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

Lessor accounting

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case the lease is a classified as a finance lease, otherwise as an operating lease.

Operating leases

If a lease is classified as an operating lease, the Group does not derecognise the underlying asset from its balance sheet and continues to recognise depreciation and impairment losses on the asset.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in administrative expense in the Consolidated Income Statement.

Finance leases

If a lease is classified as a finance lease, the Group derecognises the underlying asset from its balance sheet and recognises a lease receivable at an amount equal to the net investment in the lease. The net investment in the lease is the present value of the lease payments and any unguaranteed residual value of the underlying asset, discounted at the interest rate implicit in the lease. The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Group presents the lease receivable in Trade and other receivables on the Consolidated Balance Sheet.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated based on standard costs based on normal operating conditions with price and usage variances apportioned using the periodic unit pricing method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Where net realisable value is lower than cost, provision for impairment is made which is charged to cost of sales in the Consolidated Income Statement.

Assets held for sale

Non-current assets and groups of assets and liabilities which comprise disposal groups are classified as 'held for sale' when their carrying amount will be recoverable principally through a sale transaction rather than through continuing use. To be classified as a 'held for sale' asset or disposal group, the sale must be highly probable and the assets must be available for sale immediately in their present condition. In addition, all of the following criteria must also be met:

- Management is committed to the plan to sell
- The assets are being actively marketed
- Actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- A sale has been agreed or is expected to be concluded within 12 months of the balance sheet date.

Immediately prior to classification as held for sale, the value of the assets or groups of assets is re-measured in accordance with the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Items. Subsequently, assets and disposal groups classified as held for sale are measured at the lower of book value or fair value less disposal costs. Assets held for sale are neither depreciated nor amortised.

Cash, cash equivalents and bank overdrafts

Cash and cash equivalents include cash at bank and in hand, call and short-term deposits and other highly liquid investments with original maturities of three months or less which are readily convertible into known amounts of cash and insignificant risk of changes in value.

Bank overdrafts are repayable on demand and form part of the Group's cash management arrangements.

Financial instruments

Financial assets and financial liabilities are recognised on the Consolidated Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Derivative financial instruments

The Group uses derivative financial instruments such as forward foreign exchange contracts and interest rate caps to manage its exposures to risks associated with foreign currency and interest rate fluctuations. These instruments are measured at fair value. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Consolidated Income Statement.

Derivatives designated as cash flow hedges

Derivatives designated as the hedging instruments are classified at inception of hedge relationship as cash flow hedges. There are no fair value hedges or net investment hedges in the Group.

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. Ineffective portions are recognised in profit or loss immediately.

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 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 Consolidated Income Statement in the period (or periods) when the hedged item affects the Consolidated Income Statement.

Financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or profit or loss)
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group's financial assets are subsequently measured at either amortised cost or fair value through profit or loss, depending on their classification.

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.

(a) Trade receivables

Trade and other receivables are initially measured at transaction price, and subsequently at amortised cost. The amortised cost for trade and other receivables is generally equivalent to the invoiced amount less allowance for expected credit losses (ECL). The ECL is based on the difference between the contractual cash flows due in accordance with the contract and the present value of all the cash flows that the Group expects to receive. The Group has elected to use the simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECLs at each reporting date (i.e. the expected credit losses that will result from all possible default events over the expected life of the financial instrument). The Group has applied the practical expedient to calculate ECLs using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Trade receivables are fully impaired and subsequently written off when all possible routes through which amounts can be recovered have been exhausted. The Group recognises any impairment gain or loss in the Consolidated Income Statement with a corresponding adjustment to the financial asset's carrying amount through a loss allowance account.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

1. ACCOUNTING POLICIES CONTINUED

(b) Loans to joint ventures

The Group's loans to the joint venture (presented in the Consolidated Balance Sheet as part of the 'net investment in joint ventures') are measured initially at fair value and are subsequently held at amortised cost less an ECL allowance. The loans are assessed for an ECL allowance as follows:

- Where there has been a significant increase in credit risk since initial recognition the Group measures ECL based on lifetime ECLs i.e. all credit losses expected from possible default events over the remaining life of the loan, irrespective of the timing of the default.
- Where there has not been a significant increase in credit risk since initial recognition the Group measures the loss allowance at an amount equal to 12-month ECL i.e. the portion of lifetime ECL that is expected to result from default events on the loan that are possible within 12 months after the reporting date.

In assessing whether the credit risk has increased significantly on the loan to the joint venture since initial recognition, the Group compares the risk of a default occurring on the loan at the reporting date with the risk of a default occurring on the loan at the date of initial recognition. In making this assessment, the Group considers, in particular, the financial and operational performance of a joint venture, changes to the financial forecasts or increases in credit risk on other receivables. Any associated loss allowance related to loans to joint ventures is recorded in administration expense in the Consolidated Income Statement.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(a) Interest-bearing loans and borrowings

Interest-bearing bank loans, borrowings and overdrafts are initially recorded at fair value, net of directly related fees, and are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses arising on the repurchase, settlement or other cancellation of interest-bearing loans and borrowings are recognised in finance income and finance costs, respectively.

(b) Trade payables

Trade payables are initially recognised at fair value, normally being the invoiced amounts, and subsequently measured at amortised cost, using the effective interest rate method.

(c) Trade payables under vendor financing arrangements

The Group may from time to time enter into arrangements with a bank or banking partners under which the bank offers vendors the option to receive early settlement of its trade receivables. Vendors using such arrangement pay a fee to the bank. The Group does not pay any fees and does not provide any additional collateral or guarantee to the bank. Based on the Group's assessment, the liabilities under the vendor advance arrangement are closely related to operating purchase activities with no significant change in the nature or function of the liabilities. These liabilities are therefore classified as trade payables with separate disclosures in the notes to the Consolidated Financial Statements. The credit period does not exceed 12 months and are not discounted.

Share capital and reserves

The types of reserves presented in the Consolidated Statement of Changes in Equity are:

- Treasury 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 as a deduction from equity attributable to Company's equity holders. When Treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity attributable to Company's equity holders.
- Capital redemption reserve: Includes amounts in respect of the redemption of certain of the Company's ordinary shares.
- Hedging reserve: Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised in the hedging reserve through other comprehensive income.
- Currency translation reserve: The currency translation reserve recognises the cumulative effect of foreign exchange differences arising on translation of the Group's overseas operations from their local functional currency to the Group's presentational currency.
- Retained earnings for the Group are made up of accumulated reserves.
- Other reserves relate to the Group's share-based payment schemes.
- · Non-controlling interests: The non-controlling interest's proportion of the fair values of the assets and liabilities recognised.

Retirement benefit and similar obligations

The Group operates retirement benefit schemes in the UK and for certain overseas operations. In the UK, these comprise defined benefit schemes, each of which was closed to future accrual on 31 May 2008, and defined contribution schemes. Overseas schemes are predominantly defined contribution schemes, with the exception of PZ Cussons Indonesia, which operates a defined benefit scheme.

The Group accounts for its main defined benefit scheme under IAS 19 *Employee Benefits*. The deficit/surplus of the defined benefit pension scheme is recognised in the Consolidated Balance Sheet (with surpluses only recognised to the extent that the Group has an unconditional right to a refund) and represents the difference between the fair value of the plan assets and the present value of the defined benefit obligation at the balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Pension charges/income recognised in the Consolidated Income Statement consists of administration charges for the scheme, past service costs and a cost/income based on the net interest expense/income on net pension scheme liabilities/surpluses. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Re-measurements comprising actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding interest) are included directly in other comprehensive income. Payments to defined contribution retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Share-based payments

The Group operates a number of long-term incentive schemes which provide share awards to Executive Directors and certain senior employees. The Group also operates a Share Incentive Plan (SIP) scheme which is open to UK employees.

The awards under these plans are measured at the fair value at the date of grant and are expensed over the vesting period based on the expected outcome of the performance, where they apply, and service conditions. At each balance sheet date, the estimate of the number of awards that are expected to vest is assessed, and the impact of the revision, if any, is recognised in the Consolidated Income Statement, with a corresponding adjustment to equity.

Dividend distributions

Dividend distributions which are subject to shareholder approval are recognised as a liability in the period in which the approval is given. Interim dividends, which do not require shareholder approval, are recognised when paid.

Consideration of climate change

In preparing the Consolidated Financial Statements, management has considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosures on pages 26 to 29. There has been no material impact identified on the financial reporting judgements and estimates. In particular, management considered the impact of climate change in respect of the following areas:

- Assessment of impairment of goodwill, other intangibles and tangible assets
- Assessment of impairment of financial assets
- Going concern and viability disclosures
- Impact on useful economic lives of assets
- Preparation of budgets and cash flow forecasts.

Given the low value of short to medium-term risk to these areas assessed in the TCFD report, no climate change-related impact was identified.

The viability assessment on pages 40 to 41 includes an assessment of severe but plausible scenarios, including climate change risks, with the potential to impact future performance, but none of these are considered likely to give rise to a trading deterioration of the magnitude indicated by the stresstesting or to threaten the viability of the business over the five-year assessment period. Management is, however, aware of the changing nature of risks associated with climate change and will regularly assess these risks against judgements and estimates made in preparation of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

1. ACCOUNTING POLICIES CONTINUED

Accounting estimates and judgements

The Group's material accounting policies under IFRS have been set by management with the approval of the Audit and Risk Committee. The application of these policies requires management to make assumptions and estimates about future events. The resulting accounting estimates will, by definition, differ from the actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Pensions

The cost of defined benefit pension schemes and the present value of the pension obligation are determined using actuarial assumptions in those valuations. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Significant differences in actual experience or significant changes in key assumptions could affect the retirement benefit surplus/obligations and the net interest expense. In determining the discount rate, management considers the interest rates of corporate bonds with at least an 'AA' rating or above and having terms to maturity approximating to the terms of the related pension obligation to be appropriate. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. See note 23 for details of key estimates and assumptions applied in valuing the pension schemes.

Current taxation

Current taxation liabilities/assets relate to the expected amount of taxation to be paid/received as a result of the operating performance of the Group's entities. In calculating the appropriate taxation charge, assumptions and judgements are made regarding application and interpretation of local laws.

In situations where tax impacts are subject to uncertain treatment, interpretation of local rule or regulation, or otherwise remain to be agreed with relevant tax authorities, an estimate of any resulting financial impact may be recorded in the Consolidated Financial Statements. Any such management estimates are made in accordance with IFRS requirements, including IAS 12 *Income Taxes* and IFRIC 23 *Uncertainty over Income Tax Treatments* when considering income tax and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* in relation to non-income taxes. Due to the uncertainty associated with such tax items, there is a possibility that on conclusion of open tax matters at a future date, the final outcome may differ significantly from the original amounts recorded. Where the eventual taxation paid or reclaimed is different to the amounts originally estimated, the difference will be charged or credited to the income statement in the period in which it is determined.

Included within the current taxation liability of the Group are current taxation estimates with net carrying values as at 31 May 2025 of £23.1 million (2024: £24.7 million), of which £21.7 million (2024: £23.2 million) relates to a single estimate arising due to a difference in technical standpoint between PZ Cussons plc and a tax authority on a subjective and complex piece of legislation. Due to the known difference in technical standpoint, this potential taxation liability has been provided for in full as the range of possible outcomes could be a liability up to the full value of the provided amount, however the potential future settlement remains a cash risk.

In addition to the provision items indicated above, as at 31 May 2025, the Group had further contingent taxation liabilities of £18.5 million (2024: £14.4 million) and contingent assets of £0.5 million (2024: £1.2 million). The largest item relates to an overseas court verdict that found against the Group and the possible cross-over risk into later years, all of which have been appealed by the Group. Other primary risks include the historical impact of licensing arrangements and more speculative claims made by overseas tax authorities, with external third-party opinions supporting the recognition of such items as having less than a probable risk of crystallisation. Such positions have been disclosed as contingent assets/liabilities in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Deferred taxation assets – temporary differences

Deferred taxation is provided on temporary differences between the carrying amounts of assets and liabilities recognised for financial reporting purposes and the amounts used for taxation purposes, on an undiscounted basis. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the financial year-end date.

Assessment of impairment of goodwill and other indefinite life assets

Goodwill and brands have all arisen from business combinations and all have indefinite useful lives and, in accordance with IAS 36 Impairment of Assets, are subject to annual impairment testing (which the Group carries out at the year-end date), or more frequently if there are indicators of impairment. The method used for impairment testing is to allocate assets (including goodwill and brands) to appropriate CGUs based on the smallest identifiable group of assets that generate independent cash inflows, and to estimate the recoverable amounts of the CGUs as the higher of the asset's fair values less costs of disposal and the value-in-use. For the purposes of goodwill impairment testing, goodwill related to each of the Beauty brands is aggregated together into the Beauty group of CGUs as this is manner in which the core assets are used to generate cash flows and is the lowest level at which goodwill is monitored by management. Value-in-use is determined using cash flow projections from approved budgets and plans which are then extrapolated based on estimated long-term growth rates applicable to the markets and geographies in which the CGUs operate.

The cash flow projections are discounted based on a pre-tax weighted average cost of capital for comparable companies operating in similar markets and geographies as the Group adjusted for risks specific to the particular CGU. The assumptions used in the cash flow projections, and associated sensitivities, are described and set out in note 10.

Critical areas of judgment

Assessment of useful lives of acquired brands

The Directors are required to assess whether the useful lives of acquired brands are finite or indefinite. Under IAS 38 Intangible Assets, an intangible asset should be regarded as having an indefinite useful life when, based on all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

Deferred tax assets – unused tax losses

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be used. Deferred taxation assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be used. At 31 May 2025, the Group recorded a deferred taxation asset of £26.8 million (2024: £36.8 million) on recognised but unused tax losses. The Group has concluded that the deferred taxation assets will be recoverable as it is probable that the related taxation benefit will be realised in the foreseeable future.

2. SEGMENTAL ANALYSIS

The segmental information presented in this note is consistent with management reporting provided to the Executive Committee, which is the Chief Operating Decision-Maker (CODM). The CODM reviews the Group's internal reporting to assess performance and allocate resources. The CODM considers the business from a geographic perspective, with Europe & the Americas, Asia Pacific and Africa being the operating segments. In accordance with IFRS 8 *Operating Segments*, the Executive Committee has identified these as the reportable segments.

The CODM assesses the performance based on operating profit before adjusting items. Revenue and operating profit of the Europe & the Americas and Asia Pacific segments arise from the sale of Hygiene, Beauty and Baby products. Revenue and operating profit from the Africa segment also arise from the sale of Hygiene, Beauty and Baby products as well as Electrical products. The prices between Group companies for intra-group sales of materials, manufactured goods, and charges for franchise fees and royalties are on an arm's length basis.

Central includes expenditure associated with the global headquarters and above market functions net of recharges to our regions. Reporting used by the CODM to assess performance does contain information about brand-specific performance. Global segmentation between the portfolio of brands is not part of the regular internally reported financial information.

(a) Reportable segments

2025	Europe & the Americas £m	Asia Pacific £m	Africa £m	Central £m	Eliminations £m	Total £m
Gross segment revenue	202.5	175.3	140.9	40.2	(45.1)	513.8
Inter-segment revenue	(3.1)	(1.8)	_	(40.2)	45.1	_
Revenue	199.4	173.5	140.9	_	_	513.8
Segmental operating profit/(loss) before adjusting items and share of results of joint venture	36.8	25.2	16.3	(30.5)	_	47.8
Share of results of joint venture	_	_	7.1	_	_	7.1
Segmental operating profit/(loss) before adjusting items	36.8	25.2	23.4	(30.5)	_	54.9
Adjusting items	14.1	(0.1)	(4.5)	(43.8)	_	(34.3)
Segmental operating profit/(loss)	50.9	25.1	18.9	(74.3)	_	20.6
Finance income						3.9
Finance expense						(18.0)
Net monetary gain arising from hyperinflationary economies						_
Profit before taxation						6.5

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

2. SEGMENTAL ANALYSIS CONTINUED

(a) Reportable segments continued

2024	Europe & the Americas £m	Asia Pacific £m	Africa £m	Central £m	Eliminations £m	Total £m
Gross segment revenue	204.1	179.2	151.7	34.2	(41.3)	527.9
Inter-segment revenue	(3.4)	(4.0)	_	(33.9)	41.3	_
Revenue	200.7	175.2	151.7	0.3	_	527.9
Segmental operating profit/(loss) before adjusting items and share of results of joint venture	32.6	28.0	19.6	(32.6)	_	47.6
Share of results of joint venture	_	_	10.7	_	_	10.7
Segmental operating profit/(loss) before adjusting items	32.6	28.0	30.3	(32.6)	_	58.3
Adjusting items	(31.9)	(1.0)	(81.0)	(28.1)	_	(142.0)
Segmental operating profit/(loss)	0.7	27.0	(50.7)	(60.7)	_	(83.7)
Finance income						12.2
Finance expense						(24.2)
Net monetary loss arising from hyperinflationary economies						(0.2)
Loss before taxation						(95.9)

Segment assets and liabilities are not disclosed because they are not reported to nor reviewed by the CODM.

UK revenue for 2025 was £182.1 million (2024: £179.6 million), Nigeria revenue for 2025 was £105.5 million (2024: £126.0 million), Australia and New Zealand revenue for 2025 was £88.5 million (2024: £94.9 million) and Indonesia revenue for 2025 was £68.5 million (2024: £63.9 million). UK non-current assets at 31 May 2025 were £28.4 million (2024: £30.4 million), Australia and New Zealand non-current assets at 31 May 2025 were £23.4 million (2024: £30.4 million), Australia and New Zealand non-current assets at 31 May 2025 were £32.0 million (2024: £35.2 million) and Indonesia non-current assets at 31 May 2025 were £15.0 million (2024: £11.6 million).

The Group analyses its revenue by the following categories:

	2025 £m	2024 £m
Hygiene	285.5	289.1
Baby	106.6	106.9
Baby Beauty	65.4	68.3
Electricals	47.0	56.6
Other	9.3	7.0
	513.8	527.9

No single customer generates revenue greater than 10% of the consolidated revenue.

3. ADJUSTING ITEMS

Adjusting item expense/(income) comprised:

	2025 £m	2024 £m
Simplification and transformation ¹	8.7	10.1
Acquisition and disposal-related items ²	1.7	(1.4)
Impairment charge (net of impairment reversal) ¹	18.8	24.4
Foreign exchange losses on Nigerian Naira devaluation ³	_	104.1
Foreign exchange losses on Nigerian Naira devaluation on joint venture ⁴	_	3.4
Foreign exchange losses arising on loans previously classified as permanent as equity ¹	3.9	_
Foreign exchange losses arising on loans previously classified as permanent as equity to joint venture undertaking ⁴	1.5	_
Adjusting items before taxation	34.6	140.6
Taxation	2.7	(30.6)
Adjusting items after taxation	37.3	110.0

- 1 Included in administrative expense in the Consolidated Income Statement.
- 2 £1.4 million is included in administrative expenses and £0.3 million is Included in finance income in the Consolidated Income Statement.
- 3 In the year ended 31 May 2024, £79.0 million is included in cost of sales and £25.1 million is included in administrative expense in the Consolidated Income Statement. The amount in administrative expense included charges of £0.2 million and £1.4 million relating to the de-designation of permanent as equity loans to a joint venture and fellow subsidiary undertakings respectively.
- 4 Included in share of results of joint venture in the Consolidated Income Statement.

Simplification and transformation

For the year ended 31 May 2025, these costs primarily relate to the strategic review of our Africa business and the St.Tropez brand. For the year ended 31 May 2024, these costs primarily relate to the following projects which started in 2022: three-year finance transformation project, HR simplification project and supply chain transformation project which completed during 2025.

Acquisition and disposal-related items

For the year ended 31 May 2025, the expense relates to the re-measurement of the deferred consideration for the Childs Farm acquisition and costs incurred in relation to the sale of the Group's joint venture undertaking (notes 14 and 15) expected to be completed during the year ending 31 May 2026. In the year ended 31 May 2025, the Group made the final settlement payment of the deferred consideration for the Childs Farm acquisition. For the year ended 31 May 2024, the income relates to the re-measurement of the deferred consideration for the Childs Farm acquisition.

Impairment charge (net of impairment reversal)

The current year charge relates to the impairment of the Beauty group of CGUs goodwill of £35.3m which is partially offset by the £16.5m impairment reversal of the Sanctuary Spa brand intangible (note 10). For the year ended 31 May 2024, the impairment charge relates to the impairment of the Sanctuary Spa brand of £24.4m (note 10).

Foreign exchange losses arising on Nigerian Naira devaluation (including on joint venture)

For the year ended 31 May 2024, this primarily relates to realised and unrealised foreign exchange losses resulting from the Nigerian Naira devaluation during the financial year on USD denominated liabilities which existed at 31 May 2023.

As outlined in footnotes 3 and 4 above, this also includes a net charge of £0.4 million relating to the de-designation of permanent as equity loans to a joint venture undertaking and with subsidiary undertakings.

Foreign exchange losses arising on loans previously designated as permanent as equity (including to joint venture)

For the year ended 31 May 2025, this primarily relates to realised and unrealised foreign exchange losses resulting from movements in the Nigerian Naira on loans with the joint venture undertaking and subsidiary undertakings which were de-designated from permanent as equity in the year ended 31 May 2024.

The closing NGN/GBP rate at 31 May 2025 was 2,136 (2024: 1,893), and the average NGN/GBP for the current year was 2,015 (2024: 1,257).

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

4. LOSS FOR THE YEAR

Loss for the year has been arrived at after (crediting)/charging:

	2025 £m	2024 £m
Net foreign exchange losses	7.8	124.6
Research and development costs	1.1	0.5
Depreciation of property, plant and equipment	5.1	7.0
Depreciation of investment properties	0.1	0.1
Depreciation of right-of-use assets	2.8	3.2
Profit on disposal of property, plant and equipment	_	(1.8)
Profit on disposal of other assets	(1.1)	_
Amortisation of intangible assets	4.1	7.1
Impairment of intangible assets, net of impairment reversal (note 10)	18.8	24.4

Auditor remuneration

An analysis of Auditor remuneration is provided below:

	2025	2024
	£m	£m
Fees payable to the Company's Auditor for the audit of the Company's annual financial statements and consolidation	2.0	2.3
Fees payable to the Company's Auditor and their associates for other services to the Group:		
– audit of the Company's subsidiaries	2.0	1.7
Fees payable to the Company's previous Auditor and their associates for other services to the Group:		
– audit of the Company's subsidiaries	_	0.4
Total audit fees	4.0	4.4
Fees payable to the Company's Auditor and its associates for other services:		
– Other assurance services ¹	0.2	0.3
Total fees for non-audit services	0.2	0.3
Total auditor's remuneration	4.2	4.7

¹ Fees for permitted non-audit services paid to the Company's Auditor included £0.2 million (2024: £0.3 million) for the review of the Group's interim statement released in February 2025.

5. EMPLOYEES

The average monthly number of employees (including Executive Directors) was as follows:

	2025 number	2024 number
Production	1,379	1,621
Selling and distribution	647	599
Administration	385	347
	2,411	2,567

Costs incurred in respect of the above were as follows:

	2025 £m	2024 £m
Wages and salaries	64.6	69.2
Social security costs	5.7	5.1
Pension costs	3.3	3.5
Share-based payments	2.6	1.9
	76.2	79.7

Pension costs (note 23) consist of:

	2025 £m	2024 £m
Defined benefit schemes	1.3	1.3
Defined contribution schemes	1.8	1.9
Nigerian gratuity scheme	0.2	0.3
	3.3	3.5

6. NET FINANCE EXPENSE

	2025 £m	2024 £m
Interest receivable on cash and cash equivalents held	(2.4)	(8.9)
Finance income on defined benefit pension schemes	(1.5)	(1.9)
Change in fair value of deferred consideration	_	(1.4)
Finance income	(3.9)	(12.2)
Interest payable on borrowings	15.5	22.2
Finance expense on defined benefit pension schemes	0.6	0.6
Interest expense on lease liabilities	0.6	0.5
Change in fair value of deferred consideration	0.3	_
Amortisation of financing fees	1.0	0.9
Finance expense	18.0	24.2
Net finance expense	14.1	12.0

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

7. TAXATION

	2025	2024
	£m	£m
Current taxation		
UK corporation tax		
– current year	2.7	5.2
– adjustments in respect of prior years	(1.6)	3.5
	1.1	8.7
Overseas corporation tax		
– current year	11.9	11.6
– adjustments in respect of prior years	(0.2)	(0.8)
	11.7	10.8
Total current taxation charge	12.8	19.5
Deferred taxation		(22.0)
Origination and reversal of temporary timing differences	1.5	(38.0)
Adjustments in respect of prior years	(2.6)	(6.4)
Effect of rate change adjustments		0.8
Total deferred taxation credit	(1.1)	(43.6)
Total taxation charge/(credit)	11.7	(24.1)
Analysed as:		
Taxation on profit before adjusting items	9.0	6.5
Taxation on adjusting items	2.7	(30.6)
	11.7	(24.1)

The effective tax rate (ETR) in relation to continuing operations for the year is 180.0% (2024: 25.1%). Before adjusting items, the ETR is 21.9% (2024: 14.5%), primarily due to the impacts of the minimum tax regime in Nigeria and the material impairments on brand and goodwill. The statutory ETR of 180.0% is driven primarily by the £35.3 million Goodwill impairment of Beauty brands that is non-deductible for UK corporation tax purposes, and which originated from business combination accounting under IFRS 3 requiring relevant assets and liabilities to be recorded at fair value at the date of acquisition. Absent the impairment of Goodwill, the statutory ETR for FY25 would be 28.0%.

UK corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The Group has chosen to use the UK corporation tax rate for the reconciliation of the tax charge for the year to the profit before taxation as this is the seat for the central management and control of the Group.

	2025	2024
	£m	£m
Profit/(loss) before taxation	6.5	(95.9)
Taxation at the UK corporation tax rate of 25% (2024: 25%)	1.6	(24.0)
Adjusted for:		
Effect of non-deductible expenses	13.6	6.4
Effect of non-taxable income	(2.9)	(3.7)
Effect of rate changes on deferred taxation (all territories)	_	0.8
Taxation effect of share of results of joint venture	(1.8)	(2.4)
Other taxes suffered outside of the UK	3.0	2.1
Net adjustment to amount carried in respect of uncertain tax positions	1.0	2.4
Movements in deferred taxation assets not recognised	0.1	1.7
Adjustments in respect of prior years	(4.4)	(3.7)
Differences in overseas rates	1.5	(3.7)
Taxation charge/(credit) for the year	11.7	(24.1)

Primary reconciling differences between taxation at UK corporation tax rate and the actual taxation charge for the year include the following:

- Net increase to the amount carried in respect of uncertain tax positions £1.0 million (2024: £2.4 million increase).
- Effect of non-deductible expenses of £13.6 million (2024: £6.4 million) include items considered non-deductible across the Group's various operating entities, including disallowances in respect of related party transactions and impairments on intangibles, in particular a £35.3 million (2024: £nil) impairment of goodwill relating to the Group's Beauty brands.
- Effect of non-taxable income of £2.9 million (2024: £3.7 million) include items considered non-taxable across the Group's various operating entities including non-taxable income in respect of related party transactions.
- Other taxes suffered outside the UK increased the annual taxation charge by £3.0 million (2024: £2.1 million) and included unrelievable withholding taxes incurred on dividends received in the UK. It also includes local levies and the minimum rate of tax payable in Nigeria as a proportion of revenue and as a result of there being no taxable profits on which corporation tax would be assessable due to the availability of losses during the period.
- Differences in foreign tax rates during the year of £1.5 million (2024: £3.7 million credit) reflecting the Group profitability profile in overseas jurisdictions.

Taxation on items taken directly to equity and other comprehensive income was a credit of £0.7 million (2024: £14.9 million credit) and primarily relates to deferred taxation on the re-measurement of retirement and other long-term benefit obligations.

The Group operates in a multi-national tax environment where the nature of uncertain tax positions is often complex and subject to change, and necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multi-national top-up tax effective for accounting periods on or after 31 December 2023, and effective for the Group from 1 June 2024. The Group has continued to apply the exception allowed by an amendment to IAS 12 *Income Taxes* to recognising and disclosing information about deferred tax assets and liabilities relating to top-up income taxes. The Group is not currently within the scope of the Pillar Two rules.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

8. DIVIDENDS

	2025 £m	2024 £m
Amounts recognised as distributions to ordinary shareholders in the year comprise:		
Final dividend for the year ended 31 May 2024 of 2.10p (2023: 3.73p) per ordinary share	8.8	15.6
Interim dividend for the year ended 31 May 2025 of 1.50p (2024: 1.50p) per ordinary share	6.3	6.3
	15.1	21.9

After the balance sheet date, a final dividend for the year ended 31 May 2025 was proposed by the Directors of 2.10p per ordinary share. This results in a total proposed dividend of £15.1 million (2024: £15.1 million). Subject to approval by shareholders at the Annual General Meeting, the dividend will be paid on 27 November 2025 to the shareholders on the register on 31 October 2025. The proposed dividend has not been included as a liability in the Consolidated Financial Statements as at 31 May 2025.

9. LOSS PER SHARE

Earnings per share (EPS) represents the amount of earnings attributable to each ordinary share in issue. Basic EPS is calculated by dividing the profit/ (loss) after taxation attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the year, excluding treasury shares owned by employee trusts.

For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group's dilutive potential ordinary shares relate to awards granted under the Group's share incentive schemes which are described in the share-based payments note (note 25). The basic and diluted EPS are equal as a result of the Group incurring a loss for the year.

The average number of shares is reconciled to the basic weighted average and diluted weighted average number of shares as set out below:

	2025 number 000	2024 number 000
Average number of ordinary shares in issue during the year	428,725	428,725
Less: weighted average number of treasury shares	(9,268)	(9,693)
Basic weighted average shares in issue during the year	419,457	419,032
Dilutive effect of share incentive schemes	1,294	1,064
Diluted weighted average shares in issue during the year	420,751	420,096

10. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Software	Brands	Total
	£m	£m	£m	£m
Cost				
At 1 June 2023	66.6	66.6	267.2	400.4
Additions	_	0.4	_	0.4
Exchange differences	_	(1.5)	_	(1.5)
At 31 May 2024	66.6	65.5	267.2	399.3
Additions	_	0.4	_	0.4
Exchange differences	_	(0.1)	(2.8)	(2.9)
At 31 May 2025	66.6	65.8	264.4	396.8
Accumulated amortisation and impairment				
At 1 June 2023	10.2	41.1	36.4	87.7
Amortisation charge	_	7.1	_	7.1
Impairment charge	_	_	24.4	24.4
Exchange differences	1.7	(1.0)	0.1	0.8
At 31 May 2024	11.9	47.2	60.9	120.0
Amortisation charge	-	4.1	_	4.1
Impairment charge	35.3	_	_	35.3
Impairment reversal	_	_	(16.5)	(16.5)
At 31 May 2025	47.2	51.3	44.4	142.9
Net book value				
At 31 May 2025	19.4	14.5	220.0	253.9
At 31 May 2024	54.7	18.3	206.3	279.3

Amortisation and impairment are charged to administrative expense in the Consolidated Income Statement. Cumulative impairment of goodwill as at 31 May 2025 was £45.5 million (2024: £10.2 million) and cumulative impairment of brands as at 31 May 2025 was £44.3 million (2024: £60.8 million).

Software includes the Group's enterprise resource planning system (SAP), which is internally developed, and the carrying value of this asset as at 31 May 2025 is £11.3 million (2024: £13.7 million), with five years of amortisation remaining. In prior years, SAP was expected to be fully amortised by the end of FY27, based on an initial plan to transition to a new release. Following a review during FY25, this plan has been revised and SAP is now expected to remain in use until the end of FY30 in line with the manufacturer's support period. As a result, the remaining useful life of the asset has been extended from two years to five years and the annual amortisation charge has been reduced to £2.4 million from £4.9 million.

Other than software, intangible assets comprise goodwill and brands. Goodwill and brands have all arisen from previous business combinations and all have indefinite useful lives and, in accordance with IAS 36 *Impairment of Assets*, are subject to annual impairment testing (which the Group carries out at the year-end date), or more frequently if there are indicators of impairment.

The method used for impairment testing is to allocate assets to appropriate CGUs based on the smallest identifiable group of assets that generate independent cash inflows, and to estimate the recoverable amounts of the CGUs as the higher of the assets' fair values less costs of disposal and the value-in-use. Impairment testing is a two-step approach commencing with the testing of brands with an indefinite useful life. Each brand is considered its own CGU for this purpose. The second step is to test goodwill for impairment. For the purposes of this test, goodwill acquired is allocated to the CGUs or groups of CGUs expected to benefit from the synergies of the business combination. For this purpose goodwill related to each of the beauty brands is aggregated together into the Beauty group of CGUs as this is the manner in which the core assets are used to generate cash flows and is the lowest level at which goodwill is monitored by management.

Value-in-use is determined using cash flow projections from approved budgets and plans which are then extrapolated based on estimated long-term growth rates applicable to the markets and geographies in which the CGUs operate. The cash flow projections are discounted based on a pre-tax weighted average cost of capital for comparable companies operating in similar markets and geographies as the Group adjusted for risks specific to the particular CGU.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

10. GOODWILL AND OTHER INTANGIBLE ASSETS CONTINUED

Goodwill of £19.4 million (2024: £54.7 million) comprises £5.1 million (2024: £40.4 million) in relation to the acquisitions of the Group's Beauty brands (Charles Worthington, Fudge, Sanctuary Spa and St.Tropez), £13.5 million (2024: £13.5 million) in relation to the acquisition of Childs Farm and £0.8 million (2024: £0.8 million) in relation to other acquisitions. Goodwill for the Beauty brands is assessed at the Group of CGUs comprising these brands (see table below) as this represents the lowest level at which goodwill is monitored by management.

The carrying value of goodwill and each brand is set out in the table below. For the impairment testing of brands, each brand is allocated to a single CGU. For the impairment testing of goodwill, Childs Farm goodwill is allocated to the same CGU as the brand and, as noted above, Beauty goodwill is allocated to the group of CGUs comprising the Beauty brands:

	Goodwill 2025 £m	Brands 2025 £m	Goodwill 2024 £m	Brands 2024 £m
Charles Worthington		9.6		9.6
Fudge		24.6		24.6
Sanctuary Spa		51.0		34.5
St.Tropez		58.4		58.4
Beauty	5.1	143.6	40.4	127.1
Original Source	_	9.8	_	9.8
Rafferty's Garden	_	31.1	_	33.9
Childs Farm	13.5	35.5	13.5	35.5
Other	0.8	_	0.8	_
	19.4	220.0	54.7	206.3

In performing the impairment testing, the Group used the five-year plan ending 31 May 2030. Assumptions in the budgets and plans used for the value-in-use cash flow projections include future revenue volume and price growth rates, associated future levels of marketing support, the cost base of manufacture and supply, and directly associated overheads. These assumptions are based on historical trends and future market expectations specific to each CGU and the markets and geographies in which each CGU operates.

The key assumptions applied in determining value-in-use are the long-term growth rate and the discount rate, both of which are determined with reference to the markets and geographies in which the CGU (or group of CGUs) operates, and revenue growth and gross margin.

The compound annual growth rates, long-term growth rates and discount rates applied in the value-in-use calculations used in impairment tests were:

	CAGR ¹ 2025	CAGR ¹ 2024	Long-term growth rate 2025	Long-term growth rate 2024	Pre-tax discount rate 2025	Pre-tax discount rate 2024
Charles Worthington	2.5%	6.1%	2.0%	2.0%	13.0%	11.5%
Fudge	0.7%	2.3%	2.0%	2.0%	13.5%	11.7%
Sanctuary Spa	3.1%	2.8%	2.0%	2.0%	13.0%	11.5%
St.Tropez	1.3%	3.3%	2.0%	2.0%	13.5%	12.0%
Beauty group of CGUs (goodwill assessment)	2.0%	3.2%	2.0%	2.0%	13.3%	11.6%
Original Source	10.2%	9.9%	2.0%	2.0%	13.1%	11.6%
Rafferty's Garden	2.5%	4.5%	2.0%	2.5%	13.1%	11.8%
Childs Farm (brand and goodwill assessment)	11.2%	19.6%	2.0%	2.0%	13.0%	11.7%

¹ CAGR refers to the compound annual revenue growth rate over the five-year plan period.

The results of the brand impairment tests as at 31 May 2025 were as follows:

Sanctuary Spa

In the year ended 31 May 2025, there was an impairment reversal of £16.5 million (2024: charge of £24.4 million) relating to the Sanctuary Spa brand, charged to administrative expense in the Consolidated Income Statement and included in the Europe & the Americas segment. The recoverable amount reflected improved brand performance that exceeded prior year expectations driven by gift set sales and the launch of a new range. The recoverable amount of the CGU was determined to be £51.6 million based on a value-in-use calculation, which when compared to a carrying value of £35.1 million (of which the brand represented £34.5 million) resulted in an impairment reversal of £16.5 million. The long-term growth rate and discount rate used in the value-in-use calculations were 2.0% and 13.0% respectively.

Management has determined gross margin, discount rate and compound annual revenue growth rate to be the key assumptions in the forecasts for Sanctuary Spa. Sensitivity analysis has been carried out in the year ended 31 May 2025 and a reasonably possible change of 250bps decline in gross margin within the five-year forecast period would reduce the impairment reversal by £8.2 million, a 200bps decline in the annual revenue growth rate over the five-year plan period, which results in a five-year compound annual revenue growth rate of 1.1%, would reduce the impairment reversal by £10.0 million and a 100bps increase in the discount rate would reduce the impairment reversal by £5.7 million. A reduction of 3.4% in compound annual revenue growth rate over the five-year plan would result in £nil impairment reversal. The same impact would be caused by a decline of 5.1% in gross margin or an increase of 3.8% in discount rate.

St.Tropez

For the St.Tropez brand, the recoverable amount of the CGU was determined to be £63.4 million based on a value-in-use calculation, which is in excess of the carrying value of £63.0 million (of which the brand represented £58.4 million) despite an unexpected revenue decline in the US during the year ended 31 May 2025.

Management has determined gross margin, discount rate and compound annual revenue growth rate to be the key assumptions in the forecasts for St.Tropez. Sensitivity analysis has been carried out in the year ended 31 May 2025 and a reasonably possible change of 250bps decline in gross margin within the five-year forecast period would result in an impairment charge of £8.6 million, a 200bps decline in annual revenue growth rate within the five-year forecast period, which results in a five-year compound annual revenue growth rate of (0.5)%, would result in an impairment charge of £12.4 million and a 100bps increase in the discount rate would result in an impairment charge of £6.8 million. A reduction of 0.1% in compound annual revenue growth rate over the five-year plan would result in zero headroom. The same impact would be caused by a decline of 0.1% in gross margin or an increase of 0.1% in discount rate.

Rafferty's Garden

For the Rafferty's Garden brand, the recoverable amount of the CGU was determined to be £33.5 million based on a value-in-use calculation, which is in excess of the carrying value of £31.9 million (of which the brand represented £31.1 million) despite cost-of living pressures in Australia.

Management has determined gross margin, discount rate and compound annual revenue growth rate to be the key assumptions in the forecasts for Rafferty's Garden. Sensitivity analysis has been carried out in the year ended 31 May 2025 and a reasonably possible change of 250bps decline in gross margin within the five-year forecast period would result in an impairment charge of £6.6 million, a 200bps decline in annual revenue growth rate within the five-year forecast period, which results in a five-year compound annual revenue growth rate of 0.5%, would result in an impairment charge of £5.9 million and a 100bps increase in the discount rate would result in an impairment charge of £2.6 million. A reduction of 0.4% in compound annual revenue growth rate over the five-year plan would result in zero headroom. The same impact would be caused by a decline of 0.5% in gross margin or an increase of 0.4% in discount rate.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

10. GOODWILL AND OTHER INTANGIBLE ASSETS CONTINUED

Charles Worthington

For the Charles Worthington brand, the recoverable amount of the applicable CGU which was based on a value-in-use calculation was determined to be £11.5 million which is in excess of the carrying value of £9.7 million (of which the brand represented £9.6 million).

Management has determined gross margin, discount rate and compound annual revenue growth rate to be the key assumptions in the forecasts for Charles Worthington. Sensitivity analysis has been carried out in the year ended 31 May 2025 and a reasonably possible change of 250bps decline in gross margin within the five-year forecast period would reduce the headroom by £1.5 million, a 200bps decline in annual revenue growth rate within the five-year forecast period, which results in a five-year compound annual revenue growth rate of 0.5%, would result in an impairment charge of £0.2 million and a 100bps increase in the discount rate would reduce the headroom by £1.3 million. A reduction of 1.8% in compound annual revenue growth rate over the five-year plan would result in zero headroom. The same impact would be caused by a decline of 2.9% in gross margin or an increase of 1.5% in discount rate.

Fudge

For the Fudge brand, the recoverable amount of the applicable CGU which was based on a value-in-use calculation was determined to be £27.7 million which is in excess of the carrying value of £24.8 million (of which the brand represented £24.6 million).

Management has determined gross margin, discount rate and compound annual revenue growth rate to be the key assumptions in the forecasts for Fudge. Sensitivity analysis has been carried out in the year ended 31 May 2025 and a reasonably possible change of 250bps decline in gross margin within the five-year forecast period would result in an impairment charge of £0.3 million, a 200bps decline in annual revenue growth rate within the five-year forecast period, which results in a five-year compound annual revenue growth rate of (1.3)%, would result in an impairment charge of £1.9 million and a 100bps increase in the discount rate would result in zero headroom. A reduction of 1.2% in compound annual revenue growth rate over the five-year plan would result in zero headroom. The same impact would be caused by a decline of 2.3% in gross margin or an increase of 1% in discount rate.

Childs Farm

For the Childs Farm brand, the recoverable amount of the applicable CGU which was based on a value-in-use calculation was determined to be £64.0 million which is in excess of the carrying value of £55.9 million (of which goodwill represented £13.5 million and the brand represented £35.5 million).

Management has determined gross margin, discount rate and compound annual revenue growth rate to be the key assumptions in the forecasts for Childs Farm. Sensitivity analysis has been carried out in the year ended 31 May 2025 and a reasonably possible change of 250bps decline in gross margin within the five-year forecast period would reduce the headroom by £6.5 million, a 500bps decline in annual revenue growth rate within the five-year forecast period, which results in a five-year compound annual revenue growth rate of 6.4%, would result in an impairment charge to goodwill of £14.6 million and a 100bps increase in the discount rate would reduce the headroom by £7.5 million. A reduction of 1.7% in compound annual revenue growth rate over the five-year plan would result in zero headroom. The same impact would be caused by a decline of 3% in gross margin or an increase of 1.1% in discount rate.

Beauty group of CGUs - goodwill

In the year ended 31 May 2025, there was an impairment charge of £35.3 million (2024: £nil) relating to the goodwill of the Beauty group of CGUs, charged to administrative expense in the Consolidated Income Statement and included in the Central segment. The recoverable amount of goodwill mainly reflected the reduction in the recoverable amount of the St.Tropez brand intangible due to a revenue decline in the US. The recoverable amount of the CGU was determined to be £154.2 million based on a value-in-use calculation, which when compared to carrying value resulted in an impairment charge of £35.3 million. The long-term growth rate and discount rate used in the value-in-use calculations were 2.0% and 13.3% respectively.

The remaining goodwill of the Beauty group of CGUs of £5.1 million reflects headroom of £1.8 million on the Charles Worthington brand intangible, £2.9 million on the Fudge brand intangible and £0.4 million on the St.Tropez brand intangible. Please see the sensitivity analysis provided within this note in relation to those brand intangibles. To the extent that an impairment that exceeded the headroom on the brand intangibles for Charles Worthington, Fudge and St.Tropez were identified, this would lead to additional impairment of the goodwill of the Beauty group of CGUs.

Other CGUs

For the remaining CGUs, the recoverable amounts of the respective applicable CGUs, which were determined based on value-in-use calculations, exceeded the carrying values. Sensitivity analysis on the value-in-use calculations did not identify potential impairment in relation to a reasonably possible downside in the assumptions used for the projections.

11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and machinery	Fixtures, fittings and vehicles	Assets in the course of construction	Total
	£m	£m	£m	£m	£m
Cost					
At 1 June 2023	75.5	119.7	51.0	3.3	249.5
Additions	_	_	_	5.7	5.7
Disposals	(4.6)	(9.6)	(0.6)	_	(14.8)
Transfers	0.3	4.1	1.4	(5.8)	_
Hyperinflationary adjustment ¹	1.2	_	_	_	1.2
Exchange differences	(22.7)	(34.0)	(4.9)	(0.5)	(62.1)
At 31 May 2024	49.7	80.2	46.9	2.7	179.5
Additions	_	0.1	0.2	6.0	6.3
Disposals	_	(1.6)	(7.8)	_	(9.4)
Transfers	0.3	2.7	0.8	(3.8)	_
Hyperinflationary adjustment ¹	0.7	_	_	_	0.7
Exchange differences	(0.8)	(2.9)	(0.5)	(0.1)	(4.3)
At 31 May 2025	49.9	78.5	39.6	4.8	172.8
Accumulated depreciation and impairment					
At 1 June 2023	34.4	99.8	47.4		181.6
Depreciation charge	1.0	4.7	1.3	_	7.0
Disposals	(2.6)	(9.5)	(0.7)	_	(12.8)
Exchange differences	(7.4)	(27.2)	(4.5)	_	(39.1)
At 31 May 2024	25.4	67.8	43.5	_	136.7
Depreciation charge	0.7	3.2	1.2	_	5.1
Disposals	_	(1.6)	(7.8)	_	(9.4)
Exchange differences	(0.2)	(2.3)	(0.5)	_	(3.0)
At 31 May 2025	25.9	67.1	36.4	-	129.4
Net book value					
At 31 May 2025	24.0	11.4	3.2	4.8	43.4
At 31 May 2024	24.3	12.4	3.4	2.7	42.8

¹ Represents a hyperinflation adjustment in relation to Ghana.

Depreciation is charged to administrative expenses except for plant and machinery which is charged to cost of sales in the Consolidated Income Statement. As at 31 May 2025, the Group had entered into commitments for the purchase of property, plant and equipment amounting to £0.7 million (2024: £0.4 million). As at 31 May 2025, the Group's share in the capital commitments of its joint venture was £nil (2024: £nil).

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

12. INVESTMENT PROPERTIES

The movement in the year in the carrying value of investments properties is set out below:

	2025 £m	2024 £m
Cost		
At 1 June	7.2	7.2
Additions	0.2	0.3
Transfers ¹	_	(0.9)
Hyperinflation impact ²	2.7	3.6
Exchange differences	0.5	(3.0)
At 31 May	10.6	7.2
Accumulated depreciation and impairment		
At 1 June	0.6	0.8
Depreciation charge	0.1	0.1
Exchange differences	(0.1)	(0.3)
Transfers ³	_	_
At 31 May	0.6	0.6
Net book value		
At 31 May	10.0	6.6

- 1 Transfers to assets held for sale.
- 2 Relates to hyperinflation in Ghana.
- 3 Transfers to property, plant and equipment.

Investment properties, principally office buildings and land, are held for long-term rental yields and are not occupied by the Group. The Group classifies rental inflows as operating cash flows. The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year. The fair value of the investment properties at 31 May 2025 is £30.0 million (2024: £19.5 million). The main Level 3 inputs used by the Group are derived and evaluated as follows: discount rates, terminal yields, expected vacancy rates and rental growth rates which are estimated by the external surveyors or management based on comparable transactions and industry data.

13. RIGHT-OF-USE ASSETS

The Group has lease contracts for various items of property, motor vehicles and other equipment used in its operations. Leases of property generally have lease terms between 3 and 12 years, while motor vehicles and other equipment generally have lease terms between one and four years.

The Group also has certain leases of vehicles with lease terms of 12 months or less and leases of equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The maturity analysis of future lease payments is provided in note 19.

Information about the Group's right-of-use assets is outlined below:

	Land and buildings £m	Motor vehicles £m	Other equipment £m	Total £m
	5.9	_	0.6	6.5
year	(2.3)	(0.3)	(0.2)	(2.8)
025	12.6	0.1	0.9	13.6

14. NET INVESTMENT IN JOINT VENTURE

Joint ventures are contractual arrangements over which the Group exercises joint control with partners and where the parties have rights to the net assets of the arrangement, irrespective of the Group's shareholding in the entity.

The Group's joint venture relates to a 50% interest in PZ Wilmar Limited, a manufacturing business based in Nigeria. In the Group's Consolidated Financial Statements, the interest in PZ Wilmar Limited is accounted for using the equity method.

The movement in the year in the carrying value of the net investment in the joint venture is set out below:

	PZ Wilma	PZ Wilmar Limited	
	Long-term Ioans £m	Equity method accounting £m	Total £m
At 1 June 2023	40.3	11.7	52.0
Share of results of joint venture	_	7.3	7.3
Loan repayments	(8.7)	_	(8.7)
De-designation of permanent as equity loans	(30.6)	_	(30.6)
Exchange differences	(1.0)	(19.0)	(20.0)
At 31 May 2024	_	_	_
Share of results of joint venture	_	5.6	5.6
Exchange differences	_	(1.0)	(1.0)
Reclassification to assets held for sale	_	(4.6)	(4.6)
At 31 May 2025		_	_

The long-term loans are denominated in US Dollars, interest-free and repayable in part or in full on demand. On 31 May 2025, the Group's investment in the PZ Wilmar Limited joint venture was reclassified to assets held for sale (note 15). During the prior year, the long-term loans were de-designated from permanent as equity (notes 1 and 3). Exchange differences on the long-term loans were recorded within other comprehensive income when the loans were determined to be permanent as equity. From the date of de-designation, the exchange differences were recorded in the Consolidated Income Statement.

Set out below is the summarised financial information for PZ Wilmar Limited:

	2025	2024
	£m	£m
Assets		
Non-current assets	25.7	25.8
Current assets		
Cash and cash equivalents	4.5	14.5
Other current assets	51.2	35.7
	55.7	50.2
Total assets	81.4	76.0
Liabilities		
Non-current liabilities	(47.7)	(54.1)
Current liabilities	(24.4)	(22.9)
Total liabilities	(72.1)	(77.0)
Net assets/(liabilities)	9.3	(1.0)

In the year ended 31 May 2024, the Group's share of losses in the joint venture exceeded its interests in the joint venture and accordingly, the Group did not recognise further losses in that year.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

14. NET INVESTMENT IN JOINT VENTURE CONTINUED

	2025 £m	2024 £m
Revenue	189.6	202.6
Profit before taxation	15.8	21.5
Profit after taxation	11.1	14.6
Proportion of Group's ownership interest in the joint venture	50%	50%
Share of results of joint venture	5.6	7.3

The loans issued to PZ Wilmar Limited have been assessed for impairment in accordance with IFRS 9 *Financial Instruments* and management has concluded that no impairment of these loans is required.

15. ASSETS HELD FOR SALE

Assets held for sale of £9.4 million as at 31 May 2025 (2024: £4.7 million) were measured at book value and related to land and buildings which are being disposed of as part of the ongoing supply chain simplification and transformation programme (£4.8 million), and an investment in a joint venture (£4.6 million). The sale agreement for the Group's 50% stake in the PZ Wilmar joint venture was signed after year-end and completion, which remains conditional on relevant approvals, is expected to take place in the last quarter of calendar 2025. See note 14 for further details on the investment in the joint venture. Assets held for sale are expected to be sold within 12 months.

16. INVENTORIES

	2025 £m	2024 £m
Raw materials and consumables	11.9	11.5
Work in progress	4.7	3.4
Finished goods and goods for resale	53.4	53.6
	70.0	68.5

During the year, the cost of inventories recognised as an expense, and included in cost of sales, amounted to £289.5 million (2024: £287.9 million) which included £3.0 million (2024: £5.7 million) for the write-down to net realisable value for slow-moving and obsolete inventories. Inventories are stated after provision to write-down to net realisable value of £3.2 million (2024: £4.9 million).

17. TRADE AND OTHER RECEIVABLES

	2025 £m	2024 £m
Trade receivables	76.7	77.5
Less: loss allowance	(1.9)	(2.6)
Net trade receivables	74.8	74.9
Lease receivables	1.2	1.3
Amounts owed by joint venture	27.1	31.7
Other receivables	12.6	14.9
Prepayments	5.6	8.3
	121.3	131.1
Classified within:		
Current assets	119.2	99.0
Non-current assets	2.1	32.1
	121.3	131.1

The Directors consider the carrying amount of trade and other receivables approximates to their fair value due to their short-term nature.

During the year ended 31 May 2024, long-term loans of £30.6 million were de-designated from permanent as equity (note 14). From the date of de-designation, the exchange differences were recorded in the Consolidated Income Statement. The long-term loans are denominated in US Dollars, interest-free and repayable in part or in full on demand. At the year ended 31 May 2025, the loans of £26.4 million became short-term loans following the sale agreement being reached for the PZ Wilmar joint venture.

Lease receivables on an undiscounted basis comprise £0.2 million receivable in less than one year, £0.2 million receivable in one to two years, £0.7 million receivable in two to five years and £1.0 million receivable in more than five years. The impact of discounting is £0.9 million.

Movement in the trade receivables loss allowance was:

	2025 £m	2024 £m
At 1 June	(2.6)	(4.4)
Increase in loss allowance	(0.8)	(1.9)
Allowance used during the year	0.1	0.6
Allowance released during the year	1.4	2.0
Exchange differences	_	1.1
At 31 May	(1.9)	(2.6)

See note 19 for an analysis of the ageing and credit risk profile of trade receivables.

Net trade receivables are denominated in the following currencies:

	2025 £m	2024 £m
Pound Sterling	29.0	27.0
US Dollar	11.7	11.6
Nigerian Naira	3.5	4.7
Australian Dollar	12.5	12.1
Indonesian Rupiah	12.8	14.6
Other currencies	5.3	4.9
	74.8	74.9

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Year ended 31 May 2025

18. CASH AND CASH EQUIVALENTS AND NET DEBT

Cash and cash equivalents include cash at bank and in hand, short-term deposits and other highly liquid investments with original maturities of three months or less which are readily convertible into known amounts of cash with insignificant risk of changes in value.

Borrowings comprise bank overdrafts, short-term uncommitted loans and amounts drawn under the Group's committed credit facility. Bank overdrafts are repayable on demand and form a part of the Group's cash management activities. Further details on the Group's committed credit facility are provided in note 19.

The Group defines net debt as cash and cash equivalents net of borrowings, and net debt including lease liabilities as cash and cash equivalents net of borrowings and lease liabilities.

Group net debt comprises the following:

	1 June 2024 £m	Net cash flow £m	Foreign exchange movements £m	Other¹ £m	31 May 2025 £m
Cash at bank and in hand	49.4	(9.7)	(1.6)	_	38.1
Short-term deposits	1.9	5.2	(0.1)	_	7.0
Cash and cash equivalents ²	51.3	(4.5)	(1.7)	_	45.1
Current borrowings	(6.3)	6.2	0.1	(54.7)	(54.7)
Non-current borrowings	(160.3)	3.5	_	54.4	(102.4)
Net debt	(115.3)	5.2	(1.6)	(0.3)	(112.0)
Lease liabilities	(12.1)	3.3	0.2	(6.3)	(14.9)
Net debt including lease liabilities	(127.4)	8.5	(1.4)	(6.6)	(126.9)

	1 June 2023 £m	Net cash flow £m	Foreign exchange movements £m	Other¹ £m	31 May 2024 £m
Cash at bank and in hand	127.4	(22.7)	(55.3)	_	49.4
Short-term deposits	129.0	(61.7)	(65.4)	_	1.9
Cash and cash equivalents ²	256.4	(84.4)	(120.7)	_	51.3
Current asset investment	0.5	(0.5)	_	_	_
Current borrowings	_	(6.4)	0.1	_	(6.3)
Non-current borrowings	(251.2)	91.0	_	(0.1)	(160.3)
Net cash/(debt)	5.7	(0.3)	(120.6)	(0.1)	(115.3)
Lease liabilities	(13.0)	2.9	0.2	(2.2)	(12.1)
Net debt including lease liabilities	(7.3)	2.6	(120.4)	(2.3)	(127.4)

¹ Other includes a current to non-current borrowings reclassification, lease additions, the increase in the lease liability arising from the unwinding of interest element and the movement in the unamortised fees on borrowings.

² At 31 May 2025, the Group had restricted cash of £1.3 million (2024: £0.7 million). At 31 May 2025, £20.2 million (2024: £20.0 million) of the cash and cash equivalents were held by the Group's Nigerian subsidiaries.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Financial instruments

The carrying amounts of each class of financial instruments were:

Financial assets

	2025 £m	2024 £m
Derivatives designated as hedging instruments		
Forward foreign exchange contracts	0.3	_
Derivatives not designated as hedging instruments		
Forward foreign exchange contracts	0.1	_
Financial assets at amortised cost		
Cash and cash equivalents	45.1	51.3
Net trade and other receivables	87.4	89.8
Lease receivables	1.2	1.3
Trade receivables owed by joint venture	0.7	1.1
Loan receivables owed by joint venture	26.4	30.6
	161.2	174.1
Classified within:		
Current assets	159.1	142.0
Non-current assets	2.1	32.1
	161.2	174.1

Financial liabilities

	2025	2024
	£m	£m
Current interest-bearing borrowings at amortised cost		
Borrowings	54.7	6.3
Non-current interest-bearing borrowings at amortised cost		
Borrowings	102.4	160.3
Derivatives designated as hedging instruments		
Forward foreign exchange contracts	0.2	0.3
Derivatives not designated as hedging instruments		
Forward foreign exchange contracts	0.2	0.2
Other financial liabilities at fair value through profit or loss		
Other payables ¹	_	4.5
Other financial liabilities at amortised cost		
Trade and other payables ²	149.3	151.9
Lease liabilities	14.9	12.1
	321.7	335.6
Classified within:		
Current liabilities	206.1	163.0
Non-current liabilities	115.6	172.6
	321.7	335.6

 $^{1\}quad \hbox{Relates to deferred consideration on the acquisition of Childs Farm (note 20)}.$

² Excludes other taxation and social security.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

Borrowings are amounts drawn under both committed and uncommitted borrowing facilities. The Group has a £325.0 million committed credit facility which is available for general corporate purposes. The credit facility incorporates both a term loan, of up to £125.0 million, with the balance as a revolving credit facility (RCF) structure. Entered into in November 2022, the term loan is a two-year facility and the RCF a four-year facility, with both facilities retaining two, one-year extension options. The first option for both RCF and term loan was executed in October 2023 and the second term loan extension was executed in March 2025 reducing to £70 million from 8 November 2026. Drawings under the term loan are permitted in GBP, and under the RCF in GBP, Euros or USD, at interest rates at a margin of 1.30–2.10% above SONIA, EURIBOR or SOFR, dependent on leverage and the attainment of specified sustainability performance targets.

Non-current borrowings as at 31 May 2025 are presented net of £0.1 million (2024: £0.7 million) of unamortised financing fees. As at 31 May 2025, this facility was £157.5 million drawn (2024: £161.0 million).

Borrowings as at 31 May 2025, which are presented net of £0.4 million (2024: £0.7 million) of unamortised financing fees, comprise £125.0 million (2024: £125.0 million) of term loans which are denominated in GBP at an interest rate of 6.18% (2024: 6.81%), and £32.5 million (2024: £36.0 million) of borrowings under the RCF which are denominated in GBP at interest rates at between 6.04–6.10% (2024: 6.78–6.79%).

In addition, the Group retains other unsecured and uncommitted facilities that are primarily used for trade-related activities in Nigeria where ordinary trading activities are required to be supported by letters of credit (or similar). As at 31 May 2025, these amounted to £122.1 million (2024: £161.6 million) of which £33.7 million, or 28% were used (2024: £40.3 million or 25%). The utilisation amount has decreased during the reporting period as a result of the improvement in access to foreign currency which in turn has facilitated the settlement of USD liabilities. As at the reporting date, there were no bank overdrafts (2024: £nil).

Changes in liabilities arising from financing activities were as follows:

	1 June 2024 £m	Net cash flow £m	Foreign exchange movements £m	Other £m	31 May 2025 £m
Non-current borrowings ¹	(160.3)	3.5	_	54.4	(102.4)
Current borrowings ¹	(6.3)	6.2	0.1	(54.7)	(54.7)
Lease liabilities	(12.1)	3.3	0.2	(6.3)	(14.9)

	1 June 2023 £m	Net cash flow £m	Foreign exchange movements £m	Other £m	31 May 2024 £m
Non-current borrowings ¹	(251.2)	91.0	_	(0.1)	(160.3)
Current borrowings ²	_	(6.4)	0.1	_	(6.3)
Lease liabilities	(13.0)	2.9	0.2	(2.2)	(12.1)

Relates to committed banking facilities.

(b) Risk management

The Group's activities expose it to a variety of financial risks, including market risk (arising from movements in foreign currency exchange rates, commodity prices and interest rates), credit risk and liquidity risk.

Overall risk management is led by senior management and executed according to Group policy with the intention to minimise adverse impacts on the Group's financial performance through the execution of agreed risk management strategies. Management of these risks, along with the day-to-day management of treasury activities, is performed by the Group Treasury function as defined within the Board-approved policy framework.

Where appropriate, the Group uses derivative financial instruments to hedge certain risk exposures. The use of financial derivatives and the management of all financial risks is governed by the Group Treasury policy as approved by the Board of Directors. The Group does not enter into any financial derivative contracts for trading or speculative purposes. All hedging activity is carried out by the Group Treasury function who hedge financial risks according to forecasts provided by the Group's subsidiary undertakings.

The Group also enters into contracts with suppliers for its principal raw material requirements and associated input costs. Commodity and associated input and manufacturing costs such as energy are part of the Group's normal purchasing activities.

² Relates to uncommitted short-term facilities.

A. Market risk

The Group's principal market risks are in relation to foreign currency exchange rates, the prices of certain commodities and interest rates. In managing market risks, the Group aims to minimise the impact of short-term fluctuations on the Group's financial performance. However, over the longer term, permanent changes in market rates will have an impact on consolidated results.

(i) Foreign currency risk

Foreign currency risk is the risk that the carrying value of Group assets, liabilities or future cash flows will fluctuate due to changes in foreign currency exchange rates. The Group is exposed to foreign currency exchange translation and transaction risks as follows:

- Foreign currency exchange translation risks arise due to the translation of monetary assets and liabilities denominated in currencies other than the functional currency of the subsidiary into functional currency, with the foreign exchange gain/(loss) recorded in the income statement. Further translation differences arise on the translation of net assets of its non-GBP functional currency subsidiary undertakings into GBP being the Group's presentation currency, with the foreign exchange gain/(loss) recorded in other comprehensive income.
- Foreign currency exchange transaction risk occurs due to changes in the value of cash flows in a currency other than the functional currency of the subsidiary undertaking.

The most significant foreign exchange transaction risk exposures for the Group are the purchase of inventories (predominantly raw materials) and services denominated in USD and Euros. Group policy is to reduce this risk where possible, mainly in relation to its GBP and AUD functional currency subsidiaries, by using forward foreign exchange derivative contracts as hedging instruments that are typically designated as cash flow hedges. In these cases, the Group negotiates the terms of the derivative to match the critical terms of the hedged item normally including covering the period from initial forecasting of the hedged item purchase commitment to the point of settlement. There remains no effective and functioning market to hedge USD liabilities in Nigeria.

Hedge accounting is typically applied to remove any timing mismatch between the hedging instrument and hedged item, with the effective portion of the change in fair value of the hedging instrument initially accounted for in the hedging reserve through other comprehensive income. If the firm commitment or forecast transaction that is the subject of a cash flow hedge results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in other comprehensive income and accumulated in the hedging reserve are removed directly from equity and included in the initial measurement of the asset or liability. If the hedged item is transaction-related the foreign currency 'basis spread' is reclassified to profit or loss when the hedged item affects profit or loss. Those reclassified amounts are recognised in the Consolidated Income Statement in the same line as the hedged item.

Hedge ineffectiveness may arise from items including changes in forecast transactions, misalignment in critical terms, or if credit dominates the relationship between hedged item and hedging instrument. Where there is ineffectiveness and hedge accounting criteria are not met, the change in the fair value of the derivative is accounted for through profit or loss. There was no ineffectiveness during the reporting period in relation to the use of forward foreign exchange contracts.

The notional amounts of forward foreign exchange contracts outstanding as at the reporting date, along with the weighted average hedge rates of these contracts and average spot rates for the reporting period, are as follows:

		Notional				Fair value	
2025	Local currency million	Currency pair	Weighted average hedge rate	GBP equivalent £m	Average spot rate	Asset £m	Liability £m
Sell USD	(13.8)	GBP:USD	1.35	10.2	1.29	_	_
Buy EUR	6.4	GBP:EUR	1.18	(5.4)	1.19	0.1	(0.1)
Sell AUD	(8.7)	GBP:AUD	2.05	4.2	1.99	0.1	_
Buy USD	24.1	AUD:USD	0.64	(17.8)	0.65	0.2	(0.2)
Buy IDR	207,317.0	GBP:IDR	21,647	(9.6)	20,742	_	(0.1)
						0.4	(0.4)

		Notional				Fair value	
2024	Currency million	Currency pair	Weighted average hedge rate	GBP equivalent £m	Average spot rate	Asset £m	Liability £m
Sell USD	(6.9)	GBP:USD	1.27	5.4	1.27	_	_
Buy EUR	7.7	GBP:EUR	1.16	(6.6)	1.16	_	(0.1)
Sell AUD	(4.2)	GBP:AUD	1.92	2.2	1.92	_	_
Buy USD	23.1	AUD:USD	0.66	(18.3)	0.66	_	(0.2)
Buy IDR	134,365.4	GBP:IDR	20,103	(6.7)	19,550	_	(0.2)
						_	(0.5)

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

As at 31 May 2025, the aggregate net amount of fair value movements of forward foreign exchange contracts currently deferred in the cash flow hedging reserve was a loss of £0.2 million (2024: £0.4 million). It is anticipated that the purchases of the hedged items that these forward exchange contracts were entered into for, will take place during the next financial year and these will be sold within 12 months of purchase.

The movement in the hedging reserve during the year was as follows:

	2025 £m	2024 £m
At 1 June	(0.4)	0.2
Fair value gains/(losses), net of taxation	0.2	(0.6)
At 31 May	(0.2)	(0.4)

The aggregate amount under forward foreign exchange contracts taken directly to profit or loss was a gain of £0.8 million (2024: £0.9 million gain).

The majority of the Group's monetary assets and liabilities are denominated in the functional currency of the relevant subsidiary. The following sensitivity analysis illustrates the impact of a 10.0% strengthening of the Group's transactional currencies against local functional currencies, with all other variables held constant.

The impact on the Group's (loss)/profit before taxation is due to foreign exchange (losses)/gains arising on the revaluation of monetary assets and liabilities denominated in a currency other than the functional currency of the subsidiary. The aggregate net foreign exchange losses recognised in profit or loss were £7.8 million (2024: £124.6 million) and are primarily as a result of the devaluation of the Nigerian Naira and the revaluation of foreign currency (USD) liabilities.

The impact on the Group's other comprehensive income is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and the permanent as equity loans to a joint venture and with fellow subsidiary undertakings prior to their de-designation in the current year (notes 1, 3 and 14).

The Group's exposure to foreign currency changes for all other currencies is not material. A similar but opposite impact would be felt on both profit or loss and other comprehensive income if the Group's main transactional currencies weakened against local functional currencies by a similar amount:

	202	2025		24
£m	Impact on profit before tax	Impact on pre-tax equity	Impact on loss before tax	Impact on pre-tax equity
US Dollar	(1.4)	1.5	2.5	1.6
Nigerian Naira	3.8	_	0.6	_
Chinese Renminbi	_	_	(0.2)	_

The table above shows the foreign currency risk in relation to non-functional currency financial instruments in subsidiaries' financial statements at the balance sheet date. The inclusion of Chinese Renminbi is a reflection that historically the Group's Nigeria subsidiaries held Renminbi liabilities in relation to the purchase of electrical goods and raw materials from China.

In addition, the Group is also exposed to foreign currency risk on the translation of overseas subsidiaries' results into GBP for the Consolidated Financial Statements through the use of the average rate for the income statement and the closing rate for net assets. The impact on the Group's profit before tax and total equity if the applicable rate used to translate the results of the Group's principal foreign operations into GBP were adjusted to show a 10.0% strengthening of Sterling is shown below. A similar but opposite impact would be felt if Sterling weakened against the other currencies by a similar percentage.

		2025			2024		
£m	Impact on adjusted operating profit	Impact on operating profit	Impact on total equity	Impact on adjusted operating profit	Impact on operating loss	Impact on total equity	
Nigerian Naira	(1.7)	(1.4)	(5.6)	(2.4)	4.7	(5.1)	
Indonesian Rupiah	(1.0)	(1.0)	(0.5)	(1.1)	(1.1)	(0.6)	
Australian Dollar	(1.3)	(1.2)	(0.8)	(1.2)	(1.2)	(2.7)	
Other	(0.6)	(0.6)	(2.2)	(0.6)	(0.3)	(2.3)	

In the table above, the most significant balance sheet item impacting total equity for the Nigerian Naira is the cash and cash equivalents held by the Nigerian subsidiaries (note 18).

(ii) Commodity pricing risk

Commodity risk is the risk that changes in underlying raw material prices have an adverse impact on the Group's financial performance.

The Group's policy is to minimise the pricing volatility accompanied by unfavourable changes in commodity prices by entering into fixed price supplier contracts in line with its commercial strategy.

The Group does not enter into any commodity derivatives.

(iii) Interest rate risk

Interest rate risk is the risk that a change in interest rates will have an adverse impact on the Group's financial performance.

The Group's main interest rate risk arises from cash and cash equivalents and borrowings.

To manage interest rate risk, the Group manages its proportion of fixed to floating rate borrowings within limits approved by the Board, primarily through issuing fixed and floating rate borrowings, and by utilising interest rate swaps, where appropriate.

The following table sets out the sensitivity to reasonably possible changes in the Nigerian interest rates on cash and cash equivalents held by the Group's Nigerian operations, and reasonably possible changes in SONIA (Sterling Overnight Index Average) interest rates on that portion of loans and borrowings at 31 May 2025 (see note 18). With all other variables held constant, the Group's profit before taxation is affected as follows:

		Effect on profit/	(loss) before tax
	Increase/decrease in basis points	2025 £m	2024 £m
Nigerian Naira rates	+50	0.1	0.1
	-50	(0.1)	(0.1)

	Effect on profit	t/(loss) before tax
Increase/decrea in basis poi		2024 £m
GBP rates +	60 (0.8)	(0.8)
-	0.8	0.8

B. Credit risk

The Group is exposed to counterparty credit risk from its financing and investing activities with banks and financial institutions, including cash deposits, the use of derivatives and other financial instruments, from its operating activities (primarily trade receivables) and its loans to its joint venture (note 14). The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets.

Financing and investing activities

The Group maintains a policy on financial counterparty credit risk exposures that limits the maximum exposure on the investment of surplus cash and use of derivative instruments with reference to a minimum credit rating as maintained by Standard & Poor's (S&P), Moody's or Fitch, with further limits established for levels of exposure at various ratings levels. The level of exposure and the credit worthiness of the Group's banking counterparties are regularly reviewed to ensure compliance with this policy. Cash held with lower rated banks reflects the impact of perceived sovereign ceilings operating within those countries.

Cash and cash equivalents and net financial derivatives by counterparty credit rating at the end of the reporting period is as follows (ratings per S&P unless unavailable, in which case the Fitch rating is used):

	2	2025		1
	Cash and cash equivalents £m	derivatives	Cash and cash equivalents £m	Financial derivatives £m
AA-	4.1		6.8	
A+ to A-	19.6	0.2	20.8	_
BB+ to BBB-	0.4	_	0.9	_
o BB-	_	_	2.6	_
-	20.8	_	20.2	_
1	0.2	_	_	_
	45.1	0.4	51.3	_

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

All financial derivative contracts are held in financial institutions with credit ratings of at least A-.

The amounts classified B+ to B- counterparty credit rating relate to cash and cash equivalents held predominantly in Nigeria where the sovereign credit rating is B- thereby limiting the rating of banks incorporated within the country.

There are no significant concentrations of credit risk within the Group arising from the use of derivatives or other financial instruments.

Trade receivables

The Group trades only with creditworthy third parties. Under the Group policy, customers are subject to credit verification procedures to establish appropriate credit terms and trade receivable balances are monitored on an ongoing basis.

An allowance for loss is estimated by management based on the expected credit loss model approach. The creation and release of provisions for receivables is charged/credited to administrative expenses in the Consolidated Income Statement. Receivables are written off when all possible routes through which amounts can be recovered have been exhausted.

Trade receivables consist of a broad cross-section of the international customer base for which there is no significant history of default. The credit risk of customers is assessed taking into account the local market environment, customers' financial positions, past experiences and other relevant factors. Individual customer credit limits are imposed based on these factors, and payment terms are generally 30-45 days, with a range from 7 to 120 days which reflects the differing nature of trading in the Group's geographical segments.

No other receivables are deemed to be impaired.

The ageing and credit risk profile of trade receivables based on the Group's provision matrix at the end of the reporting period was:

At 31 May 2025	Expected credit loss rate %	Gross trade receivables £m	Lifetime expected credit loss £m	Net trade receivables £m
Not past due	0.0%	65.2	_	65.2
Past due 0-30 days	1.4%	7.0	(0.1)	6.9
Past due 31-60 days	12.5%	0.8	(0.1)	0.7
Past due 61-90 days	9.1%	1.1	(0.1)	1.0
Past due 91-180 days	11.1%	0.9	(0.1)	0.8
Past due >180 days	88.2%	1.7	(1.5)	0.2
		76.7	(1.9)	74.8
Specific provision				_
Net trade receivables				74.8

At 31 May 2024	Expected credit loss rate %	Gross trade receivables £m	Lifetime expected credit loss £m	Net trade receivables £m
Not past due	0.1%	67.4	(0.1)	67.3
Past due 0-30 days	3.6%	5.5	(0.2)	5.3
Past due 31-60 days	9.1%	1.1	(0.1)	1.0
Past due 61-90 days	30.0%	1.0	(0.3)	0.7
Past due 91-180 days	33.3%	0.9	(0.3)	0.6
Past due >180 days	100.0%	1.6	(1.6)	_
		77.5	(2.6)	74.9
Specific provision				_
Net trade receivables				74.9

C. Liquidity risk

The Group is exposed to the risk that it is unable to meet its financial commitments as they fall due. Under the terms of the £325.0 million committed credit facility, the Group must meet certain financial covenants. The covenants are described in the capital risk management section below.

The Group manages liquidity risk through the Group Treasury function, with cash flow forecasts prepared and reviewed on a monthly basis. In addition, longer-term cash flow forecasts of up to 12 months are prepared as part of the Group's monthly forecasting and periodic budget cycles, with performance against free cash flow and net working capital targets monitored each month and providing longer-term cash flow and net debt visibility.

The Group's net debt level can vary from month to month depending on seasonal trading patterns including the holding of inventory, timing of receipts from customers and payments to suppliers, and the timing of any capital and restructuring projects.

Set out below is the maturity profile of the Group's financial liabilities which is based on the contractual undiscounted cash flows prepared using forward interest rates where applicable, showing items at the earliest date on which the liability could be required to be paid (for borrowings under committed facilities, the maturity is based on the maturity of the facility). The table includes both interest and principal cash flows. To the extent that interest flows based on floating rate, the undiscounted amount is derived from interest rates at the reporting date. Derivatives are presented on a notional basis in GBP.

At 31 May 2025	<3 months £m	3-12 months £m	1-2 years £m	2-5 years £m	>5 years £m	Total £m
Trade and other payables	(143.3)	(11.8)	(0.6)	_	_	(155.7)
Forward foreign exchange contracts	(33.2)	(23.6)	_	_	_	(56.8)
Borrowings	_	(54.7)	(69.9)	(32.5)	_	(157.1)
Lease liabilities	(0.7)	(2.1)	(2.7)	(6.9)	(4.0)	(16.4)

	<3 months	3-12 months	1-2 years	2-5 years	>5 years	Total
At 31 May 2024	£m	£m	£m	£m	£m	£m
Trade and other payables	(158.7)	_	(2.6)	_	_	(161.3)
Forward foreign exchange contracts	(31.5)	(24.1)	_	_	_	(55.6)
Borrowings	(8.7)	_	(125.0)	(36.0)	_	(169.7)
Lease liabilities	(0.8)	(2.0)	(1.6)	(4.4)	(5.1)	(13.9)

The forward foreign exchange contracts disclosed in the tables above are the gross undiscounted cash outflows. Those amounts may be settled gross or net. The following table shows the corresponding reconciliation of those amounts to their carrying values:

	<3 months	3-12 months	1-2 years	2-5 years	>5 years	Total
At 31 May 2025	£m	£m	£m	£m	£m	£m
Inflows	33.4	23.4	_	_	_	56.8
Outflows	(33.2)	(23.6)	_	_	_	(56.8)
Net	0.2	(0.2)	_	_	_	_
Carrying amounts:						
Asset	0.3	0.1	_	_	_	0.4
Liability	(0.1)	(0.3)	_	_	_	(0.4)
	0.2	(0.2)	_	_	_	_

At 31 May 2024	<3 months £m	3-12 months £m	1-2 years £m	2-5 years £m	>5 years £m	Total £m
Inflows	31.4	23.7	_	_	_	55.1
Outflows	(31.5)	(24.1)	_	_	_	(55.6)
Net	(0.1)	(0.4)	_	_	_	(0.5)
Carrying amounts:						
Asset	_	_	_	_	_	_
Liability	(0.1)	(0.4)	_	_	_	(0.5)
	(0.1)	(0.4)	_	_	_	(0.5)

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

Capital risk management

The objective of the Group when considering total capital is to protect the value of capital investments and to generate returns on shareholder funds. Total capital is defined as including bank borrowings and equity, including, when applicable, derivatives used for the purposes of hedging currency and interest exposure on the borrowings, but excluding the cash flow hedging reserve.

In support of its objectives, the Group may undertake actions to adjust its capital structure. Actions may include, but are not limited to, raising or prepaying of borrowings together with related derivative instruments, issuance of additional share capital, payment of dividends or share repurchase programmes.

The Group's £325.0 million credit facility is subject to financial covenants. The principal covenants on the facility are a leverage ratio of ≤3.0x and interest cover of ≥4.0x which are measured on a rolling 12-month basis at half-year and year-end. The Group considers net debt to be an important performance measure as it forms the basis of the leverage ratio (defined as Total Net Debt to EBITDA) in the facility agreement. As at 31 May 2025, the Group's net debt including lease liabilities was £126.9 million (2024: £127.4 million), net of £45.1 million (2024: £51.3 million) cash and cash equivalents as described in note 18. Interest cover is defined in the facility agreements as the ratio of Adjusted EBITDA to net finance (expense)/income.

The committed credit facility also includes other customary provisions relating to events of default, including non-payment of principal, interest or fees, misrepresentations, breach of covenants, creditor process, cross-default to other indebtedness of the borrowers and its subsidiaries.

During the year, and as at the reporting date, the Group was in compliance with all financial and other covenants.

Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Group uses various methods including market, income and cost approaches. Based on these approaches, the Group uses certain assumptions that market participations would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs may be readily observable, market corroborated, or generally unobservable inputs. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following categories:

- Level 1: Derived from quoted prices in active markets for identical assets or liabilities.
- Level 2: Derived from observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3: Derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). This may include pricing models, discounted cash flow or similar methodologies as well as instruments for which the determination of fair value requires significant management judgement or estimation.

There were no transfers between Level 1, 2 and 3 during the current or prior year.

At the end of the reporting period, the Group held the following financial assets and liabilities at fair value:

	Level 1	Level 2	Level 3	Total
At 31 May 2025	£m	£m	£m	£m
Assets held at fair value				
Derivative financial assets	_	0.4	_	0.4
Liabilities held at fair value				
Derivative financial liabilities	_	0.4	_	0.4
Other payables	_	_	_	_
	Level 1	Level 2	Level 3	Total
At 31 May 2024	£m	£m	£m	£m
Assets held at fair value				
Derivative financial assets	_	_	_	_
Liabilities held at fair value				
Derivative financial liabilities	_	0.5	_	0.5
Other payables	_	_	4.5	4.5

The following is a description of the valuation methodologies and assumptions used for estimating the fair values:

- Derivative financial instruments Derivative financial instruments comprise forward foreign exchange contracts. Fair value is calculated using observable market data where it is available, including spot rates and observable forward points, as discounted to reflect the time value of money. Counterparty credit is monitored. No adjustment to the fair value for credit risk is made due to materiality.
- Other payables Other payables held at fair value at 31 May 2024 relate to deferred purchase consideration on the acquisition of Childs Farm (note 20), which was estimated by applying an appropriate discount rate to the expected future payments. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. Should the target not be met, no consideration would be payable, and should the discount rate applied be changed, the fair value of the deferred purchase consideration would change, but the amount of consideration that would ultimately be paid would not necessarily change.

For the financial assets and liabilities not held at fair value, there was no material difference between their carrying values and their fair values, except for non-current borrowings which are presented net of unamortised issuance costs of £0.8 million (2024: £0.7 million).

20. TRADE AND OTHER PAYABLES

	2025	2024
	£m	£m
Current		
Trade payables	72.5	66.8
Trade obligations with banks	_	12.8
Other taxation and social security	6.4	4.9
Other payables	4.9	5.6
Accruals	71.3	68.6
	155.1	158.7
Non-current		
Other payables	0.6	2.6
	0.6	2.6

Refer to note 19 for further information on financial instruments classified by category/fair value hierarchy level and management of liquidity risk.

The Group maintains arrangements under which vendors are offered the option to receive earlier payment of the Group's trade payables. Vendors utilising the arrangements pay a credit fee to the issuing bank. The Group does not pay any credit fees and does not provide any additional collateral or guarantee to the bank. Current trade payables include £6.9 million (2024: £5.3 million) under such arrangements.

Trade obligations with banks relate to common practice in Nigeria whereby the bank undertakes to settle certain trade creditors on the Group's behalf and receives subsequent settlement from the Group trading entities. The Group does not benefit from payment terms with the bank that are extended beyond those contractually agreed with the supplier, and neither does the supplier benefit from early payment terms. Accordingly, such liabilities continue to be recognised within trade payables and cash flows are presented as operating.

Deferred consideration for the acquisition of Childs Farm in 2022 was settled with final payment made in the year ended 31 May 2025. In the year ended 31 May 2024, the deferred consideration was included within other payables, of which £2.0 million was classified as current and £2.5 million was non-current. The liability was re-measured and settled during the year and a £0.3 million increase (2024: £1.4 million reduction) was recognised in finance expense.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

21. DEFERRED TAX

Deferred tax is provided under the balance sheet liability method using the applicable jurisdiction tax rate at which the balances are expected to unwind. Movements in deferred tax assets and liabilities during the year were:

	Property, plant and equipment	Retirement benefit obligations	Revaluation of property, plant and equipment	Unremitted earnings		Accruals and provisions	Tax losses	Other timing differences	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 June 2023	(9.9)	(6.6)	(4.8)	(1.8)	(45.2)	3.8	3.6	(8.5)	(69.4)
(Charge)/Credit to income statement	(2.0)	0.2	4.8	1.8	6.1	(1.0)	29.5	4.2	43.6
Credit/(Charge) to other comprehensive income	_	1.7	_	_	_	_	13.6	(0.5)	14.8
Exchange differences	4.7	(0.4)	_	_	(0.1)	(1.3)	(9.9)	0.4	(6.6)
At 31 May 2024	(7.2)	(5.1)	_	_	(39.2)	1.5	36.8	(4.4)	(17.6)
Credit/(charge) to income statement	0.8	_	_	_	(4.1)	(0.6)	(8.0)	12.9	1.0
Credit/(charge) to other comprehensive income	_	1.2	_	_	0.9	_	_	(1.6)	0.5
Exchange differences	0.1	(0.1)	_	_	_	(0.2)	(2.0)	_	(2.2)
At 31 May 2025	(6.3)	(4.0)	_	_	(42.4)	0.7	26.8	6.9	(18.3)

Deferred taxation assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

At 31 May 2025 the Group recorded a deferred taxation asset of £26.8 million (2024: £36.8 million) on recognised but unused tax losses with the balance primarily relating to the impact of the Naira devaluation and resulting operating losses. Given the probability of ongoing profitability together with other supporting items, deferred tax assets occurring as a result of such tax losses are recognised in full.

A further £7.0 million (2024: £8.0 million) of unrecognised tax losses are not expected to expire or be disposed of, together with £12.7 million (2024: £13.8 million) of unrecognised capital losses relating to the disposal of the five:am business. There is also an additional unrecognised deferred taxation asset of £0.1 million (2024: £2.0 million) relating to timing differences other than unrecognised tax losses. This amount relates to property, plant and equipment differences, unused temporary differences, and accruals and provisions, and it is not probable that these timing differences will reverse in the foreseeable future.

Other temporary differences include a liability for brands and goodwill of £7.4 million (2024: £6.7 million), an asset for corporate interest restriction of £17.8 million (2024: £4.1 million) and an asset for share-based payments of £0.4 million (2024: £0.5 million). A deferred tax liability of £1.2 million (2024: £0.9 million) in respect of unremitted earnings in Indonesia has been recognised on the basis that unremitted earnings would be liable to overseas withholding taxes if anticipated to be distributed as dividends. As at 31 May 2025, the aggregate amount of gross temporary differences associated with investments in subsidiaries and joint ventures for which deferred taxation liabilities have not been recognised totals approximately £24.2 million (2024: £22.5 million).

Following the amendments to IAS 12 in relation to Deferred Tax related to Assets and Liabilities arising from a Single Transaction, the Group has recognised a separate deferred tax asset in relation to its lease liability of £3.5 million (2024: £2.7 million) and a deferred tax liability in relation to its right-of-use assets of £3.1 million (2024: £2.4 million). There was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12.

After offsetting deferred taxation assets and liabilities where appropriate within jurisdictions (as permitted by IAS 12 *Income Taxes*), the net deferred taxation liability comprises:

	2025 £m	2024 £m
Deferred tax assets	15.8	22.2
Deferred tax liabilities	(34.1)	(39.8)
	(18.3)	(17.6)

22. PROVISIONS

	Warranty provisions £m
At 1 June 2023	0.4
Exchange differences	(0.2)
At 31 May 2024	0.2
Additions	0.1
At 31 May 2025	0.3

Warranty provisions relate to the Group's electricals business in Africa.

23. RETIREMENT BENEFITS AND OTHER LONG-TERM EMPLOYEE OBLIGATIONS

The Group operates retirement benefit schemes in the UK and overseas as described below.

UK retirement benefit schemes

The Group operates four defined benefit pension schemes in the UK, each of which were closed to future accrual on 31 May 2008. The schemes are as follows:

- PZ Cussons Retirement Benefits Plan (Main plan) for UK-based employees excluding PZ Cussons plc Executive Directors
- PZ Cussons Directors' Retirement Benefits Plan (Directors' plan) for PZ Cussons plc Executive Directors
- PZ Cussons Pension Fund and Life Assurance Scheme for Staff Employed Outside the UK (Expatriate plan) for all eligible expatriate employees based outside the UK
- PZ Cussons Employer Financial Retirement Benefits Scheme (Unfunded plan) an unfunded, unapproved retirement scheme for certain former PZ Cussons plc Directors.

The UK Plans operate under trust law and responsibility for their governance lies with a Board of Trustees composed of representatives of the Group, plan participants and an independent trustee, who act on behalf of members in accordance with the terms of the Trust Deed and Rules and relevant legislation.

Current and deferred members of these schemes are provided with defined benefits based on service and final salary. The Main plan, Directors' plan and Expatriate plan are funded schemes and the assets of the schemes are administered by trustees and are held in trust funds independent of the Group. The most recent triennial actuarial valuations of these schemes was as at 31 May 2024, and were performed by an independent professional actuary. Each scheme was determined to be in surplus and therefore there are no company contributions required to be paid before the next valuation.

In June 2023, in the case of Virgin Media vs NTL Pension Trustees II Limited, the High Court judged that amendments made to the Virgin Media scheme were invalid because they were not accompanied by the correct actuarial confirmation. On 25 July 2024, the Court of Appeal upheld the June 2023 High Court decision. The Court's decision could have wider-ranging implications, affecting other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016.

On 5 June 2025, the UK Government announced a plan to introduce legislation to address the uncertainty arising from the Virgin Media judgment. The proposed legislation will allow affected pension schemes to retrospectively obtain written actuarial confirmation that historic benefit changes meeting the necessary standards.

The recent announcement has confirmed that the scope of the risk will reduce but the Group awaits further details on the legislation before investigating any possible implications for the Group's UK pension schemes. Therefore, the Group considers that the amount of any potential impact on the UK schemes' defined benefit obligation cannot yet be measured with sufficient reliability and consequently no allowance for this has been made in calculating the defined benefit obligations at the reporting date.

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

23. RETIREMENT BENEFITS AND OTHER LONG-TERM EMPLOYEE OBLIGATIONS CONTINUED

The UK's main schemes expose the Group to the following risks:

Risk	Description	Mitigation
Investment risk	The present value of the defined benefit pension schemes' liabilities is calculated using a discount rate (investment return) determined by direct reference to high-quality corporate bond yields (for IAS 19 <i>Employee Benefits</i> purposes) and gilt yields (for statutory funding and long-term funding purposes). If the return on scheme assets is less than these discount rates, the funding position of the schemes will fall.	As part of the financing of the funded schemes, they invest in assets with higher return expectations than lower risk bonds that are the best match for the schemes' liabilities. To control the resulting investment risk, the funded schemes invest in diversified portfolios of growth assets with the balances invested in liability-matching bond assets designed to control interest rate risk (see below). The split between growth assets and liability-matching bond assets for each funded scheme is regularly monitored to ensure investment risk is not excessive given the statutory funding assumptions and the schemes' long-term funding objectives.
Interest risk	A decrease in the corporate bond yield and/or gilt yield will increase the present value of the schemes' liabilities under the IAS 19 Employee Benefits and statutory/long-term funding bases respectively.	The funded schemes make use of liability-driven investment techniques to protect them against the majority of the interest rate risk inherent in their liabilities. This is achieved by investing in gilts and investment grade corporate bonds such that changes in the schemes' liabilities due to falling gilt and/or corporate bond yields are offset by similar movements in the value of the schemes' overall assets. Reflecting the funded schemes' focus on controlling interest risk relative to their statutory and long-term funding bases, the schemes' liability matching bond portfolios are predominantly invested in gilts, with the balance invested in investment grade corporate bonds to increase the expected return on the plans' assets in a risk-controlled way. In doing so, the exposures to investment grade corporate bonds also help mitigate the interest rate risk inherent in the schemes' IAS 19 Employee Benefits liabilities.
Inflation risk	A decrease in the corporate bond yield and/or gilt yield will increase the present value of the schemes' liabilities under the IAS 19 <i>Employee Benefits</i> and statutory/long-term funding bases respectively.	The schemes' liability-matching bond assets are also designed to hedge the majority of the inflation rate risk inherent in the schemes' liabilities. This is achieved by investing in index-linked gilts.
Longevity risk	The value of the schemes' liabilities is calculated by reference to the best estimate of the life expectancy of each scheme's participants. An increase in life expectancy of the schemes' participants will increase the schemes' liabilities.	To help control longevity, risk all the schemes are closed to future benefit accrual. The schemes consider additional approaches to mitigating longevity risk, for example by buying annuities with an insurance company to cover the schemes' liabilities.

A summary of the amounts recognised in the Consolidated Balance Sheet for the UK schemes described above is as follows:

	2025			2024		
	Assets £m	Obligations £m	Total £m	Assets £m	Obligations £m	Total £m
Main plan	135.4	(120.2)	15.2	150.9	(130.3)	20.6
Directors' plan	27.4	(15.2)	12.2	29.0	(17.5)	11.5
Expatriate plan	78.4	(39.5)	38.9	86.3	(44.1)	42.2
Unfunded plan	_	(2.8)	(2.8)	_	(3.2)	(3.2)
	241.2	(177.7)	63.5	266.2	(195.1)	71.1
Restrictions due to asset ceiling			(38.9)			(42.2)
Net asset			24.6			28.9
Classified as/within:						
Retirement benefit surplus			27.4			32.1
Retirement benefit and other long-term employee obligations			(2.8)			(3.2)
			24.6			28.9

The trust deeds for the Main plan and Directors' plan provide the Group with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of the scheme. Based on these rights, any net surpluses in these two UK schemes are recognised in full.

The trust deed for the Expatriate plan provides the trustees with an unconditional right to wind up the scheme and distribute the surplus to members. Therefore, the surplus on the Expatriate plan has not been recognised in the Consolidated Balance Sheet (shown as a restriction due to asset ceiling in the table above).

Movements in the fair value of plan assets were as follows:

	2025 £m	2024 £m
At 1 June	266.2	272.4
Recognised in Consolidated Income Statement:		
– administrative expense	(1.0)	(1.3)
– finance income	11.3	11.8
Recognised in Consolidated Statement of Other Comprehensive Income:		
– return on plan assets (excluding finance income)	(18.4)	0.2
Not recognised within comprehensive income due to asset ceiling:		
– finance income	2.2	2.4
– return on plan assets (excluding finance income)	(5.6)	(4.7)
Employer contributions to the Unfunded plan	0.2	0.2
Benefits paid	(13.7)	(14.8)
At 31 May	241.2	266.2

Employer contributions to the Unfunded plan related to payments during the year to former Directors amounting to £0.2 million (2024: £0.2 million).

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

23. RETIREMENT BENEFITS AND OTHER LONG-TERM EMPLOYEE OBLIGATIONS CONTINUED

The assets in the schemes are as follows:

	2025 £m	2024 £m
Equities	2.5	3.1
Bonds	226.2	247.6
Cash and cash equivalents	12.5	15.5
	241.2	266.2

Equity relates to quoted shares of PZ Cussons Plc. The schemes invest in pooled investment vehicles (PIVs) for their bond investment. These PIVs are unquoted, however the underlying bonds held are quoted in active markets. All other assets are unquoted.

The UK schemes' investment strategy is set by the respective trustees after taking appropriate advice from their investment consultant. The trustee's primary objective is to invest the scheme's assets in the best interest of the members and beneficiaries. Within this framework the trustee has agreed a number of objectives to help guide them in their strategic management of the assets and control of the various investment risks to which the scheme is exposed.

Movements in the present value of the plan defined benefit obligations were as follows:

	2025 £m	2024 £m
At 1 June	(195.1)	(192.5)
Recognised in Consolidated Income Statement:		
– finance expense	(9.8)	(10.0)
Recognised in Consolidated Statement of Other Comprehensive Income:		
– re-measurement gain due to changes in demographic assumptions	3.3	1.1
– re-measurement gain/(loss) due to changes in financial assumptions	18.6	(8.4)
– re-measurement loss due to experience adjustments	(8.4)	(0.1)
Benefits paid	13.7	14.8
At 31 May	(177.7)	(195.1)

The weighted average duration of the total defined benefit obligation is approximately 11 years (2024: 12 years). This represents the average time until the expected benefit payments are settled.

Amounts recognised in the Consolidated Income Statement comprised:

	2025 £m	2024 £m
Administrative expense	(1.0)	(1.3)
Finance income	1.5	1.8
	0.5	0.5

Amounts recognised within Consolidated Statement of Other Comprehensive Income comprised:

	2025 £m	2024 £m
Relating to plan assets:		
– return on plan assets (excluding finance income)	(18.4)	0.2
Relating to plan defined benefit obligations:		
– re-measurement gain due to changes in demographic assumptions	3.3	1.1
– re-measurement gain/(loss) due to changes in financial assumptions	18.6	(8.4)
– re-measurement loss due to experience adjustments	(8.4)	(0.1)
	(4.9)	(7.2)

The key financial assumptions used by the actuary to value the scheme obligations were as follows:

	2025	2024
Rate of increase in retirement benefits in payment		
– pensions in payment	2.7%	3.1%
– deferred pensions	2.4%	2.7%
Discount rate	5.8%	5.2%
Inflation (RPI)	2.9%	3.3%

The mortality assumptions used were as follows:

	2025	2024
	years	years
Weighted average life expectancy on post-retirement mortality table used to determine benefit obligations		
– Member age 65 (current life expectancy)	21.9	22.5
– Member age 45 (life expectancy at age 65)	23.0	23.9

The ages shown above are weighted average across the schemes based on the scheme's defined benefit obligation as at 31 May 2025, and the prior year ages are presented on the same basis.

The sensitivities on the key actuarial assumptions as at the end of the year in relation to the schemes were:

	Change in assumption	Change in obligation
Discount rate	Decrease of 0.25%	Increase of 2.6%
Inflation (RPI)	Increase of 0.25%	Increase of 2.4%
Mortality	Increase in life expectancy of 1 year	Increase of 3.2%

The sensitivities shown above are approximate. Each sensitivity considers each change in isolation and is calculated using the same methodology as used for the calculation of the defined benefit obligation at the end of the year. The inflation sensitivity includes the impact of changes to the assumptions for the revaluation and pension increases. In practice it is unlikely that the changes would occur in isolation.

During the year ending 31 May 2026, the Group expects to make cash contributions of £nil (2025: £nil) to funded defined benefit schemes, and £0.2 million (2025: £0.2 million) to unfunded schemes.

Overseas retirement benefit schemes

Outside of the UK, the Group operates a number of defined benefit pension schemes, all of which are unfunded, and the movement in the liability positions of these schemes during the year was as follows:

	2025 £m	2024 £m
At 1 June	(9.0)	(9.3)
Recognised in Consolidated Income Statement:		
– administrative expenses	(1.2)	(1.1)
– finance expenses	(0.6)	(0.6)
Recognised in consolidated other comprehensive income:		
– re-measurement gain	0.3	0.4
Benefits paid	0.9	0.6
Exchange differences	0.7	1.0
At 31 May	(8.9)	(9.0)

The most significant overseas defined benefit scheme is operated by the Group's Indonesian subsidiary. This is a final salary pension plan, defined in Indonesian law, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The scheme's obligations have been valued using a discount rate of 7.0% (2024: 7.0%) and a salary inflation rate of 8.0% (2024: 8.0%). The scheme's obligation included in the above table is £8.3 million (2024: £8.4 million).

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

23. RETIREMENT BENEFITS AND OTHER LONG-TERM EMPLOYEE OBLIGATIONS CONTINUED

The sensitivities on the key actuarial assumptions as at the end of the year in relation to the overseas schemes were:

	Change in assumption	Change in obligation
Discount rate	Decrease of 1.0%	Increase of 7.9%
Salary rate	Increase of 1.0%	Increase of 7.6%

Defined contribution pension schemes and other long-term employee obligations

The Group operates a defined contribution pension scheme for current employees in the UK and at a number of overseas subsidiaries. The amount recognised as an expense in the Consolidated Income Statement in relation to these schemes was £1.8 million (2024: £1.9 million).

The most significant other long-term employee obligation relates to the gratuity scheme operated by the Group's Nigerian subsidiary. This scheme operates under an agreement established in 2006 between PZ Cussons Nigeria plc and its employees, and is only eligible for employees who joined the company before 1 January 2007. The scheme is funded directly by the company, and the amount recognised as an expense in the Consolidated Income Statement in relation to this scheme is £0.2 million (2024: £0.3 million).

24. SHARE CAPITAL AND INVESTMENT IN TREASURY SHARES

(a) Share capital

	2025		2024	
	Number 000	£m	Number 000	£m
Authorised, allotted, issued and fully paid:				
Ordinary shares of 1p each	428,725	4.3	428,725	4.3
Total called up share capital	428,725	4.3	428,725	4.3

The Company has one class of ordinary shares which carry no right to fixed income.

(b) Treasury shares

Treasury shares represent the shares in the Company held by the employee share trusts which comprise the Employee Share Option Trust (ESOT) and the Share Incentive Plan (SIP) trust. The ESOT was established to purchase shares to satisfy awards under the Group's incentive schemes and the SIP trust was established to purchase and hold shares on behalf of employees participating in the SIP. During the year, the ESOT purchased no shares (2024: nil). The ESOT waives any dividends payable on shares to the extent of 0.01p per share. Further details of these schemes are provided in note 25.

Movements in treasury shares were:

	ESOT number	SIP trust number
At 1 June 2023	9,996,496	98,920
Issued to satisfy options	(659,230)	_
Transfers	(103,523)	103,523
At 31 May 2024	9,233,743	202,443
Issued to satisfy options	(688,843)	_
Transfers	(173,509)	173,509
At 31 May 2025	8,371,391	375,952

The transfer of shares between the trusts relate to matching awards provided by the Group under the SIP (see note 25) which are sourced from the ESOT. The cost of shares held in the ESOT and SIP trust as at 31 May 2025 was £32.0 million (2024: £34.5 million) and the market value was £7.6 million (2024: £10.4 million).

25. SHARE-BASED PAYMENTS

The Group operates a number of long-term incentive schemes which provide share awards to Executive Directors and certain senior employees. These schemes are designed to align the interests of the participants with those of the Group's shareholders. The Group also operates a SIP scheme which is open to UK employees.

The incentive schemes are described below.

Long-Term Incentive Plan (LTIP)

The PZ Cussons Long-Term Incentive Plan 2020 (LTIP 2020 plan) was approved by shareholders and adopted at the 2020 Annual General Meeting.

The LTIP 2020 plan provides for the grant of restricted share unit (RSU) awards for the senior employees and Executive Directors, to function like restricted stock. These share awards are nil-cost shares which vest in full subject only to continued employment, with no performance conditions. The fair value of the awards is determined to be the market price of the underlying shares on the date of the grant. There are no cash settlement alternatives. The Group accounts for the restricted share awards as equity-settled awards. In the current year, 4,033,454 restricted share awards (2024: 2,488,823 awards) were granted equating to a total fair value of £3.8 million (2024: £3.6 million) which will be recognised over the vesting period. Under the LTIP 2020 plan, Executive Directors and certain senior employees are also eligible to participate in the PSP, which provides for the grant of conditional rights to receive nil-cost shares (performance shares) subject to continued employment over a three-year vesting period and the satisfaction of certain performance criteria established by the Remuneration Committee. The fair value of the awards is determined to be the market price of the underlying shares on the date of the grant. There are no cash settlement alternatives. The Group accounts for the performance share awards as equity-settled awards. The last grant of performance share awards took place in February 2023 and will vest in September 2025. 5,985 dividend share units were awarded and exercised during the current year, attached to performance share awards granted in previous years.

The total expense recognised in the Consolidated Income Statement in the year in respect of both the performance share awards and the restricted share awards was £2.4 million (2024: £1.6 million).

Deferred Bonus Share Plan

This plan is limited to the Executive Directors and requires a minimum of 40% of any annual bonus (25% for awards granted prior to September 2024) earned to be deferred into shares (deferred bonus shares). The deferral period is two years (three years for awards granted prior to September 2024) unless the Remuneration Committee determines otherwise and the shares vest in full subject only to continued employment, with no performance conditions. The fair value of the deferred bonus share awards is determined to be the market price of the underlying shares on the date of the grant. The Group accounts for the deferred bonus share awards as equity-settled awards. In the current year, 441,587 deferred bonus share awards (2024: 173,836 awards) were granted equating to a total fair value of £0.4 million (2024: £0.2 million) which will be recognised over the vesting period. The expense recognised in the Consolidated Income Statement in the year in respect of deferred bonus share awards was £0.1 million (2024: £0.3 million).

SIP

The Group launched the SIP in October 2021. Available to UK employees, this plan aligns employees with the business strategy and investors by encouraging equity participation through the wider employee population. Under the plan, employees can opt to make a salary deduction on a monthly basis to subscribe for shares which the Group matches up to a maximum of £100 per employee per month. These matched share awards vest subject to continued employment over a three-year vesting period and a number of conditions associated with withdrawal. The fair value of the matched share awards is determined to be the market price of the shares on the date of matching. There are no cash settlement alternatives. The Group accounts for the matched share awards as equity-settled awards. In the current year, 198,097 matched share awards (2024: 125,802 awards) were granted equating to a total fair value of £0.2 million (2024: £0.2 million) which will be recognised over the vesting period. The expense recognised in the Consolidated Income Statement in the year in respect of matched share awards was £0.1 million (2024: £0.1 million).

Set out below are the movements in the options and awards under each of the schemes:

	Performance shares number	Restricted shares number	Deferred bonus shares number	SIP number	Total number
Options/awards outstanding as at 1 June 2023	3,619,963	1,587,947	205,952	96,460	5,510,322
Options/awards issued	18,463	2,488,823	173,836	125,802	2,806,924
Options/awards exercised	(209,476)	(449,754)	_	(3,278)	(662,508)
Options/awards lapsed/forefeited1	(1,061,785)	(402,045)	_	(19,819)	(1,483,649)
Options/awards outstanding as at 31 May 2024	2,367,165	3,224,971	379,788	199,165	6,171,089
Options/awards issued	5,985	4,033,454	441,587	198,097	4,679,123
Options/awards exercised	(91,733)	(466,782)	(129,173)	(519)	(688,207)
Options/awards lapsed/forfeited	(1,056,785)	(887,873)	_	(25,313)	(1,969,971)
Options/awards outstanding as at 31 May 2025	1,224,632	5,903,770	692,202	371,430	8,192,034

¹ Of the options and awards which lapsed/forfeited in the year ended 31 May 2025 for the performance shares and restricted shares, 1,113,363 (2024: 1,256,950) related to the previous scheme approved in 2014.

STRATEGIC REPORT GOVERNANCE **Financial Statements** Additional information

Notes to the Consolidated Financial Statements continued

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25. SHARE-BASED PAYMENTS CONTINUED

The vesting dates of the outstanding options and awards as at 31 May 2025 is:

	Performance shares number	Restricted shares number	Deferred bonus shares number	SIP number	Total number
31 May 2025	_	_	_	23,193	23,193
31 May 2026	1,224,632	441,698	89,222	50,492	1,806,044
31 May 2027	_	1,919,624	602,980	106,343	2,628,947
31 May 2028	_	3,542,448	_	191,402	3,733,850
Total	1,224,632	5,903,770	692,202	371,430	8,192,034

26. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Note	2025 £m	2024 £m
Profit/(loss) before taxation ¹		6.5	(95.9)
Net finance expense and net monetary loss arising from hyperinflationary economies		14.1	12.2
Operating profit/(loss)		20.6	(83.7)
Depreciation	10, 11, 12	8.0	10.2
Amortisation	10	4.1	7.1
Impairment of intangible assets	10	35.3	24.4
Impairment reversal of intangible assets	10	(16.5)	_
Impairment of current asset investment		_	0.5
Impairment reversal of current asset investment		(0.5)	_
Profit on sale of assets	4	(1.1)	(1.8)
Difference between pension charge and cash contributions		1.1	1.7
Share-based payments		2.6	1.9
Rental income classified as investing cash flows		(1.1)	_
Share of results of joint venture		(5.6)	(7.3)
Operating cash flows before movements in working capital		46.9	(47.0)
Movements in working capital:			
Inventories		(5.6)	2.3
Trade and other receivables		1.6	15.3
Trade and other payables		5.6	77.5
Provisions		0.7	(0.4)
Cash generated from operations		49.2	47.7

¹ Wholly derived from continuing operations.

STRATEGIC REPORT GOVERNANCE **Financial Statements** Additional information

27. RELATED PARTY TRANSACTIONS

Key management personnel

The key management personnel of the Group comprise the members of the PZ Cussons plc Board of Directors and their compensation was as follows:

	2025 £m	2024 £m
Short-term employee benefits	2.4	2.2
Post-employment benefits	0.1	0.1
Share-based payments	1.2	0.7
	3.7	3.0

Transactions with joint ventures

Certain Group subsidiary undertakings enter into related party transactions with PZ Wilmar Limited, a joint venture interest which was set up under the terms of a joint venture agreement with Wilmar International Limited. Set out below are details of related party transactions during the year with PZ Wilmar Limited as well as balances as at 31 May 2025:

- At 31 May 2025, outstanding loans receivable from PZ Wilmar Limited amounted to £26.4 million (2024: £30.6 million). The loan is matched by another loan of the same amount and terms from the Group's fellow joint venture partner. During the year, PZ Wilmar Limited made one repayment to the Group of £2.5 million (2024: two repayments totalling £8.7 million). These loans are denominated in USD, interest-free and repayable in part or in full on demand, subject to a 12-month notice period.
- At 31 May 2025, the outstanding trade receivable balance due from PZ Wilmar Limited was £0.7 million (2024: £1.1 million). All trading balances
 are settled in cash, and there were no provisions for doubtful related party receivables at 31 May 2025 (2024: £nil).

Notes to the Consolidated Financial Statements continued

Year ended 31 May 2025

28. SUBSIDIARIES AND JOINT VENTURES

Details of the Company's subsidiaries as at 31 May 2025 are outlined below. PZ Cussons (Holdings) Limited and PZ Cussons (International) Limited are directly owned by PZ Cussons plc; all other subsidiaries are indirectly held.

Company	Operation	Country of incorporation	Parent company's interest	Proportion of voting interest	Registered office address
PZ Cussons (Holdings) Pty Limited	Holding company	Australia	100%	100%	Level 3, 510 Church Street Cremorne Victoria 3121
PZ Cussons Australia Pty Limited	Manufacturing	Australia	100%	100%	Level 3, 510 Church Street Cremorne Victoria 3121
PZ Cussons Beauty Australia (Holdings) Pty Limited	Holding company	Australia	100%	100%	Level 3, 510 Church Street Cremorne Victoria 3121
Rafferty's Garden Pty Limited	Dormant	Australia	100%	100%	Level 3, 510 Church Street Cremorne Victoria 3121
United Laboratories Limited	Dormant	Australia	100%	100%	Level 3, 510 Church Street Cremorne Victoria 3121
PZ Cussons (New Zealand) Pty Limited	Distribution	Australia	100%	100%	Level 3, 510 Church Street Cremorne Victoria 3121
Paterson Services (Shanghai) Limited	Active	China	100%	100%	Suite 635, 6th Floor, No.2000 Pudong Ave. China (Shanghai) Pilot Free Trade Zone
Bronson Holdings Limited	Holding company	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
Milk Ventures (UK) Limited	Holding company	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
PZ Cussons (Holdings) Limited	Holding company	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
PZ Cussons (International Finance) Limited	Provision of services to Group companies	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
PZ Cussons (International) Limited	Provision of services to Group companies	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
PZ Cussons (UK) Limited	Manufacturing	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
PZ Cussons Beauty LLP1	Distribution & Holding partnership	England	100%	_	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
Seven Scent Limited	Manufacturing	England	100%	100%	Agecroft Commerce Park, Lamplight Way, Swinton, Manchester, M27 8UJ
St. Tropez Acquisition Co. Limited	Holding company	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
St. Tropez Holdings Limited	Holding company	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
St. Tropez Operations Limited	Dormant	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
Thermocool Engineering Company Limited	Dormant	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG
PZ Cussons Acquisition Co Limited ³	Holding company	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, United Kingdom, M22 5TG
Tadley Holdings Limited	Holding company	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, United Kingdom, M22 5TG
Childs Farm Ltd	Distribution	England	100%	100%	Manchester Business Park, 3500 Aviator Way, Manchester, United Kingdom, M22 5TG
PZ Cussons Ghana PLC³	Distribution	Ghana	100%	100%	Plot 27/3-27/7, Sanyo Road, Tema, P. O. Box 628 Community 1, Tema
Parnon (Hong Kong) Limited	Provision of services to Group companies	Hong Kong	100%	100%	1/F., Hing Lung Comm. Bldg., 68-74 Bonham Strand, Sheung Wan
PZ Cussons (Hong Kong) Limited	Dormant	Hong Kong	100%	100%	Level 54, Hopewell Centre, 183 Queen's Road East
PZ Cussons India PVT Limited	Provision of services to Group companies	India	100%	100%	604, 'C' Wing Raylon Arcade Ram Mandir Road – Kondvit Road, Bhim Nagar, Andheri East, Mumbai 400093

Company	Operation	Country of incorporation	Parent Company's interest	Proportion of voting interest	Registered Office address
PT PZ Cussons Indonesia	Manufacturing	Indonesia	100%	100%	Jalan Halim Perdana Kusuma No. 144, Kebon Besar, Batuceper, Tangerang, Banten, Indonesia
PZ Cussons (Europe) Limited	Dormant	Ireland	100%	100%	The Greenway Ardilaun Court, 112-114 St Stephen's Green, Dublin, DO2 TD28, Ireland
Childs Farm Europe Ltd	Dormant	Ireland	100.00%	100.00%	4th Floor, 103/104 O'Connell Street, Limerick V94 AT85, Co. Limerick, Ireland
PZ Cussons East Africa Limited	Manufacturing	Kenya	99.99%	99.99%	Baba Dogo Road, Ruaraka, Nairobi, Kenya
Food For Life International Limited	Dormant	Nigeria	99.99%	99.99%	45/47 Town Planning Way, Ilupeju, Lagos
Harefield Industrial Nigeria Limited	Distribution	Nigeria	99.99%	99.99%	45/47 Town Planning Way, Ilupeju, Lagos
HPZ Limited²	Manufacturing	Nigeria	74.99%	74.99%	45/47 Town Planning Way, Ilupeju, Lagos
Nutricima Limited	Dormant	Nigeria	99.99%	99.99%	45/47 Town Planning Way, Ilupeju, Lagos
PZ Cussons Nigeria PLC	Manufacturing	Nigeria	73.27%	73.27%	45/47 Town Planning Way, Ilupeju, Lagos
Roberts Pharmaceuticals Limited	Dormant	Nigeria	100%	100%	45/47 Town Planning Way, Ilupeju, Lagos
PZ Cussons Polska S.A.	Distribution	Poland	100%	100%	Ul. Chocimska 17, 00-791 Warszawa
PZ Cussons Singapore Private Limited	Provision of services to Group companies	Singapore	100%	100%	5 Shenton Way, UIC Building #10-01, Singapore 068808
Guardian Holdings Company Limited	Provision of services to Group companies	Thailand	49.00%	49.00%	35 Moo 4, Tessamphan Road, Ban Chang Sub-District, Mueang Pathum Thani District, Pathum Thani Province
PZ Cussons (Thailand) Limited	Manufacturing	Thailand	99.99%	99.99%	35 Moo 4, Tessamphan Road, Ban Chang Sub-District, Mueang Pathum Thani District, Pathum Thani Province
PZ Cussons Middle East and South Asia FZE	Dormant	UAE	100%	100%	PO Box 17233, Jebel Ali, Dubai
St. Tropez Inc.	Distribution	USA	100%	100%	101 Greenwich St. Suite #11c New York, NY 10006
Childs Farm, Inc.	Distribution	USA	100%	100%	101 Greenwich St. Suite #11c New York, NY 10006

- 1 PZ Cussons (Holdings) Limited has a 100 percent economic interest in PZ Cussons Beauty LLP as the Corporate Member but does not hold any voting rights.
- $2\,$ $\,$ The equity interest in HPZ Limited is owned by PZ Cussons Nigeria PLC.
- 3 The Group has acquired the minority interest in PZ Cussons Acquisition Co Limited and PZ Cussons Ghana PLC during FY25. In FY24, the ownership interest was 91.87% and 95.68% respectively.

In addition, Paterson Zochonis Employee Trust (registered in Jersey) and Share Incentive Plan Trust (constituted under the laws of England and Wales) are deemed to be subsidiaries. The trusts hold shares in the Company for the purpose of the Group's incentive schemes (note 24).

Joint venture company	Operation	Country of incorporation	Parent company's interest	Registered office address
PZ Wilmar Limited	Manufacturing	Nigeria	50%	45/47 Town Planning Way, Ilupeju, Lagos

With the exception of Paterson Services (Shanghai) Limited and Childs Farm Inc. with an accounting reference date of 31 December, all subsidiary entities have an accounting reference date of 31 May.

Non-controlling interests

The two subsidiaries that have non-controlling interests that are material to the Group are HPZ Limited and PZ Cussons Nigeria plc. Total net liabilities held in these two material subsidiaries at 31 May 2025 were £4.9 million and £4.5 million respectively (2024: £4.7 million and £8.9 million respectively).

29. EVENTS AFTER THE REPORTING PERIOD

On 18 June 2025, the Group announced it had signed an agreement to sell its 50% equity interest in PZ Wilmar Limited, a Nigerian edible oils business, to Wilmar International Limited, the joint venture partner, for cash consideration of \$70 million (£51 million). Consideration will be paid in US Dollars. After taxes, fees and other costs, net proceeds are expected to be approximately \$64 million (£47 million). Completion is expected to take place in the last quarter of calendar year 2025.

In April 2024, PZ Cussons announced its intention to sell the St.Tropez brand, as part of a broader plan to refocus its portfolio. On 26 June 2025, the Group announced that following an extensive auction process which resulted in a number of offers being received, the decision was made to retain St.Tropez and set a new strategic direction for the brand.

STRATEGIC REPORT GOVERNANCE **Financial Statements** Additional information

Company Balance Sheet

As at 31 May 2025

		2025	2024
	Note	£m	£m
Non-current assets			
Investments in subsidiaries	4	36.8	36.8
Deferred tax assets	5	2.9	1.6
		39.7	38.4
Current assets			
Receivables	5	69.8	18.2
Cash and cash equivalents		1.2	1.0
		71.0	19.2
Current liabilities			
Payables	6	(6.9)	(56.8)
Net current assets/(liabilities)		64.1	(37.6)
Total assets less current liabilities		103.8	0.8
Net assets		103.8	0.8
Equity			
Share capital	8	4.3	4.3
Treasury shares	8	(32.0)	(34.5)
Capital redemption reserve		0.7	0.7
Other reserves		4.7	5.5
Retained earnings		126.1	24.8
Total equity		103.8	0.8

The attributable profit for the year in the accounts of the Company was £115.5 million (2024: loss of £35.5 million).

The financial statements from pages 164 to 170 were approved by the Board of Directors and authorised for issue on 16 September 2025.

They were signed on its behalf by:

J Myers S Pollard

PZ Cussons plc

Registered number 00019457

Company Statement of Changes in Equity

For the year ended 31 May 2025

	Note	Share capital £m	Treasury shares £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Total £m
At 1 June 2023		4.3	(36.9)	0.7	3.7	84.6	56.4
Loss for the year		_	_	_	_	(35.5)	(35.5)
Ordinary dividends	3	_	_	_	_	(21.9)	(21.9)
Share-based payment		_	_	_	1.8	_	1.8
Shares issued from ESOT		_	2.4	_	_	(2.4)	_
At 31 May 2024		4.3	(34.5)	0.7	5.5	24.8	0.8
Profit for the year		_	_	_	_	115.5	115.5
Ordinary dividends	3	_	_	_	_	(15.1)	(15.1)
Share-based payment		_	_	_	(0.8)	3.4	2.6
Shares issued from ESOT		_	2.5	_	_	(2.5)	_
At 31 May 2025		4.3	(32.0)	0.7	4.7	126.1	103.8

Notes to the Company Financial Statements

Year ended 31 May 2025

1. ACCOUNTING POLICIES

(a) Basis of preparation

PZ Cussons plc (the Company) is a public limited company registered in England and Wales which is listed on the London Stock Exchange and is domiciled and incorporated in the UK under the Companies Act 2006. The address of the registered office is given on page 175.

The Company is a holding company and its principal activity is the ownership and strategic management of investments in subsidiary undertakings.

The Company Financial Statements of PZ Cussons plc are presented as required by the Companies Act 2006 and have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed within the Consolidated Financial Statements of PZ Cussons plc.

The Directors consider it to be appropriate to continue to adopt the going concern basis in preparing the Company's financial statements. For further information on going concern, refer to note 1 of the Group's consolidated financial statements.

The Company's functional currency is Pound Sterling (GBP), and these financial statements are presented in GBP and, unless otherwise indicated, have been presented in £ million to one decimal place. The financial information for the Company has been prepared on the same basis as the Consolidated Financial Statements, applying identical accounting policies as outlined throughout the notes to the Consolidated Financial Statements except as noted below:

Investments in subsidiaries

In the Company financial statements, investments in subsidiaries are held at cost less any provision for impairment. Details of the Company's investments are set out in note 4.

Intercompany receivables

Allowance losses on amounts owed by subsidiary undertakings where there has not been a significant increase in credit risk are calculated by reviewing 12-month expected credit losses using historic and forward-looking data on credit risk. The loss allowance expense for the year was de minimis (2024: de minimis).

Share-based payments

The share incentive schemes are accounted for as equity-settled share-based payments, and further details are provided in note 25 to the Group Consolidated Financial Statements. Where equity-settled share-based payments are granted to the employees of subsidiary companies, the fair value of the award is treated as a capital contribution by the Company and the investment in subsidiaries is adjusted to reflect this capital contribution.

Audit exemptions

For the year ended 31 May 2025 the following subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies:

Subsidiary name	Companies House Registration Number
Bronson Holdings Limited	9771991
Childs Farm Limited	7454284
PZ Cussons Acquisition Co Limited	13977759
PZ Cussons (International Finance) Limited	8589433
St.Tropez Holdings Limited	5706646
Tadley Holdings Limited	10438262
Thermocool Engineering Company Limited	9266188

As permitted by section 408(3) of the Companies Act 2006, the income statement of the parent company is not presented with these financial statements. The loss for the year of the parent company is shown in the Statement of Changes in Equity. Details of dividends paid are included in note 3 of the financial statements.

The entity satisfies the criteria of being a qualifying entity as defined in FRS 101. Its financial statements are consolidated into the Group Financial Statements of PZ Cussons plc which are included within this Annual Report.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7 Financial Instruments: Disclosures.
- Paragraphs 91 to 99 of IFRS 13 Fair Value Measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1 Presentation of Financial Statements comparative information requirements in respect of:
 - (i) Paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements
 - (ii) Paragraph 73(e) of IAS 16 Property, Plant and Equipment
- (iii) Paragraph 118(e) of IAS 38 Intangible Assets (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1 *Presentation of Financial Statements*: 10(d) (statement of cash flows), 16 (statement of compliance with all IFRS), 38A (requirement for minimum of two primary statements, including cash flow statements), 38B-D (additional comparative information), 111 (cash flow statement information) and 134-136 (capital management disclosures).
- IAS 7 Statement of Cash Flows.
- Paragraph 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 Related Party Disclosures (key management compensation).
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Critical accounting policies and key sources of estimation uncertainty

Estimates and accounting judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements under FRS 101 requires management to make assumptions and estimates about future events. The resulting accounting estimates will, by definition, differ from the actual results.

In the course of preparing the Company's financial statements, the critical judgements and key source of estimation uncertainty required when preparing the Company's financial statements are as follows:

Carrying value of investments in subsidiaries

Annually the Directors consider whether there are any indicators of impairment that may suggest that the recoverable amount of the Company's investments in subsidiaries is less than their carrying amount. The assessment of impairment indicators and estimation of recoverable amount requires management to apply judgement in assessing current and forecast trading performance as well as assessing the impact of Principal Risks and uncertainties specific to the investments it holds. Details of the Company's investments are set out in note 4.

2. DIRECTORS' EMOLUMENTS

	2025 £m	2024 £m
Aggregate amount of Directors' emoluments	3.7	3.0
Emoluments of the highest paid Director	2.0	1.6

Amounts above include share-based payment expenses. For the year ended 31 May 2025 the highest paid Director received Company pension contributions of £0.07 million (2024: £0.06 million).

The Schedule 5 requirements of SI 2008/410 for Directors' remuneration, as well as their interests in the Company, are included in the Report on Directors' Remuneration on pages 84 to 94.

Notes to the Company Financial Statements continued

Year ended 31 May 2025

3. DIVIDENDS

	2025 £m	2024 £m
Amounts recognised as distributions to ordinary shareholders in the year comprise:		
Final dividend for the year ended 31 May 2024 of 2.10p (2023: 3.73p) per ordinary share	8.8	15.6
Interim dividend for the year ended 31 May 2025 of 1.50p (2024: 1.50p) per ordinary share	6.3	6.3
	15.1	21.9

After the balance sheet date, a final dividend for the year ended 31 May 2025 was proposed by the Directors of 2.10p per ordinary share. This results in a total proposed dividend of £15.1 million (2024: £15.1 million). Subject to approval by shareholders at the Annual General Meeting, the dividend will be paid on 27 November 2025 to the shareholders on the register on 31 October 2025. The proposed dividend has not been included as a liability in the Consolidated Financial Statements as at 31 May 2025.

4. INVESTMENTS IN SUBSIDIARIES

	£m
Cost	
At 1 June 2023	92.4
Additions	1.8
At 31 May 2024	94.2
Additions	2.6
At 31 May 2025	96.8
Accumulated impairment	
At 1 June 2023	(29.2)
Impairment charge	(28.2)
At 31 May 2024	(57.4)
Impairment charge	(2.6)
At 31 May 2025	(60.0)
Carrying value	
At 31 May 2025	36.8
At 31 May 2024	36.8

Additions are deemed capital contributions in relation to share-based payment expenses incurred by subsidiaries.

Annually the Directors consider whether there are any indicators of impairment that may suggest that the recoverable amount of the Company's investments in subsidiaries is less than their carrying amount. The assessment of impairment indicators requires management to apply judgement in assessing current and forecast trading performance as well as assessing the impact of Principal Risks and uncertainties specific to the investments it holds.

Management has determined gross margin, discount rate and compound annual revenue growth rate to be the key assumptions in the forecasts used to assess the carrying value of investments in subsidiaries.

No reasonably possible changes in key assumptions have been identified that could give rise to an impairment charge against the investment in PZ Cussons (Holdings) Limited.

PZ Cussons (International) Limited is in a net liability position (unaudited) as at 31 May 2025 and is currently loss-making with no reasonable indication that it will become profit-making in the future and no current plans for any future restructuring. Management considered the requirements of IAS 36 *Impairment of Assets*. On the basis that the subsidiary operates principally to provide services to the rest of the Group and does not have third-party revenue, the value-in-use is deemed to be £nil. When the subsidiary is able to recharges costs, there is no certainty around cash inflows relating to these recharges. When considering the fair value less costs to sell, management has considered that the subsidiary holds the Group's external borrowings and UK defined benefit pension schemes, and therefore the fair value less costs to sell is similarly negligible. On this basis, an impairment of £2.6 million (2024: £28.2 million) has been recorded to reduce the investment's carrying value to £nil. Details of the Company's direct subsidiaries as at 31 May 2025 are shown below. For a full listing of all subsidiaries see note 28 in the Group Consolidated Financial Statements.

Subsidiary companies	Operation	Country of incorporation	Parent company's interest	Proportion of voting interest
PZ Cussons (Holdings) Limited	Holding company	England	100%	100%
PZ Cussons (International) Limited	Provision of services to Group companies	England	100%	100%

5. RECEIVABLES

	2025 £m	2024 £m
Non-current		
Deferred tax assets	2.9	1.6
Current		
Amounts owed by Group companies	66.6	15.8
Other receivables	0.1	0.1
Prepayments	1.6	2.3
Current taxation receivable	1.5	_
	69.8	18.2

Allowance losses on amounts owed by subsidiary undertakings are calculated by reviewing 12-month expected credit losses using historic and forward-looking data on credit risk. The loss allowance expense for the year was de minimis (2024: de minimis).

Amounts owed by Group companies accrue interest at 1.6% plus SONIA per annum until 5 December 2024 and 1.825% plus SONIA per annum thereafter. The balances are unsecured, have no fixed date of repayment and are repayable on demand.

6. PAYABLES

	2025	2024
	£m	£m
Amounts owed to Group companies	6.6	56.7
Accruals	0.3	0.1
	6.9	56.8

Amounts owed to Group companies are non-interest-bearing, unsecured and have no fixed date of repayment.

7. BORROWINGS

The Company is one of a number of Group companies who are guarantors to the £325.0 million committed credit facility taken out by the Group in the prior year. The credit facility incorporates both a term loan, of up to £125.0 million, with the balance as a revolving credit facility (RCF) structure. Entered into in November 2022, the term loan is a two-year facility and the RCF a four-year facility, with both facilities retaining two, one-year extension options. The first option for both RCF and term loan was executed in October 2023 and the second term loan extension was executed in March 2025 reducing to £70 million from 8 November 2026. Further details are provided in note 19 to the Group Consolidated Financial Statements. The amount borrowed by the Group under this agreement as at 31 May 2025 was £157.1 million (2024: £160.3 million), of which the Company's borrowing was £nil (2024: £nil).

Notes to the Company Financial Statements continued

Year ended 31 May 2025

8. SHARE CAPITAL AND INVESTMENT IN OWN SHARES

(a) Share capital

	2025		2024	
	number 000	£m	number 000	£m
Allotted, issued and fully paid:				
Ordinary shares of 1p each	428,725	4.3	428,725	4.3
Total called up share capital	428,725	4.3	428,725	4.3

The Company has one class of ordinary shares which carry no right to fixed income.

(b) Investment in own shares

Investment in own shares represent the shares in the Company held by the employee share trusts which comprise the Employee Share Option Trust (ESOT) and the Share Incentive Plan (SIP) trust. The ESOT was established to purchase shares to satisfy awards under the Group's incentive schemes and the SIP trust was established to purchase and hold shares on behalf of employees participating in the SIP. Movements in the investment in own shares was:

	ESOT number	SIP trust number
As at 1 June 2023	9,996,496	98,920
Issued to satisfy options	(659,230)	_
Transfers	(103,523)	103,523
As at 31 May 2024	9,233,743	202,443
Issued to satisfy options	(688,843)	_
Transfers	(173,509)	173,509
As at 31 May 2025	8,371,391	375,952

The transfer of shares between the trusts relate to matching awards provided by the Group under the SIP which are sourced from the ESOT. The cost of shares held in the ESOT and SIP trust as at 31 May 2025 was £32.0 million (2024: £34.5 million) and the market value was £7.6 million (2024: £10.4 million).

9. CONTINGENT LIABILITIES AND GUARANTEES

The Company is one of a number of Group companies who are guarantors to the £325.0 million committed credit facility taken out by the Group in November 2022. The facility comprises a term loan of up to £125.0 million, with the balance as a RCF structure. Further details are provided in note 19 to the Group Consolidated Financial Statements. The amount borrowed by the Group under this agreement as at 31 May 2025 was £157.1 million (2024: £160.3 million), of which the Company's borrowing was £nil (2024: £nil).

Alternative Performance Measures

The Group's business performance is assessed using a number of alternative performance measures (APMs). These APMs include adjusted profitability measures where results are presented excluding separately disclosed items (referred to as adjusting items) as we believe this provides both management and investors with useful additional information about the Group's performance and supports a more effective comparison of the Group's financial performance from one period to the next.

Like for like (LFL) revenue growth represents the growth on the prior year at constant currency, excluding unbranded sales and the impact of disposals and acquisitions, and adjusting for the number of reporting days in the period.

Adjusted profitability measures are reconciled to IFRS results on the face of the Consolidated Income Statement with details of adjusting items provided in note 3 to the Consolidated Financial Statements. Reconciliations between APMs and IFRS reported results are set out below:

Adjusted Consolidated Income Statement

		2025			2024	
	Business performance excluding adjusting items	Adjusting items £m	Statutory results £m	Business performance excluding adjusting items £m	Adjusting items £m	Statutory results £m
Revenue	513.8	_	513.8	527.9	_	527.9
Cost of sales	(307.0)	_	(307.0)	(317.8)	(79.0)	(396.8)
Gross profit	206.8	_	206.8	210.1	(79.0)	131.1
Selling and distribution expense	(85.4)	_	(85.4)	(82.8)	_	(82.8)
Administrative expense	(73.6)	(32.8)	(106.4)	(79.7)	(59.6)	(139.3)
Share of results of joint venture	7.1	(1.5)	5.6	10.7	(3.4)	7.3
Operating profit/(loss)	54.9	(34.3)	20.6	58.3	(142.0)	(83.7)
Finance income	3.9	_	3.9	10.8	1.4	12.2
Finance expense	(17.7)	(0.3)	(18.0)	(24.2)	_	(24.2)
Net finance (expense)/income	(13.8)	(0.3)	(14.1)	(13.4)	1.4	(12.0)
Net monetary gain/(loss) arising from hyperinflationary economies	_	_	_	(0.2)	_	(0.2)
Profit/(loss) before taxation	41.1	(34.6)	6.5	44.7	(140.6)	(95.9)
Taxation	(9.0)	(2.7)	(11.7)	(6.5)	30.6	24.1
Profit/(loss) for the year	32.1	(37.3)	(5.2)	38.2	(110.0)	(71.8)
Attributable to:						
Owners of the Parent	30.8	(36.6)	(5.8)	33.6	(90.6)	(57.0)
Non-controlling interests	1.3	(0.7)	0.6	4.6	(19.4)	(14.8)
	32.1	(37.3)	(5.2)	38.2	(110.0)	(71.8)

Alternative Performance Measures continued

Adjusted operating profit and adjusted operating margin

	2025 £m	2024 £m
Group		Liii
Operating profit/(loss) from continuing operations	20.6	(83.7)
Exclude: adjusting items	34.3	142.0
Adjusted operating profit	54.9	58.3
Revenue	513.8	527.9
Operating margin	4.0%	(15.9)%
Adjusted operating margin	10.7%	11.0%
By segment		
Europe & the Americas:		
Operating profit from continuing operations	50.9	0.7
Exclude: adjusting items	(14.1)	31.9
Adjusted operating profit	36.8	32.6
Revenue	199.4	200.7
Operating margin	25.5%	0.3%
Adjusted operating margin	18.5%	16.2%
Asia Pacific:		
Operating profit from continuing operations	25.1	27.0
Exclude: adjusting items	0.1	1.0
Adjusted operating profit	25.2	28.0
Revenue	173.5	175.2
Operating margin	14.5%	15.4%
Adjusted operating margin	14.5%	16.0%
Africa:		
Operating profit/(loss) from continuing operations	18.9	(50.7)
Exclude: adjusting items	4.5	81.0
Adjusted operating profit	23.4	30.3
Revenue	140.9	151.7
Operating margin	13.4%	(33.4)%
Adjusted operating margin	16.6%	20.0%
Central:		
Operating loss from continuing operations	(74.3)	(60.7)
Exclude: adjusting items	43.8	28.1
Adjusted operating loss	(30.5)	(32.6)

Adjusted gross profit and gross margin

	2025 £m	2024 £m
Gross profit	206.8	131.1
Exclude: adjusting items	-	79.0
Adjusted gross profit	206.8	210.1
Revenue	513.8	527.9
Gross margin	40.2%	24.8%
Adjusted gross margin	40.2%	39.8%

Adjusted share of results of joint venture

	2025 £m	2024 £m
Share of results of joint venture	5.6	7.3
Exclude: adjusting items	1.5	3.4
Adjusted share of results of joint venture	7.1	10.7
Adjusted profit before taxation		
	2025 £m	2024 £m

Profit/(Loss) before taxation from continuing operations	6.5	(95.9)
Exclude: adjusting items	34.6	140.6
Adjusted profit before taxation	41.1	44.7

Adjusted Earnings Before Interest Depreciation and Amortisation (Adjusted EBITDA)

	2025 £m	2024 £m
Profit/(Loss) before taxation from continuing operations	6.5	(95.9)
Add back: net finance expense	14.1	12.0
Add back: depreciation	8.0	10.2
Add back: amortisation	4.1	7.1
Add back: impairment and impairment reversal	18.3	24.9
	51.0	(41.7)
Exclude: adjusting items ¹	15.5	117.6
Adjusted EBITDA	66.5	75.9

¹ Excludes adjusting items relating to impairment.

Adjusted earnings per share

	2025 pence	2024 pence
Basic loss per share	(1.38)	(13.60)
Exclude: adjusting items	8.72	21.62
Adjusted basic earnings per share	7.34	8.02
Diluted loss per share ¹	(1.38)	(13.60)
Exclude: adjusting items ²	8.70	21.60
Adjusted diluted earnings per share	7.32	8.00

¹ The basic and diluted loss per share are equal as a result of the Group incurring a statutory loss for the year.

Operating profit excluding share of results of joint venture

	2025 £m	2024 £m
Operating profit/(loss)	20.6	(83.7)
Exclude: Share of results of joint venture	5.6	7.3
Operating profit/(loss) excluding share of results of joint venture	15.0	(91.0)

Free cash flow

	2025 £m	2024 £m
Cash generated from operations	49.2	47.7
Less capital expenditure	(6.9)	(6.1)
Free cash flow	42.3	41.6

² In 2025, this includes an adjustment of 0.00p per share (2024: 0.03p per share) arising from bringing the diluted loss per share in line with the basic loss per share as outlined above.

Glossary

Term	Definition
ANZ	Australia and New Zealand
APAC	Asia-Pacific region
APM	Alternative performance measure
BEST values	Our PZ Cussons values (Bold, Energetic, Striving and Together)
CGU	Cash generating unit
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Employee wellbeing	% score based upon a set of questions within our annual survey of employees
EPS	Earnings per share
ETR	Effective tax rate
Family Care	Refers to our Hygiene, Baby and Beauty brands in Nigeria and Africa
Free cash flow	Cash generated from operations less capital expenditure
Free cash flow conversion	Free cash flow as a % of adjusted EBITDA from continuing operations
JV	Joint venture
Like for like (LFL) revenue growth	Growth on the prior year at constant currency, excluding unbranded sales and the impact of disposals and acquisitions, and adjusting for the number of reporting days in the period
Net debt	Cash, short-term deposits and current asset investments, less bank overdrafts and borrowings. Excludes IFRS 16 lease liabilities
n.m.	Represents non-meaningful growth rates
Personal Care	Refers to our UK business unit operating our Hygiene brands such as Carex, Original Source and Imperial Leather
Price/mix	The effect of pricing, promotional and mix activity on revenue
Revenue Growth Management (RGM)	Maximising revenue through ensuring optimised price points across customers and channels and across different product sizes
SKUs	Stock keeping units

Shareholder Information

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 10:30am on 20 November 2025 at: Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG

FINANCIAL CALENDAR

The key dates for PZ Cussons' financial calendar are available on our website: www.pzcussons.com

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REGISTRARS

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COMPANY SECRETARY

Kareem Moustafa

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements relating to expected or anticipated results, performance or events. Such statements are subject to normal risks associated with the uncertainties in our business, supply chain and consumer demand along with risks associated with macroeconomic, political and social factors in the markets in which we operate. While we believe that the expectations reflected herein are reasonable based on the information we have as at the date of this report, actual outcomes may vary significantly owing to factors outside the control of the PZ Cussons Group, such as cost of materials or demand for our products, or within our control such as our investment decisions, allocation of resources or changes to our plans or strategy. The PZ Cussons Group expressly disclaims any obligation to revise forward-looking statements made in this report or other announcements to reflect changes in our expectations or circumstances. No reliance may be placed on the forward-looking statements contained within this report.

Notes



PZ Cussons plc

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