
**PZ Cussons plc** Annual Report and Accounts 2026


About Us

# BRAND-BUILDING SINCE 1884.

We are a listed consumer goods business headquartered in Manchester and employ 2,000 people across the PZ Cussons Group.

Retaining the pioneering spirit of our founders, we are focused on building winning portfolios of locally-loved brands in our lead markets of the UK, ANZ, Nigeria and Indonesia across the core categories of Personal, Home and Baby Care. Our brands are used by millions of people around the world and include Carex, Childs Farm, Cussons Baby, Imperial Leather, Morning Fresh, Original Source, Premier, Sanctuary Spa, Stella and St.Tropez.

# Summary of Financial Performance

FY26 was a strong year financially, with broad-based growth across each of our four lead markets translating into higher revenue, profit and cash generation.

**Revenue**
**£541.4m**
2025: £513.8m

**Revenue growth – Statutory**
**5.4%**
2025: (2.7)%

**LFL revenue growth[1]**
**5.8%**
2025: 8.0%

**Operating margin – Statutory**
**16.0%**
2025: 4.0%

**Operating margin – Adjusted[1]**
**11.0%**
2025: 10.7%

**Net debt**
**£(25.0)m**
2025: (£112.0)m

**Dividend per share**
**3.70p**
2025: 3.60p

**Basic earnings/(loss) per share – Statutory**
**4.70p**
2025: (1.38)p

**Adjusted basic earnings per share[1]**
**7.14p**
2025: 7.34p

1 Alternative performance measures are explained and reconciled to the most directly comparable financial measure prepared in accordance with IFRS on pages 180 to 182.

# Contents



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

# PZ Cussons at a Glance

## Our markets

### FOUR LEAD MARKETS

**UK | ANZ | NIGERIA | INDONESIA**

We are building winning portfolios of locally-loved brands in four lead markets in the UK, ANZ, Indonesia and Nigeria.

With a balance between developed and emerging markets and building our competitive advantages of go-to-market capabilities and manufacturing scale, we are targeting double-digit total shareholder return through the cycle.

**£541.4m** revenue

**c.2,000** employees

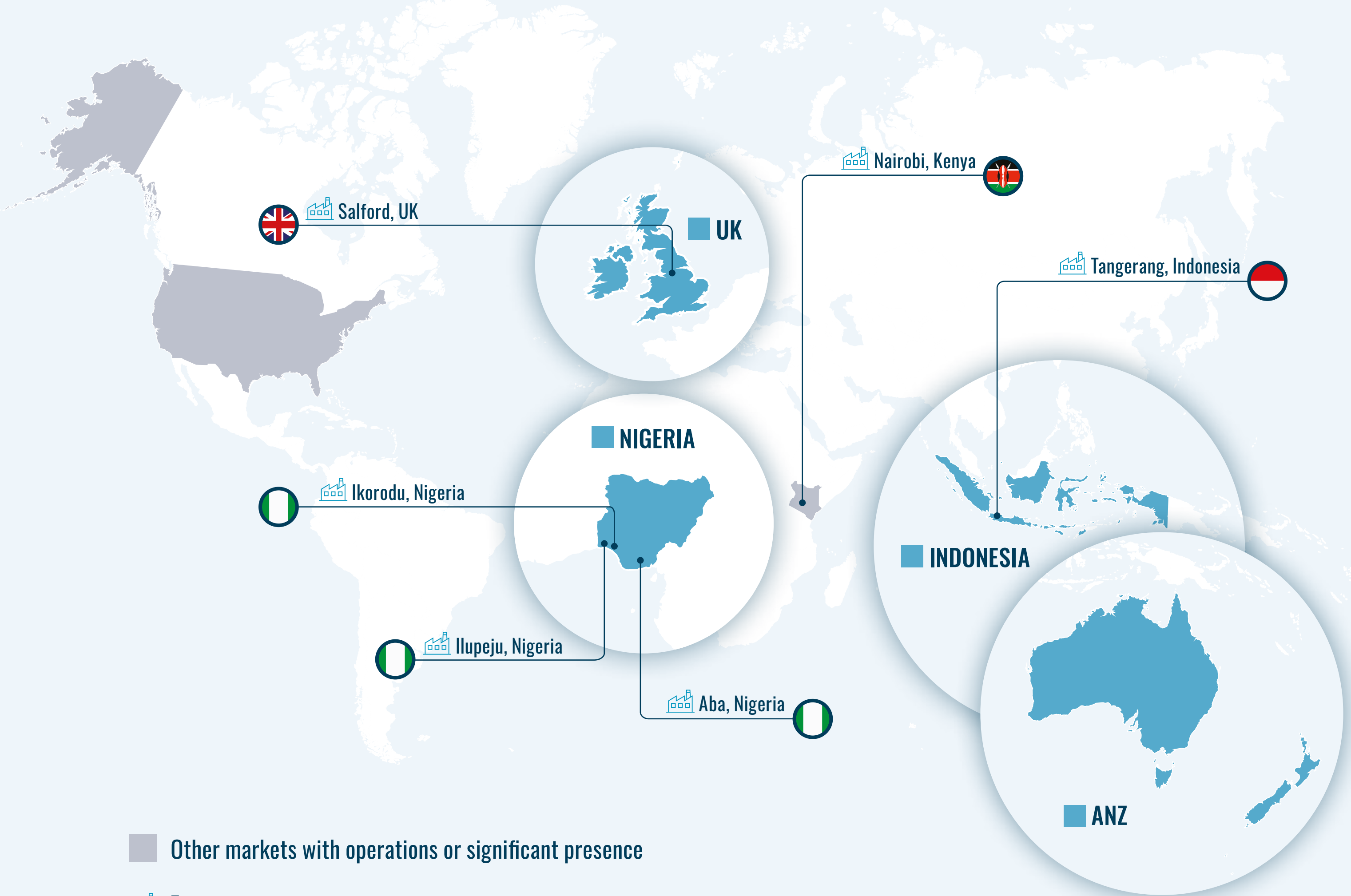
### THREE CORE CATEGORIES

**PERSONAL | HOME | BABY**

**7** offices

**6** factories

FOUR LEAD MARKETS




Other markets with operations or significant presence

Factories

# Our leading brands per market

## UK

Leading positions in Personal Care and Baby Care, with strong distribution and in-house manufacturing.

**32%** revenue

**390** employees

## NIGERIA

Operating in Nigeria for over a century, with a strong footprint in Personal Care, Home Care and Baby Care and a joint venture in Electricals.

**25%** revenue

**820** employees

## ANZ

Leading brands in Home Care and Baby Care.

**17%** revenue

**70** employees

## INDONESIA

Leading brand in Baby Care with Cussons Baby, with presence across Modern and General Trade, and e-commerce.

**11%** revenue

**590** employees

## US

Targeting North America in partnership with The Emerson Group, combining Emerson's extensive distribution reach and brand activation capabilities with the brand equity of St.Tropez and Childs Farm.

## OTHER

We also serve a number of other markets, with in-market operations in Kenya and Ghana and distributors serving other markets in Africa, Europe and Asia.

* Outside of core categories of Personal, Home and Baby.

# A Word from our Chair

I am pleased to present the Annual Report for PZ Cussons for the year ending 31 May 2026.

## PERFORMANCE

This has been a year of good progress for the Group, underpinned by an improved financial performance and by a clearer strategic direction, focusing on where we have the most attractive competitive advantages.

The Group has delivered adjusted operating profit of £59.5 million, and I am particularly pleased to note that this represents a materially better result than we had indicated to investors at the beginning of the year. This reflects strong underlying execution across the business and a more favourable macro-economic backdrop in Nigeria, where the Naira has remained relatively stable in contrast to the declines in recent years. On a statutory basis, operating profit grew to £86.8 million.

Revenue growth has been achieved across each of our four lead markets and across each of our top ten brands, demonstrating the breadth of progress and the benefits of continued investment in innovation, brand-building and route-to-market capabilities.

The Group has also continued to strengthen its financial position. Net debt has reduced from £112.0 million at the end of FY25 to £25.0 million in May 2026, reflecting strong cash generation from our operations, and proceeds from the sale of our 50% stake in the PZ Wilmar joint venture and the disposal of other surplus assets.

## STRATEGIC REVIEW OUTCOME

The key milestones in the year have been the completion of the Board's strategic review and the announcement of ambitious growth plans for the business, as part of a wider Group strategy built upon a portfolio balanced between developed and emerging markets. While we sold our 50% stake in the PZ Wilmar joint venture, we made the important decision to retain and grow the remainder of our business in Africa.

> Following the conclusion of the strategic review, we are now moving ahead with a clear strategic direction and plan for how we will create long-term value for shareholders."
>
> **David Tyler**
> **Non-Executive Chair**

We also decided to retain the St.Tropez brand and enhance its distribution. We are pleased with these decisions: revenue in Africa grew 15% on a like for like basis in FY26 and the partnership established with The Emerson Group led to growth of 7% for St.Tropez in North America.

As part of the decision to retain Africa, management has introduced clear guardrails associated with our operations in Nigeria. These are now reviewed by the Board at each planned Board meeting. They are designed to help mitigate the impact of any future macro-economic shock such as a devaluation, ensuring disciplined management of cash and foreign exchange exposure.

Following the conclusion of the strategic review, we are now moving ahead with a clear strategic direction and plan for how we will create long-term value for shareholders.

At our Capital Markets Event in February, we set out the investment case for PZ Cussons as a more focused and more resilient business, targeting attractive total shareholder returns through the cycle. This is based on:

- building winning portfolios of locally-loved brands across our four lead markets;
- leveraging strong go-to-market capabilities and manufacturing scale;
- maintaining a balanced footprint between developed and emerging markets; and
- continuing to strengthen the balance sheet with a disciplined approach to capital allocation.

As part of this, the Board has approved a clear capital allocation policy and remains focused on maintaining appropriate financial leverage, and on supporting a progressive dividend while retaining the flexibility to invest for growth – both organically and through suitable acquisitions.

## BOARD AND LEADERSHIP

During the year, we were delighted to welcome Jan Bramall as Chief Financial Officer. Jan joined at an important time for the Group, bringing significant experience in senior finance and strategy roles across large international businesses. I know she will build on the good work carried out by her predecessor, Sarah Pollard, ensuring strong financial controls and capital discipline. Under the leadership of both Sarah and Jan and other executives, we are pleased to present our Annual Report and Accounts this year more than a month earlier than in previous years.

In addition, I would like to express my gratitude to Valeria Juarez and Jitesh Sodha, who have decided to stand down from the Board at our AGM on 1 October 2026. Valeria and Jitesh will have each served as Directors for five years. They have made a valued contribution to the Board through their insight, judgment and commitment, and the Company has benefited greatly from their extensive experience and expertise.

The Board is now carrying out a professional recruitment process to select two new Non-Executive Directors. The objective is to create a balanced composition around the board table with a suitable range of skills, experience and diversity.

## DIVIDEND

As part of our Capital Markets Event, the Board established a capital allocation framework which includes a commitment to a progressive dividend policy. The Board has recommended a final dividend of 2.20p per share, representing growth in the full year dividend for FY26 of 2.8%. This reflects both the significantly improved financial position of the Group and our confidence in its long-term prospects, while maintaining an appropriate level of earnings cover and supporting continued investment in the business.

## SUSTAINABILITY

Sustainability remains important to PZ Cussons and is embedded within how we operate and innovate. We are proud now to have achieved a 73% reduction in Scopes 1 and 2 carbon emissions in FY26 vs the FY21 baseline, supporting our progress towards our ambition for net zero by 2045. In April, we were pleased to become a founding signatory of the UK Packaging Pact, reinforcing our commitment to a more circular and sustainable packaging system in the UK.

## PEOPLE AND STAKEHOLDERS

Our people remain the foundation of our success. I am therefore delighted to report continued strong employee engagement scores – particularly in areas such as advocacy for our products and alignment to strategy.

On behalf of the Board, I would like to thank all our colleagues for their dedication and hard work. Equally, I would also like to thank our customers, suppliers, shareholders and other stakeholders for their ongoing support.

## THE FUTURE

We have been disappointed in recent years that the performance of the Group has not reflected the underlying strengths of the business. The Board and the executive team have taken positive steps during FY26 and we have entered FY27 with improved momentum, greater clarity on our portfolio and a much improved balance sheet. We therefore remain confident in the long-term potential of PZ Cussons, supported by strong brands, attractive markets and a more focused portfolio.

**David Tyler**
**Non-Executive Chair**

5 August 2026

# Chief Executive's Review

> The business today is simpler, stronger and more resilient, with clearer priorities and sharper execution."

**Jonathan Myers**
**Chief Executive Officer**

## INTRODUCTION FROM OUR CHIEF EXECUTIVE OFFICER

FY26 was an inflection point for PZ Cussons. We concluded a significant strategic review, evolved our portfolio and developed a clearer financial framework and capital allocation policy. With the conclusion of the strategic review in December last year, we set out a refreshed strategy demonstrating how we are now a more focused and more resilient business, centred on three core categories of Personal, Home and Baby Care. We operate in four lead markets of UK, ANZ, Nigeria and Indonesia with a portfolio of locally-loved brands, balanced between developed and emerging markets.

At our Capital Markets Event in February 2026, we set out our competitive advantages of:

1. our winning portfolios of locally-loved brands;
2. our go-to-market capabilities; and
3. our manufacturing scale and agility.

Combined, these advantages provide us in each of our four lead markets with both the scale to compete with our larger, global peers, and the focus to compete with smaller, local players. It is these competitive advantages on which our strategy is based and they are drivers of the value creation we are determined to deliver.

### Strong financial performance

We have delivered a strong performance in the year, with growth across each of our four lead markets. Our like for like revenue growth of 5.8% was broad-based, with momentum on both price/mix and volume. This performance has been supported by a £3.5 million increase in marketing investment – representing the most we have invested in marketing in recent years – while delivering cost savings of £8.5 million. As a result, we have delivered operating profit of £86.8 million and adjusted operating profit of £59.5 million, representing growth of 8.4%, or 24.5% excluding the contribution from the PZ Wilmar joint venture in FY25, providing early evidence that the actions we have taken to reshape the business are beginning to come through in performance.

The sale of our stake in the PZ Wilmar joint venture, combined with the proceeds from the sale of further non-operating, surplus assets and ongoing cash generation, have significantly strengthened our balance sheet during FY26. Over the last three years, our gross debt has fallen by £174.3 million as cash repatriated to the UK, primarily from Nigeria, has been used to pay down borrowings.

### Conclusion of strategic review

In December 2025, we concluded our strategic review of Africa. The Board took the decision during the year to retain our African business, having announced the sale of our 50% stake in the non-core PZ Wilmar joint venture. This decision reflects the strength of the operations we have in the region and the Board's view of the long-term opportunities in the market. Our business demonstrated its underlying resilience as we navigated a period of volatility and is well-placed given the greater stability in the Nigerian economy and currency throughout the year, further benefitting from the guardrails we have been embedding to mitigate downside risks and limit the impact of future currency movements.

We also took the decision in the year to retain St.Tropez – our sunless tanning brand. The Board concluded that value would be maximised through refreshing the strategy with a renewed operating model built around a partnership with The Emerson Group in the US, a major distributor to retail outlets, with a focused and incentivised St.Tropez team. Our priority in FY26 has been on transitioning to the new operating model in the US, and we are pleased that the business returned to growth of 6.9% in North America after two years of double-digit declines. Although the brand has yet to return to growth in the UK and Europe in the year, we are confident in its future prospects globally, building on the refreshed *'Life is better in St.Tropez'* brand positioning launching this summer, strengthened New Product Development (NPD) for this year and next and the recent launch of St.Tropez on TikTok Shop in the UK.

**LFL revenue growth**

**5.8%**

**Reduction in Group's carbon emissions[1]**

**73%**

**Reduction in gross debt since FY23**

**£174m**

## DELIVERING AGAINST OUR STRATEGY

With our refreshed strategy launched in February this year, we have been able to demonstrate good early progress with strategic highlights in FY26 as follows:

### Build brands

Building brands is central to our strategy: creating consumer demand by better understanding and addressing consumer needs and desires, driving brand equity and in turn supporting pricing power and volume growth.

During the year, we were pleased with the expansion of our gifting programme in the UK, with Christmas gift pack sales up over 30%, growing from our initial focus on Sanctuary Spa. We are now applying these learnings to broaden our gifting ranges across other brands and occasions throughout the year. We see a multi-year opportunity to significantly expand the range of gift packs offered, both in terms of products and price points, creating incremental demand within the personal care category.

Innovation has continued to play an important role in driving growth in our lead markets. Nigeria saw the launch of Carex, while we completed the phased re-stage of Cussons Baby in Indonesia. In Australia, we introduced consumer-preferred 1 litre pump packs on Original Source and our Morning Fresh Auto Dishwash proposition has continued to strengthen, with shares peaking at up to 10% when on promotion in customers where the brand is listed, leveraging Morning Fresh's position as the market's leading washing up liquid brand.

Partnerships have been another source of growth, helping to strengthen brand relevance and extend reach. These included Original Source's partnership with social media influencer Spencer Matthews as part of our sponsorship of HYROX London, building on the use of well-loved animated characters including *Bluey, Zog* and *The Gruffalo* across Childs Farm and Carex.

We are increasingly focused not only on investing in current-year campaigns and innovation, but also on strengthening the multi-year innovation pipeline, including targeted 'seed' investment to qualify future innovation and 'test and learn' activity to refine future growth plans. Reflecting increased confidence in the return on marketing investment and funded through the reduction in overheads, total marketing investment increased by £3.5 million versus FY25, representing the Group's highest level of investment in recent years.

### Serve consumers

We have continued to improve the way we serve consumers by increasing both the depth and quality of our distribution, ensuring the right products are available in more stores. In Nigeria, this has been an important driver of performance for several years. During FY26, we increased both the number of stores served directly and the number of Golden Outlets by more than 40%. These are the stores in Nigeria which see increased investment and focus to deliver a superior shopping experience to consumers. This means we are reaching more consumers across the country, while also improving our visibility and influence over how our products are promoted and presented in-store, supporting stronger execution and improved financial returns.

Elsewhere, we are strengthening our ability to serve consumers in the channels where they increasingly choose to shop. In Indonesia, e-commerce, including 'quick commerce' grew by more than 50% and now represents 14% of total revenue. This is supported in part by our expanding live-streaming platform and strong execution across TikTok Shop and Shopee. TikTok is increasingly important elsewhere too; in the UK, we launched St.Tropez on TikTok Shop.

Finally, our partnership with The Emerson Group has helped secure in-store listings for Childs Farm in US Walmart stores in June 2026, following the successful launch on Walmart.com earlier in the year. This represents an important milestone for the brand, and we will seek to build on this initial distribution over the coming years.

### Reduce complexity

We made good progress in simplifying the Group's portfolio during FY26, improving strategic focus and strengthening the balance sheet. This includes both the disposal of our 50% stake in the PZ Wilmar joint venture as well as the disposal of a number of surplus, non-operating assets in Africa and Asia, generating proceeds of £27.6 million during the year. Together, these actions have strengthened the balance sheet, reduced our holdings in non-core assets and enabled greater focus on our core categories of Personal, Home and Baby Care.

We have simplified our operational footprint during the year. We closed our offices in the US following the decision to partner with The Emerson Group, and the Childs Farm office in the UK following its integration into the wider UK business. We have also simplified or streamlined a number of business processes through the use of AI tools and data analytics.

1 FY26 Scopes 1 & 2 carbon emissions compared to FY21 baseline.

# **Chief Executive's Review** continued

### Develop people

We continued to invest in the culture and capabilities required to deliver our refreshed strategy. During the year, we launched our Employee Promise, *'Dare. Discover. Do.'*, providing a clearer articulation of the behaviours and mindset we seek to encourage across the Group. This supports our ambition to build a more agile, ambitious and consumer-focused organisation, with teams empowered to act with pace, accountability and entrepreneurial spirit.

We also launched our engagement survey on a new platform, enabling more frequent feedback and improved insight into the employee experience. While the change in platform means that results are not directly comparable with the prior year, we achieved an extremely strong 97% completion rate of our c.2,000 employees, with engagement remaining well ahead of the benchmark for consumer companies. This provides an important foundation as we continue to build the capabilities, leadership and ways of working required to deliver sustainable growth.

### Grow sustainably

Sustainability remains central to how we create long-term value. During FY26, we continued to make progress in reducing the Group's carbon footprint, achieving a reduction of 73% compared with the 2021 baseline. This reflects sustained action across our operations and supply chain and supports our broader commitment to grow responsibly.

We also continued to make progress on packaging and plastic reduction. We became a founding signatory to the UK Packaging Pact and continued to reduce plastic usage across our portfolio, including through the 1 litre Original Source bottle, which reduces plastic per litre of product while also offering better value in a preferred pump format to cost-conscious consumers. These actions demonstrate how our sustainability agenda can support both environmental progress and consumer relevance, helping us deliver our purpose: For Everyone. For Life. For Good.

### Conclusion

Looking ahead, there is plenty more to do, and while we remain mindful of macro-economic uncertainties, we are confident in the foundations that are now in place. The business today is simpler, stronger and more resilient, with clearer priorities and sharper execution. We are focused on delivering against the financial algorithm we have set out which seeks to generate double-digit total shareholder return through the cycle. Our progress throughout FY26 has been an important step in moving PZ Cussons beyond the strategic review to a period of more consistent delivery.

On behalf of the Board, I would like to thank our teams across the Group for their energy and commitment through a period of significant uncertainty and change. We now move forward with a clearer strategy, a stronger business and a greater sense of momentum.

**Jonathan Myers**
**Chief Executive Officer**

5 August 2026


# Imperial Leather

Imperial Leather is a longstanding Personal Care brand in our UK lead market and many other markets around the world, known for its heritage soaps, shower gels and fragrances that combine quality and everyday affordability. In FY26, we refreshed our product formats and packaging and launched our 'Right Royal Lather' campaign to update our rich heritage with a modern twist and plenty of British wit and charm, featuring our new brand ambassador Tom Read Wilson.

**The first Imperial Leather Bar Soap launched in**

# 1930

For more details, visit:
**https://www.imperialleather.com**

## Business Model

# HOW WE CREATE VALUE FOR ALL STAKEHOLDERS

**BRAND-BUILDING ACTIVITY**

**OUR BRANDS**

| | CONSUMER INSIGHTS | PRODUCT DEVELOPMENT | SOURCING AND MANUFACTURING | DISTRIBUTION |
|---|---|---|---|---|
| WHAT THIS MEANS | Understanding of consumers and their evolving usage and shopping behaviours. | Translating insight into products through the development of formulations, formats and packaging. | Procuring raw materials and converting them into finished goods ready for sale. | Distributing products to consumers through an online or physical retailer, or distributor. |
| HOW THIS IS DELIVERED AT PZ CUSSONS | With insights and analytics teams embedded within each of our lead markets, our understanding of the consumer is at a local level, allowing us to develop products that are focused on serving local needs. | Working closely with insights teams, our product development is led by in-market teams, allowing us to tailor innovation to local preferences and to respond quickly to the changing needs in each of our lead markets. | We use a combination of in-house and third-party manufacturing allowing us to balance agility and cost while benefiting from externally-generated innovation. Key inputs include palm oil, surfactants and packaging such as bottles and jars. | Our distribution channels vary by geography. In the UK and ANZ, more than 90% of revenue is generated through modern trade retailers, whether online or offline. In Nigeria and Indonesia, the route-to-market is more complex, with more than 50% in traditional trade such as open markets. |

## Trends impacting our business

| TREND | FY26 CONTEXT AND IMPLICATIONS |
|---|---|
| MACRO-ECONOMIC VOLATILITY AND MARKET DEVELOPMENT | Economic conditions vary by market, with easing inflation in Nigeria offset by increasing cost pressures more broadly due to the conflict in the Middle East. In the long term, structural growth opportunities persist, supported by improving demographics, particularly in our emerging markets. |
| CHANGING CONSUMER NEEDS, TASTES AND VALUE PERCEPTIONS | Consumers continue to balance affordability with expectations of quality, efficacy and brand trust. During periods of higher cost inflation, we adapt our product portfolio and propositions to cater both for consumers seeking to reduce their spending, and for those who continue to seek premium products. |
| EVOLVING CHANNELS AND COMPETITIVE INTENSITY | The channels through which consumers purchase products continue to evolve. Growth in discounters, particularly in the UK, drives growth in private label products, while e-commerce and social media has driven 'digital-native' insurgent brands into our categories. Such dynamics necessitate us in turn to drive sharper execution across these channels, with clearly differentiated brand propositions. |
| REGULATION, SUSTAINABILITY AND STAKEHOLDER EXPECTATIONS | Regulatory requirements and stakeholder expectations continue to increase, particularly in areas such as packaging, as evidenced by the introduction in 2025 of the Extended Producer Responsibility tax in the UK. This requires us to continually adapt, embedding sustainability into operations and maintaining high standards of governance and transparency. |

## THE VALUE WE CREATE

### OUR BUSINESS MODEL CREATES SHARED, SUSTAINABLE VALUE FOR ALL OUR STAKEHOLDERS.

### FOR CONSUMERS

Innovative, high-quality and trusted brands.

### FOR CUSTOMERS

Our retail partners and customers benefit from selling our leading brands.

### FOR EMPLOYEES

Engaged teams, training and development opportunities and a supportive culture.

### 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

### ARTIFICIAL INTELLIGENCE AND THE RISKS AND OPPORTUNITIES FOR OUR BUSINESS

## FY26 CONTEXT AND IMPLICATIONS

Artificial intelligence (AI) is expected to become an increasingly important feature of the wider consumer goods landscape, shaping how companies understand consumers, develop products, improve execution and drive efficiency across their operations.

We are already partnering with providers of digital and AI-enabled tools to generate faster and better insights, including qualitative research, product and concept validation, advertising testing and panel-based learning. This supports a more locally relevant approach to innovation, helping to translate at speed insight into product, pack, claims and content.

We also see potential for AI and advanced analytics to support stronger execution across the value chain. In Nigeria, our teams are using AI to inform how and where to target new distribution, and our supply chain teams are using it to improve forecasting and demand planning. Across the Group, AI tools are improving productivity, through helping our teams automate repetitive tasks, improve consistency and reduce manual effort.

As the technology continues to become more widely adopted with ever-increasing use cases amongst consumers, customers and suppliers, key for PZ Cussons will be to apply AI in a focused and responsible way to continue to strengthen our brands, through improved consumer understanding and operational efficiency while supporting better decision-making across the business.

# OUR STRATEGY AND VALUE CREATION FRAMEWORK.

**We are building winning portfolios of locally-loved brands across our core categories of Personal, Home and Baby Care, targeting double-digit total shareholder return through the cycle.**

## PORTFOLIO CHOICES

### THREE CORE CATEGORIES: PERSONAL, HOME AND BABY CARE

### FOUR LEAD MARKETS

**DEVELOPED**
~60% OF GROUP REVENUE

**EMERGING**
~40% OF GROUP REVENUE

## STRATEGY

### OUR COMPETITIVE ADVANTAGES

1. LOCALLY-LOVED BRANDS
2. GO-TO-MARKET CAPABILITIES
3. MANUFACTURING SCALE

### OUR STRATEGY IN TEN WORDS

| BUILD BRANDS | SERVE CONSUMERS | REDUCE COMPLEXITY | DEVELOP PEOPLE | GROW SUSTAINABLY |
|---|---|---|---|---|
| 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. |

## PRIORITIES FOR USES OF FREE CASH FLOW

1. STRONG BALANCE SHEET
2. PROGRESSIVE DIVIDEND
3. BOLT-ON M&A
4. CASH RETURNS

**DOUBLE-DIGIT TOTAL SHAREHOLDER RETURN THROUGH THE CYCLE**

## BALANCED PORTFOLIO

We have focused our business around the three core categories of Personal, Home and Baby Care and across four lead markets of the UK, ANZ, Nigeria and Indonesia. Our portfolio has a natural balance, split between developed markets and emerging markets – each playing their own role in delivering for the Group overall.

## OUR COMPETITIVE ADVANTAGES

### LOCALLY-LOVED BRANDS

Our brands have significant and cultural relevance in their home market with New Product Development based upon local insights. Our brands can expand to new markets, but they do not have to.

### GO-TO-MARKET CAPABILITIES

We have breadth and depth in our retail relationships allowing us to reach consumers wherever they shop. Our marketing campaigns are locally-targeted and activated.

### MANUFACTURING SCALE

We benefit from cost and speed-to-market advantages from our in-house manufacturing with R&D based within our markets.

## CLEAR CAPITAL ALLOCATION POLICY

We will maintain a strong balance sheet, with target leverage of 1.0 to 1.5x adjusted net debt/ EBITDA and pay a progressive dividend. We will target bolt-on acquisitions and these will be assessed against the potential for cash returns to shareholders.

**PRIORITIES FOR USES OF FREE CASH FLOW**

| | |
|---|---|
| LEVERAGE | Target adjusted net debt/ EBITDA of 1–1.5x |
| DIVIDEND | Progressive dividend |
| M&A | Opportunities for bolt-ons |
| CASH RETURNS | To be considered relative to M&A opportunities |

## DOUBLE-DIGIT SHAREHOLDER RETURN

Through our portfolio choices, strategy and capital allocation policy, we will target double-digit total shareholder return through the cycle.

Mid-single digit % like for like revenue growth → High-single digit % EPS growth at reported FX + Progressive dividend payment → Double-digit total shareholder return through the cycle

## Key Performance Indicators

# HOW WE MEASURE OUR PERFORMANCE.

## FINANCIAL KEY PERFORMANCE INDICATORS

**FY26 was a strong year financially, with broad-based growth across each of our four lead markets translating into higher revenue, profit and cash generation.**

### Revenue growth

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

**Revenue growth – Statutory**

**5.4%**

| Year | Revenue growth – Statutory |
|---|---|
| **2026** | **5.4%** |
| 2025 | (2.7)% |
| 2024 | (19.6)% |
| 2023 | 10.7% |
| 2022 | (1.7)% |

**LFL revenue growth[1]**

**5.8%**

| Year | LFL revenue growth |
|---|---|
| **2026** | **5.8%** |
| 2025 | 8.0% |
| 2024 | 4.4% |
| 2023 | 6.1% |
| 2022 | 2.9% |

### Profit margin

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

**Operating margin – Statutory**

**16.0%**

| Year | Operating margin – Statutory |
|---|---|
| **2026** | **16.0%** |
| 2025 | 4.0% |
| 2024 | (15.9)% |
| 2023 | 9.1% |
| 2022 | 11.1% |

**Operating margin – Adjusted[1]**

**11.0%**

| Year | Operating margin – Adjusted |
|---|---|
| **2026** | **11.0%** |
| 2025 | 10.7% |
| 2024 | 11.0% |
| 2023 | 11.2% |
| 2022 | 11.3% |

### Basic earnings/(loss) per share

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

**Basic earnings/(loss) per share – Statutory**

**4.70p**

| Year | Basic earnings/(loss) per share – Statutory |
|---|---|
| **2026** | **4.70p** |
| 2025 | (1.38)p |
| 2024 | (13.60)p |
| 2023 | 8.70p |
| 2022 | 11.88p |

**Basic earnings per share – Adjusted[1]**

**7.14p**

| Year | Basic earnings per share – Adjusted |
|---|---|
| **2026** | **7.14p** |
| 2025 | 7.34p |
| 2024 | 8.02p |
| 2023 | 11.23p |
| 2022 | 12.57p |

### Dividend per share

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.

**3.70p**

| Year | Dividend per share |
|---|---|
| **2026** | **3.70p** |
| 2025 | 3.60p |
| 2024 | 3.60p |
| 2023 | 6.40p |
| 2022 | 6.40p |

### Net (debt)/cash

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

**£(25.0)m**

| Year | Net (debt)/cash |
|---|---|
| **2026** | **£(25.0)m** |
| 2025 | £(112.0)m |
| 2024 | £(115.3)m |
| 2023 | £5.7m |
| 2022 | £(9.8)m |

# NON-FINANCIAL KEY PERFORMANCE INDICATORS

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

### Number of top 10 brands in revenue growth

A measure of the quality of our revenue growth.

**10**

### Carbon reduction and compensation[2]

Achieve a 42% reduction in Scopes 1 and 2 carbon emissions by 2030.

**73.3%**
reduction since 2021

Annually match residual Scopes 1 and 2 carbon emissions with carbon credits.

**100%**
of our emissions in FY26

### Packaging reduction[2]

Reduce virgin plastic intensity in our packaging by one third by 2030.

**12.1%**
reduction since 2021

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

**87.4%**
of our packaging in FY26

### Waste reduction[2]

By 2030, we aim to send zero waste to landfill in those countries where appropriate infrastructure exists.

**88.3%**
reduction since 2021

### Water intensity[2]

Reduce operational water intensity by 30%.

**20%**
reduction since 2021

### Engagement score[3]

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

**83%**

1 Alternative performance measures are explained and reconciled to the most directly comparable financial measure prepared in accordance with IFRS on pages 180 to 182.
2 Refer to pages 25 to 27 for further details on our sustainability targets.
3 Refer to page 21 for further details on our employee engagement survey.

# Financial Review

> FY26 represents an important step forward in improving the quality, resilience and consistency of the Group's financial performance."

**Jan Bramall**
**Chief Financial Officer**

## OVERVIEW OF GROUP FINANCIAL PERFORMANCE

FY26 was a strong year financially, with broad-based growth across each of our four lead markets translating into higher revenue, profit and cash generation. Performance was in line with our financial algorithm, set out at our Capital Markets Event in February. This targets, over the course of a cycle:

- mid-single digit % LFL revenue growth;
- increased marketing investment;
- gross margin expansion; and
- overheads growth limited to below that of revenue.

Revenue in FY26 increased by 5.8% on a LFL basis, while improvements in gross profit and cost savings of £8.5 million resulted in adjusted operating profit increasing by nearly 25%, excluding the contribution from the PZ Wilmar joint venture. We have also increased marketing investment by £3.5 million supporting a strengthened longer-term innovation pipeline. Results also included non-recurring gains of £5.4 million related to the revaluation of liabilities in Nigeria as a result of the strengthening of the Naira.

On a statutory basis, operating profit increased from £20.6 million to £86.8 million reflecting gains on disposals and an impairment reversal of Sanctuary Spa and compares to a charge in FY25 related to the impairment of goodwill.

We were pleased to see greater levels of stability in the Nigerian economy and Naira exchange rate during the year, with inflation falling from over 20% at the beginning of our financial year to 16% in May 2026. Against this backdrop we delivered continued growth in pricing and volume in Nigeria. Reported results include a gain associated with the revaluation of liabilities within Nigeria, compared to losses in recent years.

Looking ahead however, the guardrails we have been embedding, including the reduction in intra-group loans and third-party liabilities, mean that our sensitivity to Naira movements has greatly reduced. Prior to the reduction in liabilities, a 100 Naira movement compared to the US Dollar (representing a c.7% move at today's rates) would have equated to a more than £7 million change in Group operating profit brought about by the revaluation of liabilities. That same change in FX would now be approximately £1.5 million.

Free cash flow remained strong and, together with proceeds from portfolio transformation activity, enabled a significant reduction in net debt. Net debt reduced by £87.0 million to £25.0 million at 31 May 2026, representing a reduction in gross debt of £174.3 million over the last three years resulting from the sale of surplus assets and cash repatriation from Nigeria to the UK. Our adjusted net debt/adjusted EBITDA ratio is now 0.7x, strengthening our financial position and providing flexibility within our capital allocation framework.

Overall, FY26 represents an important step forward in improving the quality, resilience and consistency of the Group's financial performance. While we are mindful of macro-economic uncertainty, we enter FY27 with a significantly stronger balance sheet and greatly reduced exposure to Nigerian foreign exchange volatility, with a better funded innovation pipeline, providing a solid platform from which to continue delivering against our strategic and financial objectives.

# PERFORMANCE BY GEOGRAPHY

## EUROPE AND THE AMERICAS

| £m unless otherwise stated | FY26 | FY25 | Growth/ (decline) |
|---|---|---|---|
| Revenue | **200.3** | 199.4 | 0.5% |
| LFL revenue growth (%) | **0.9%** | 0.6% | — |
| Adjusted operating profit | **36.6** | 36.8 | (0.5)% |
| Margin (%) | **18.3%** | 18.5% | (20)bps |
| Operating profit | **47.2** | 50.9 | (7.3)% |
| Margin (%) | **23.6%** | 25.5% | (190)bps |

Revenue grew 0.9% on a LFL basis, with overall price/mix growth of 1.2% and volume decline of 0.3%. Growth across our larger brands was offset by a decline in performance in St.Tropez in Europe and our hair care brands.

### UK revenue

In our lead market of the UK, revenue grew 0.5% to £175.4 million. We delivered growth across our washing and bathing brands of Carex, Imperial Leather, Original Source and Sanctuary Spa. The brands largely held market share in their respective category segments, with the overall washing and bathing category growing 5.0%. Sanctuary Spa was the biggest contributor to growth, driven by a highly successful Christmas gifting period and the full year benefit of the *Aqua Serenity NPD*. Carex continued to benefit from the partnership with Magic Light Pictures to use the *Zog* and *The Gruffalo* animated characters on key products while Original Source's performance was driven by its *'Nature Hits Different'* campaign and partnership to sponsor the London HYROX event. Imperial Leather delivered continued growth launching the *'Right Royal Lather'* campaign towards the end of the year. Childs Farm gained market share with growth in consumer sales driven by the OatDerma range and the partnership with the *Bluey* animated character, albeit reported revenue declined as higher levels of stock held at retailers towards the end of FY25 normalised throughout the year.

We saw a decline in our smaller brands, primarily Charles Worthington and Fudge which underperformed their categories, while St.Tropez revenue declined following strong growth in FY25 which was driven by very strong online orders towards the end of that year.

### Other Europe and Americas revenue

Outside of our lead market of the UK, revenue grew 3.8%. This comprised primarily growth of 6.9% in St.Tropez North America where we started to deliver the benefits from our partnership with The Emerson Group, established in June 2025, and the refreshed strategy for the brand. This growth was offset by a decline in continental Europe.

### Operating profit

Europe and Americas adjusted operating profit was broadly flat as improvement in gross margins and good cost containment offset underlying inflationary increases in overheads. On a statutory basis, operating profit was £47.2 million which included an impairment reversal of Sanctuary Spa partly offset by impairment charges for Charles Worthington and Fudge.

## ASIA PACIFIC

| £m unless otherwise stated | FY26 | FY25 | Growth / (decline) |
|---|---|---|---|
| Revenue | **173.1** | 173.5 | (0.2)% |
| LFL revenue growth (%) | **3.9%** | (0.1)% | — |
| Adjusted operating profit | **23.9** | 25.2 | (5.2)% |
| Margin (%) | **13.8%** | 14.5% | (70)bps |
| Operating profit | **27.1** | 25.1 | 8.0% |
| Margin (%) | **15.7%** | 14.5% | 120bps |

Revenue grew 3.9% on a LFL basis, with overall price/mix growth of 3.5% and volume of 0.4%. On a reported basis, revenue declined 0.2% reflecting the depreciation of the Indonesian Rupiah and Australian Dollar.

### ANZ revenue

In our lead market of ANZ, revenue grew 4.0% to £91.3 million. We delivered strong growth across our largest brands of Morning Fresh, Radiant and Rafferty's Garden. Morning Fresh saw its strong market share in the Hand Dishwash category decline slightly following strong promotional activity from competitors but this was more than offset by a very strong performance from our Auto Dishwash NPD which took two percentage points of share of the segment. Rafferty's Garden grew strongly driven in part by early successes of a relaunch into New Zealand and strong share gains in Australia, while Radiant maintained share in a growing category. The launch of the 1 litre Original Source product provided a step-change for the brand in Australia.

### Indonesia revenue

In our lead market of Indonesia, revenue grew 10.2% to £60.5 million driven by growth in Cussons Baby with improvements in both price/mix and volume. Growth was driven primarily by the phased re-staging of the overall Cussons Baby brand, focusing in FY26 on Telon Oil, Baby Wash and Hair Lotion. E-commerce continues to be a major driver of performance, growing over 50% with very strong growth in TikTok Shop and Shopee. We continue to expand our live-streaming platform, extending the duration of the daily operations, whilst increasing the number of affiliates used to market the brand and optimising 'always-on' promotional activity during key trading dates.

### Other APAC revenue

Elsewhere, revenue declined in a number of our smaller, lower-margin markets in Asia and the Middle East, driven by a strategic focus on higher margin revenue streams.

### Operating profit

Adjusted operating profit declined by £1.3 million to £23.9 million. This reflected increased marketing investment in our Auto Dishwash NPD and Cussons Baby re-staging and depreciation of both the Australian Dollar and Indonesian Rupiah. On a statutory basis, operating profit grew to £27.1 million reflecting gains on disposal related to the surplus assets sold in Asia during the year.

# Financial Review continued

## AFRICA

| £m unless otherwise stated | FY26 | FY25 | Growth / (decline) |
|---|---|---|---|
| Revenue | **168.0** | 140.9 | 19.2% |
| LFL revenue growth (%) | **14.7%** | 34.9% | — |
| Adjusted operating profit | **21.9** | 23.4 | (6.4)% |
| Margin (%) | **13.0%** | 16.6% | (360)bps |
| Operating profit | **34.2** | 18.9 | 81.0% |
| Margin (%) | **20.4%** | 13.4% | 700bps |
| Adjusting operating profit ex. share of results of JV | **21.9** | 16.3 | 34.4% |
| Margin (%) | **13.0%** | 11.6% | 140bps |

Revenue grew 14.7% on a LFL basis, with overall price/mix growth of 9.5% and volume growth of 5.2%. On a reported basis, revenue grew 19.2% as a result of the 3% appreciation of the Nigerian Naira.

### Nigeria performance

In our lead market of Nigeria, revenue grew 21.7% to £133.0 million with growth in both price/mix and volume with inflation remaining high but moderating throughout the year. We delivered double-digit growth across the majority of our largest brands. Stella – a long-lasting moisturising jelly and our largest brand in Nigeria – was particularly strong driven by increased exports and continuing the strategy of 'de-seasonalising' the brand – extending the typical purchase period beyond the harmattan dry season.

Further route-to-market improvements drove growth in volumes, despite the price increases. The overall number of stores served has increased over 40% compared to FY25, to 250,000, and the number of Golden Outlets – those stores which see increased investment and focus to deliver a superior shopping experience to consumers – has also increased over 40% to c.14,000. Exports to West and Central African markets also grew in the year, further supporting growth in revenue recorded in Nigeria.

Revenue in our Electricals business grew over 20% driven primarily by the refrigeration sub-category and the ongoing strength of our exclusive showrooms network. We have continued to invest in insights-driven and locally relevant ('Naijanised') energy saving innovation for the Nigerian consumer to help protect disposable income in view of the increased costs of energy.

### Other Africa revenue

Elsewhere revenue declined by 1.1% due to temporary disruption at a distributor affecting exports from Kenya.

### Operating profit

Excluding the contribution from the PZ Wilmar joint venture in the comparative period, adjusted operating profit grew £5.6 million to £21.9 million. This includes a £4.6 million benefit due to the revaluation of US Dollar-denominated liabilities in Nigeria following the appreciation of the Naira compared to the prior year. Marketing investment increased significantly compared to FY25 driven primarily by activity supporting the launch of Carex during the year and investment in brand and category expansions.

On a statutory basis, operating profit increased by £15.3 million to £34.2 million representing the non-recurrence of the revaluation of US Dollar-denominated liabilities in FY25 as well as the gain on disposal of other surplus property assets in FY26.

As a result of the reduction in recent years of intra-group and third-party liabilities denominated in non-local currency, the Group's sensitivity to movements in the Nigeria Naira has greatly reduced.

## CENTRAL

| £m unless otherwise stated | FY26 | FY25 | Growth / (decline) |
|---|---|---|---|
| Adjusted operating loss | **(22.9)** | (30.5) | (24.9)% |
| Operating loss | **(21.7)** | (74.3) | (70.8)% |

Adjusted central operating loss declined by £7.6 million to £22.9 million. This reflects primarily the structural cost savings programme the Group implemented during FY25 and a £0.8 million gain associated with FX revaluation of US Dollar-denominated liabilities in Nigeria but which benefited a central entity.

After inclusion of the gain on disposal relating to the PZ Wilmar joint venture and advisory fees incurred in relation to the strategic review of Africa, central operating loss on a statutory basis was £21.7 million. This is a reduction from FY25 which included an impairment charge relating to goodwill.

# OTHER FINANCIAL ITEMS

## ADJUSTED OPERATING PROFIT

Adjusted operating profit increased by 8.4% to £59.5 million from £54.9 million in the prior year, or by 24.5% if the contribution from the PZ Wilmar joint venture is excluded from FY25. This growth was driven by strong growth in gross profit, reduced overheads and the benefit of the revaluation of intercompany liabilities, partly offset by increased marketing investment.

## ADJUSTING ITEMS

Adjusting items in the year totalled a net gain of £27.3 million before tax. This included a net impairment reversal on brand intangibles of £11.4 million mainly relating to Sanctuary Spa, a £12.6 million gain on the disposal of non-core properties and a £4.5 million profit on disposal of the Group's investment in the PZ Wilmar joint venture.

This compares to a net adjusting expense of £34.6 million in FY25, which primarily comprised an £18.8 million impairment charge and costs associated with the Group's transformation programme.

After accounting for adjusting items, the Group's statutory operating profit was £86.8 million compared to £20.6 million in the prior year. The increase primarily reflects gains on disposals of non-core assets, a material impairment reversal and the non-recurrence of the significant impairment charge recognised in FY25.

See **note 3** for further details on adjusting items.

## NET FINANCE EXPENSE

Net finance expense decreased by £4.7 million to £9.4 million (2025: £14.1 million), driven principally by lower interest expense on borrowings as net debt reduced following the sale of the PZ Wilmar joint venture and a number of surplus assets, as well as continued strong cash generation.

## TAXATION

The effective tax rate (ETR) on adjusted profit before tax was 29.7%, or £14.9 million, an increase from 21.9% in the prior year. This increase largely reflects the non-recurrence of income from the PZ Wilmar joint venture which the Group had equity-accounted in the prior period, recording its 50% share of the joint venture's post-tax income in operating profit. On a statutory basis, taxation was £49.0 million. This includes current and deferred tax effects on the adjusting items recognised during the year, together with movements in uncertain tax positions relating to a local tax matter, and a charge relating to intercompany debt relief following conclusion of the Africa strategic review.

## EARNINGS PER SHARE

Basic adjusted EPS decreased 2.7% to 7.14p per share. This reflects growth in profit before tax offset by increased minority interest arising from the growth in profitability in Nigeria, particularly in our Electricals business where our share ownership is lower. On a statutory basis, EPS was 4.70p, compared to (1.38)p in the prior period.

## BALANCE SHEET AND CASH FLOW

Net debt as at 31 May 2026 was £25.0 million, compared to £112.0 million at 31 May 2025 driven largely by the proceeds of £47.8 million[1] from the sale of our 50% stake in the PZ Wilmar joint venture and proceeds from a number of surplus, non-operating assets of £27.6 million. The Group has cash of £24.5 million in Nigeria as at 31 May 2026. Our adjusted net debt/adjusted EBITDA ratio as at 31 May 2026 was 0.7x, compared to a target range of 1.0-1.5x.

| £m unless otherwise stated | FY26 | FY25 |
|---|---|---|
| Total cash | **51.9** | 45.1 |
| Gross debt | **76.9** | 157.1 |
| **Net debt** | **25.0** | 112.0 |
| Add back Nigeria cash | **24.5** | 20.2 |
| **Adjusted net debt** | **49.5** | 132.2 |
| Adjusted EBITDA | **72.0** | 66.5 |
| **Adjusted net debt/EBITDA** | **0.7x** | 2.0x |

Total free cash flow was £54.7 million compared to £42.3 million in the prior period. The increase reflects the improvement in adjusted operating profit and the reduction in the cash flow impact of adjusting items, primarily those related to the transformation activities, partly offset by a working capital outflow.

| £m unless otherwise stated | FY26 | FY25 |
|---|---|---|
| **Adjusted EBITDA** | **72.0** | 66.5 |
| Cash flow impact of adjusting items | **(5.4)** | (14.0) |
| Working capital movement | **(9.7)** | 2.3 |
| Capital expenditure | **(6.1)** | (6.9) |
| Share of results of joint venture | **—** | (7.1) |
| Other | **3.9** | 1.5 |
| **Free cash flow** | **54.7** | 42.3 |

Net assets increased by £28.6 million to £242.1 million (2025: £213.5 million), primarily reflecting statutory profit for the year and favourable FX reserve movements, offset by dividends paid.

At 31 May 2026, the Group had a £270.0 million (2025: £325.0 million) committed credit facility which is available for general corporate purposes. The credit facility incorporates both a Term Loan, of up to £70.0 million, originally £125.0 million, with the balance as a Revolving Credit Facility (RCF) structure. As at 31 May 2026, the headroom on the committed facility was £193.1 million, compared to £167.5 million at 31 May 2025.

In June 2026, the Group refinanced these facilities, entering into a new £225.0 million Revolving Credit Facility maturing in June 2030. Further details on this refinancing are provided in note 19.

## FOREIGN EXCHANGE

The movement of Sterling against our other currencies resulted in a £1.5 million reduction to FY25 revenue as set out below.

| | % of FY26 revenue | Average FX rates FY26 | Average FX rates FY25 | % change | Revenue impact (£m) |
|---|---|---|---|---|---|
| GBP | 34% | **1** | 1 | — | — |
| NGN (Nigeria) | 25% | **1,945** | 2,015 | 3% | 3.8 |
| AUD (Australia) | 16% | **2.00** | 1.99 | (1)% | (0.5) |
| IDR (Indonesia) | 13% | **22,468** | 20,742 | (8)% | (5.3) |
| USD (USA) | 3% | **1.34** | 1.29 | (4)% | (0.7) |
| Other | 9% | **—** | — | — | 1.2 |
| **Total**[2] | 100% | **—** | — | | (1.5) |

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

| NGN/GBP | FY24 | FY25 | FY26 |
|---|---|---|---|
| Rate used for income statement | 1,257 | 2,015 | **1,945** |
| Rate used for balance sheet | 1,893 | 2,136 | **1,851** |

1 A final £3.4 million was received in July 2026 resulting in total proceeds of £51.2 million.

2 Table shows the impact of translating FY25 revenue at FY26 foreign exchange rates.

# People and Culture

## Our focus on people and culture remains central to our success as we continue to grow the business.

Our purpose acts as our 'compass' to help us navigate the direction in which we take the Company: For Everyone. For Life. For Good.

- **'For Everyone'** in the sense that we want to serve more consumers but also signalling our commitment to being an inclusive employer and to serve the communities in which we live and work.
- **'For Life'** in the sense that our products make people and things cleaner but also that we add vitality to our consumers' lives.
- **'For Good'**, because we want our business to endure as we make our brands stronger from one year to the next but also as we seek to do business in the right way, in line with our sustainability commitments.

### OUR VALUES

Our BEST values guide our approach to how we work and make decisions. As individuals we are Bold; in our teams we are Energetic; as a business we are Striving; and our shared culture brings us Together. These values were defined by our people, for our people.

### OUR EMPLOYEE PROMISE

We worked with colleagues across our business to define the five big reasons that people join PZ Cussons and commit to delivering our brand-building strategy and goals. This helps us to tell our story succinctly in our recruitment and in a way that aligns with our purpose, values and leadership framework.

We use our employee promise in internal and external communications to prospective and current employees through 'Dare. Discover. Do.' This reflects our commitment to smart risk-taking (Dare), curiosity and learning (Discover) and delivering with accountability (Do).

### OUR EMPLOYEE PROMISE & FIVE BIG REASONS

**The promise we make to our people; the 'give' and the 'get'**

**DARE. DISCOVER. DO.**

- FUTUREPROOF OUR BRANDS
- CREATE YOUR OWN IMPACT
- ACCELERATE YOUR CRAFT
- FLEXIBILITY TO PERFORM
- COLLABORATE WITH INTENT

### INVESTING IN LEADERSHIP CAPABILITY

Last year, we developed a new leadership framework and this year we embedded it across our business units, helping to create conditions for high-performance. The framework is built around four pillars, aligned to our values, and sets out our expectations for our leaders in how they 'show up' every day and deliver outcomes through their teams:

- Pioneer
- Drive Performance
- Collaborate to Win
- Inspire

We launched this framework at a senior leadership event, and it is gradually being implemented across all of our leadership practices, from recruitment and selection to performance review. We also developed capability frameworks in critical skill areas such as marketing and commercial across our business, to continuously 'raise the bar' on the skills we require as a brand-building company and the career pathways available to colleagues.

For more details, visit our website:
**https://www.pzcussons.com/careers/life-at-pzcussons/**

### DIVERSITY, EQUITY AND INCLUSION

At PZ Cussons, we believe our best ideas come from people who feel seen, heard and valued. Our diversity, equity and inclusion strategy is focused on building a culture of belonging, where colleagues feel able to be themselves and contribute fully. This commitment is reflected across our markets and brought to life through our employee-led networks and communities.

We continued to make progress on accelerating women into leadership. Globally, female representation now stands at 30%, with women accounting for 46% of senior management roles. Our global EmpowHER Women's Network, which supports women to feel inspired, connected and empowered to thrive, continued to expand across our markets. The network also continued to create opportunities for connection and development, including a 'personal brand' event featuring a panel of senior leaders. The session was hosted by one of the network's lead members, who previously completed our graduate programme, and was enriched by a keynote from Non-Executive Director Kirsty Bashforth.

Our commitment to inclusion was also recognised externally, with PZ Cussons named Large Organisation Winner at the 2026 Northern Power Women Awards, recognising the progress we are making to build a more inclusive workplace.

We remain committed to a Board and Executive Committee that reflects the diversity of our workforce, consumers and the communities we serve. Our Board composition exceeds Parker Review targets, with three Directors from an ethnic minority background. During the year, we reviewed our position and set a new target of 16% of UK senior management being from an ethnic minority background to better reflect the UK working population and the smaller size of our senior management population. As at 31 May 2026, 13% of UK senior management identified as being from an ethnic minority background.

## RESPONDING TO LOCAL NEEDS

In support of our global activity, our business units have delivered a series of local initiatives to strengthen employee engagement and employee development.

For example, in our Europe business unit we designed and delivered 'Discover Leadership', a structured development programme rooted in our leadership framework and directly connected to our employee promise. And in our Africa, Asia and ANZ business units we invested in a range of employee events and training activity, ranging from technical and soft skills courses and 'lunch and learn programmes', to sponsoring brand activity for International Men's Day in Africa and International Women's Day globally.

Following employee feedback, we are also looking at our reward and benefits programmes at a local level and tailoring our offer. For example, in our UK geography we launched a new 'My Benefits' digital platform that consolidates benefits and total reward information into one personalised offer for employees, and we are looking at a more tailored reward offer for all of our lead markets.

## LISTENING TO OUR PEOPLE

Employee voice remains an important input to the Board, supported by Kirsty Bashforth in her role as our designated Non-Executive Director for employee engagement. She continues to attend global employee events, including the EmpowHER global Women's Network and global town halls. During FY26, Kirsty attended roundtables with the Indonesia and Australia leadership teams, participated in the Indonesia employee engagement results and actions meeting, and travelled to Australia and Indonesia to visit the markets, meet with key suppliers and partners, spend time across employee teams and focus groups and meet with management.

To continue to measure the effectiveness of our work around culture and leadership at all stages of our 'employee lifecycle', from joiners to leavers, we moved to a new employee survey provider integrated with Workday, our people management system. This integration reduces the complexity of administering the survey, provides access to more data points and supports our move towards a 'continuous listening' model. Together, these improvements will help leaders move more quickly from feedback to action, with instant access to survey insights, clearer action planning and a more effective way to act on the things our people tell us are important.

The transition to a new provider also creates a new baseline for how we measure engagement and track progress over time. The engagement score is calculated using a defined set of engagement factors, so results should be interpreted alongside the wider indicators and themes, rather than as a like for like comparison with previous years.

This year, participation remained high at 97%, in line with last year's survey. We're also pleased to report an overall engagement score of 83%, which is 4% above the consumer benchmark. In our new platform, this engagement score is shaped by four outcome measures:

- engagement (how likely colleagues are to recommend PZ Cussons as a place to work);
- belief (how likely they are to recommend our products or services);
- loyalty (how likely they are to stay if offered the same job elsewhere); and
- satisfaction (overall satisfaction working at PZ Cussons).

Together, these measures provide a rounded view of how colleagues feel about PZ Cussons. They capture advocacy, confidence in the products and services we offer, likelihood to remain with the business, and overall satisfaction with the day-to-day experience of working for us.

Encouragingly, our engagement outcomes were underpinned by strong scores in areas that typically drive commitment and enthusiasm at work. Colleagues reported strong belief in and advocacy for our products, with 93% favourable scores, reinforcing core engagement. Alignment to our organisational strategy is also strong at 83%, notably 9% above the consumer benchmark. Clarity on expectations remains high, with goal setting at 91%, alongside strong confidence in management support at 82%.

Our Executive Committee discussed the survey results, including the areas that matter most to employees and where colleagues told us they want to see further progress. A clear action plan has been agreed and will be progressed over the next year. This includes increasing autonomy through clearer decision rights, reducing workload pressure through better use of AI and stronger management practices, creating more opportunities for growth and development, and aligning our reward approach to support a high-performance culture.

The Board recognises that assessing and monitoring culture is integral to its role in promoting the long-term success of the Group and uses employee engagement as a key indicator in this regard. The Board reviews the outcomes of the Group's global engagement survey and considers insights from its designated Non-Executive Director for employee engagement as part of its ongoing oversight of culture. The most recent survey demonstrates overall positive colleague sentiment and continued strength in underlying engagement drivers, notwithstanding a period of ongoing change. The survey also highlights areas for continued focus. These insights are used by management and the Board to inform and monitor management actions aimed at strengthening culture and supporting a sustainable high-performance environment.

# Meet our people

Meet some of the people who bring the experience and judgement needed to support our strategy and culture.

## SHAUN PEVERILL

### Marketing Director – Australia and New Zealand

**“Our brands are the beating heart of PZ Cussons. Being entrusted with their stewardship, serving consumers today while building relevance for the future, is both a privilege and a responsibility.”**

This principle has guided Shaun Peverill’s leadership of the ANZ marketing agenda since joining PZ Cussons in 2017.

Shaun and his colleagues build locally-loved brands through deep consumer insight, strong customer partnerships and rigorous execution. Morning Fresh has strengthened its brand equity, and Shaun has enabled a culture of continuous innovation, launching new products such as Morning Fresh Easy Squeeze and Morning Fresh Auto Dish to expand usage occasions and drive incremental growth.

Across the broader portfolio, Shaun has championed a ‘digital first’ approach to brand-building, accelerating recruitment of parents for Rafferty’s Garden, and led the evolution of Radiant through expansion into capsules and the strengthening of core product lines. More recently, he has supported renewed momentum in Original Source.

Prior to working at PZ Cussons, Shaun held senior marketing roles at Mondelēz International and Colgate Palmolive, working across both Australia and the United Kingdom. He brings a commercially grounded perspective spanning brand strategy, category leadership and go-to-market execution, and is deeply committed to developing high performing teams and embedding a culture of customer focus, innovation and accountability to deliver sustainable, long-term growth.

## SISKA LAYADI

### Sales Director – Asia

**“Change is the only constant in sales and digital commerce. To win, we must remain agile and always ready to adapt.”**

Siska Layadi joined PZ Cussons in 2024, bringing more than two decades of experience across Coca-Cola and other leading businesses in Indonesia. She leads a team of colleagues in Asia across field sales leadership and office functions, working closely with distributors to strengthen execution.

In her first months, Siska prioritised listening to colleagues to quickly pinpoint the real barriers to growth with support from the Asia leadership team and then focused on fixing what was within the team’s control. A key change was smoothing sales throughout the month to improve forecasting and supply planning by introducing incentives that moved volume earlier in the month. She also sharpened trade investment discipline by focusing teams on the strongest regional SKUs and embedding a ‘start, stop, continue’ approach following her experience working for an entrepreneurial ‘start-up’ business, bringing fresh thinking, testing what works and taking fast action.

Siska has also accelerated e-commerce as a growth engine across channels, from marketplaces such as TikTok and Shopee to partners’ digital platforms and the fast-growing reseller economy. By building an in-house live streaming capability in our Tangerang factory to sell our brands, the team improved return on investment while maintaining healthier pricing and avoiding overreliance on constant promotions.

In FY27, her priorities remain e-commerce acceleration, route-to-market expansion into new territories, and continued optimisation of commercial investment. Above all, she is building an agile mindset with our leaders in Asia, in a fiercely competitive environment where continuous improvement is essential.

## CLARE GOSLING

### Group Finance Director

**"Finance works best when it makes the complex feel simple: clear numbers, clear governance and a winning team."**

Clare Gosling joined PZ Cussons in 2024 from TalkTalk, drawn by the opportunity to work in a global FMCG business proudly headquartered in Manchester. With a career spanning financial services, retail and telecommunications, she brought a fresh external perspective to a finance function supporting teams across multiple business units.

As Group Finance Director, Clare leads financial control, external reporting, financial planning and analysis, management accounting, transactional finance and finance transformation. She oversees a team in multiple locations, with a significant proportion based in our finance service centre in Indonesia, and she has focused on strengthening connections across teams and building consistent ways of working.

This year, Clare is proud of how the Group Finance team has come together to simplify and strengthen core delivery. By bringing previously separate responsibilities into one cohesive remit, the team has further embedded the finance 'set plays' that underpin effective execution: 'month-end', 'year-end', supporting the Annual Report and Accounts, budgeting and ongoing work to support corporate governance reform.

With a dynamic external environment, faster reporting timetable and IFRS 18 on the horizon, she has sharpened focus on forecasting and planning, keeping the organisation responsive and disciplined. Clare is equally proud of the way the Group Finance team maintained strong delivery through a leadership transition, working collaboratively to ensure continuity and supporting Jan Bramall to join the Company as our new Chief Financial Officer as PZ Cussons looks to the future.

## YETUNDE BADEJO

### Head of Trade Marketing – Africa

**"I am passionate about translating strategy into action – at scale."**

Yetunde Badejo is the Head of Trade Marketing at PZ Cussons, where she leads the delivery of commercial growth and execution excellence across key channels in Nigeria.

Since joining the business in 2012, she has gained extensive cross-functional experience and has consistently demonstrated strong commercial leadership, particularly in revenue growth management initiatives focused on pricing and product mix optimisation. Her contributions have helped the Nigeria business navigate the impact of currency devaluation while sustaining competitiveness and protecting business value.

In the current fiscal year, Yetunde co-led the successful relaunch of the Carex brand in Africa, delivering rapid distribution expansion to 86% weighted distribution across supermarkets and achieving early market share growth of 1.6% in a highly competitive category. The relaunch has contributed approximately £2.0 million in incremental revenue growth for PZ Cussons.

She has also played a key role in strengthening route-to-market execution and accelerating channel growth. Under her leadership, the Company's Golden Outlet programme expanded significantly, growing direct retail coverage from 500 stores four years ago to more than 14,000 stores in the current fiscal year.

She is passionate about translating strategy into scalable execution and remains focused on improving trade investment efficiency while unlocking sustainable growth opportunities across existing markets.

Sustainability

# A LONG-TERM APPROACH TO SUSTAINABILITY.

## 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.

Aligned with this purpose, our environmental and social impact framework, known as Better for All, sets out our priorities and ambition, helping employees across the Group understand how they can contribute to delivering measurable progress. The framework is supported by clearly defined KPIs and informed by a group-wide materiality assessment, which identified and validated our most significant environmental and social focus areas.

Our sustainability strategy is also guided by internationally recognised principles, including our commitment to the United Nations Global Compact (UNGC) and the United Nations Sustainable Development Goals (SDGs).

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

# OUR IMPACT ON PEOPLE.

## We are committed to safe, high-quality products, supporting local communities and providing a safe, rewarding workplace for our employees.

## ALIGNING TO THE SDGs


All our manufacturing sites are accredited to ISO 9001 for quality and we apply the principles of ISO 10377 to help ensure the safety of our products for consumers. These standards, alongside robust internal manufacturing and quality management policies and processes, provide a strong foundation for delivering safe, high-quality products.

We also take a product stewardship approach to ensure our portfolio remains fit for purpose over the long term. This includes continually reviewing product design to respond to evolving consumer safety requirements, regulatory expectations and environmental considerations.

## COMMUNITIES

We aim to create positive social impact in the communities where we operate, supporting locally-led initiatives aligned with our values and business strategy. Our approach focuses on long-term, locally relevant charity partnerships that resonate with our employees, communities and brands, underpinned by clear ethical standards governing how we support social causes. Our Code of Ethical Conduct requires that our charitable donations are free from political affiliations or conflicts of interest.

## HEALTH AND SAFETY

Health and Safety remained a key priority throughout the year, with continued focus on maintaining a safe workplace for employees, contractors and stakeholders. We have strengthened our HSE practices through regular training, risk assessments, compliance monitoring and continuous improvement initiatives. Our commitment to workplace safety contributed to improved operational performance and reinforced our culture of accountability and care.

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

During the year, performance improved against key safety indicators, including a 50% reduction in lost time incidents (LTIs) and a reduction in both LTIFR[2] and AAIFR[3] compared to the prior year.

The two LTIs were 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 to actions that will help us foster a working environment where a zero-LTI mindset is truly embedded.

| | FY26 | FY25 | Change vs prior year |
|---|---|---|---|
| Fatalities | **—** | — | — |
| LTI[1]/Yr. | **2** | 4 | (2) |
| LTIFR[2] | **0.04** | 0.07 | (0.03) |
| AAIFR[3] | **0.79** | 0.83[4] | (0.04) |

1 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.

3 AAIFR defined as All Accident Incident Frequency Rate.

4 This figure was re-stated from FY25 report (from 0.79 to 0.83).

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

# OUR ENVIRONMENTAL IMPACTS.

## We are committed to reducing our environmental impact through focused action.

### ALIGNING TO THE SDGs


We focus on managing and reducing the environmental impacts most relevant to our business, with particular attention to carbon emissions, responsible sourcing and the way we design our packaging. We also work to minimise waste and water use across our operations, supported by continuous improvement programmes.

We measure, manage and transparently report our performance in the areas where we have the greatest environmental footprint and where focused action can deliver the most meaningful outcomes.

All our operating sites comply with local regulations and our Group standards and all our manufacturing sites are certified to ISO 14001.

### PLASTICS AND PACKAGING

Plastics and packaging remain a key focus area for the Group. Reducing our packaging impact is complex, requiring co-ordinated action across brands, markets and functions, and a long-term view of portfolio design.

Progress against our packaging targets continued in FY26, although overall improvement was moderated by changes in portfolio mix. Growth in Beauty in Africa and portfolio shifts in other regions increased the relative weighting of formats with higher packaging intensity, partially offsetting the benefits of our reduction initiatives. While this has impacted the pace of progress at a Group level, we remain committed to our long-term ambitions and are strengthening the interventions needed to accelerate future performance.

In FY26, we continued to embed our packaging and plastic reduction ambitions across the business, building on established regional targets and brand-level trajectories. This included targeted interventions to improve material efficiency and reduce per-use impact, such as the launch of larger pack formats in selected markets, including 1 litre Original Source packs in Australia, helping consumers reduce packaging intensity over time.

We also continued to increase the use of post-consumer recycled (PCR) plastic across our portfolio and to push technological boundaries to unlock new solutions. This included the introduction of 100% PCR caps on selected brands in the UK, demonstrating the potential to scale higher recycled content across our portfolio. These initiatives support progress towards our long-term virgin plastic reduction ambitions while strengthening brand relevance and portfolio resilience.

In the UK, Extended Producer Responsibility (EPR) is an operational reality. We have responded by embedding sustainability considerations into our Stage and Gate governance process, ensuring packaging design decisions consider both environmental performance and regulatory risk from the outset. This approach helps us deliver more sustainable products over time while managing future compliance and cost exposure.

Alongside plastics, our global paper target continues to support our wider sustainability strategy. We aim to increase the use of recycled or certified paper, sourced from responsibly managed forests and certified to standards such as FSC, PEFC or equivalent, helping to protect forest resources and reduce pressure on virgin materials.

| | FY26 | FY25 |
|---|---|---|
| Reduce virgin plastic intensity in our packaging by one third by 2030 from a 2021 baseline[1] | **(12.1)% compared to baseline** | (12.5)% compared to baseline |
| Ensure 100% recyclable, reusable or compostable packaging by 2030 | **87.4%** | 86.1% |
| Use 100% certified or recycled paper by 2025[2] | **95%** | 96% |

1 FY26 data reflects enhanced coverage and reporting accuracy across markets. FY25 data has not been rebaselined and is not directly comparable.

2 ~99% coverage in FY26 and ~95% in FY25 (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.

### WASTE

Waste reduction remains a priority across our operations, supported by sustained site-level programmes and continuous improvement activity. Strong progress has been made in recent years, with several manufacturing sites already operating with no waste sent to landfill, reflecting effective waste segregation, improved material handling and engagement with local waste management partners.

Across the Group, all manufacturing sites operate formal waste reduction programmes, with waste streams regularly reviewed and mapped to identify opportunities to reduce, reuse or recycle materials before disposal. Actions are prioritised locally, taking account of operational context and available infrastructure.

While the remaining waste sent to landfill represents the most challenging waste streams to divert, we continue to explore industry best practices, recovery solutions and local waste management partnerships to support our 2030 goal.

| Target | FY26 | FY25 | FY21 baseline |
|---|---|---|---|
| By 2030, we aim to send zero waste to landfill in those countries where appropriate infrastructure exists[1] | **(88.3)% compared to baseline** | (88.1)% compared to baseline | 141 tonnes |

1 In Africa such infrastructure does not currently exist.

# Sustainability continued

## WATER

Reducing water use remains an important focus across our operations, supported by continuous improvement programmes to drive efficient and responsible use. We continue to measure, manage and report progress against our operational water intensity target, with performance monitored at site level and supported by ongoing data quality improvements.

Absolute water consumption remained broadly in line with the prior year, reflecting continued focus on water management across our operations. We remain committed to improving efficiency and enhancing our understanding of water-related impacts as we continue to develop our longer-term water stewardship approach.

Water has emerged as a priority area as expectations and best practice continue to evolve. Building on our existing approach, we are working to further refine how we assess, measure and report water impacts across the Group.

| Target | FY26 | FY25 |
|---|---|---|
| Reduce operational water intensity by 30% by 2030 from a 2021 baseline[1,2] | **(20)% compared to baseline** | (29)% compared to 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 the Carbon Disclosure Project (CDP).

| Targets |
|---|
| Continue to use 100% responsible palm oil in our products aligned to NDPE (no deforestation, peat or exploitation) principles |
| Continue to use 100% of recycled or certified paper |

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

Our paper progress is disclosed on page 25 of this report.

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

## REDUCING CARBON EMISSIONS

Our climate programme is focused on the reduction of greenhouse gas emissions across our operations and value chain, supported by a clear set of carbon KPIs and a disciplined approach to delivery.

We continue to make strong progress against our Scope 1 and 2 reduction commitment, driven by energy efficiency initiatives, zero carbon electricity procurement and structural improvements, including outsourcing on-site power generation in Africa. In FY26, our market-based Scope 1 and 2 footprint decreased by 14.6% and energy consumption reduced by 12.5% versus FY25.

Alongside operational decarbonisation, we are strengthening Scope 3 data quality and methodology. In FY26, we identified the need to re-baseline Category 11 following an update to the emissions factor and underlying methodology, and Scope 3 numbers are presented on a like for like basis.

We recognise that a small proportion of operational emissions remain after reduction efforts. In recognition of this, we purchase carbon credits as a complementary measure, supporting investment in climate mitigation activities. We continue to procure Gold Standard certified abatement credits, with third-party verification of the number of credits purchased and retired against the relevant year's verified Scope 1 and 2 emissions. These credits do not reduce our reported emissions.

Transparency remains central to our approach. We continue to support CDP disclosure, building on our A- score in the 2025 climate assessment. Our carbon inventory is independently assured: Scopes 1 and 2 by BIP.Verco and Scope 3 by SE Advisory Services. Reports are available on our website.

| Target | FY26 | FY25 |
|---|---|---|
| Achieve a 42% reduction in Scopes 1 and 2 carbon emissions by 2030 from a 2021 baseline[1] | **(73.3)% compared to baseline** | (68.7)% compared to baseline |
| Achieve net zero emissions across Scopes 1, 2 and 3 from a 2021 baseline[1,2] | **(25.5)% compared to baseline[3]** | (33.4)% compared to baseline[4,5] |
| Annually match residual Scope 1 and 2 carbon emissions with carbon credits[1] | **100% of our emissions** | 100% of our emissions |

1 Information assured and verified by BIP.Verco. Report is available on our website.
2 Information assured and verified by SE. Report is available on our website.
3 The figures presented for FY26 current reporting year are from the latest available data which for Scope 3 is the FY25 inventory and for Scopes 1 and 2 is the FY26 inventory. Both are verified by third-party experts.
4 The figures presented for FY25 previous reporting year are from FY24 for Scope 3 and from FY25 for Scopes 1 and 2. Both are verified by third-party experts.
5 This figure was re-stated from FY25 report (from 31.1% to 33.4%).

## EMISSIONS TABLES

### Greenhouse gas emissions and energy consumption*:

| | FY26 | | | FY25 | | | FY21 baseline year | | |
|---|---|---|---|---|---|---|---|---|---|
| | **UK** | **Global** | **Total** | UK | Global | Total | UK | Global | Total |
| Energy consumption used to calculate emissions (MWh) | **5,899** | **64,640** | **70,539** | 5,910 | 74,700 | 80,610 | 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) ($tCO_2e$)** | **438** | **9,867** | **10,305** | 451 | 11,672 | 12,123 | 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) ($tCO_2e$) | **726** | **8,359** | **9,085** | 713 | 6,674 | 7,387 | 833 | 7,815 | 8,648 |
| **Emissions from purchase of electricity, heat, steam and cooling, purchased for own use** | | | | | | | | | |
| (Scope 2 market-based) ($tCO_2e$) | **—** | **180** | **180** | — | 159 | 159 | — | 7,815 | 7,815 |
| **Total Scopes 1 and 2[1]** | | | | | | | | | |
| Total gross Scope 1 and 2 location-based emissions ($tCO_2e$) | **1,164** | **18,227** | **19,391** | 1,164 | 18,346 | 19,510 | 1,618 | 38,451 | 40,069 |
| Total gross Scope 1 and Scope 2 market-based emissions ($tCO_2e$) | **438** | **10,047** | **10,485** | 451 | 11,830 | 12,281 | 785 | 38,451 | 39,236 |
| Intensity ratio $tCO_2e$ (Scope 1 and 2 market-based) /£100,000 revenue | **0.24** | **2.81** | **1.94** | 0.25 | 3.57 | 2.30 | 0.18 | 21.6 | 6.50 |
| **Total out of scope emissions ($tCO_2e$)[5]** | **—** | **88** | **88** | — | 2,652 | 2,652 | — | 2,159 | 2,159 |
| **Scope 3[2,3]** | | | | | | | | | |
| Cat 1 Purchased goods and services | | **425,380** | | | | 449,487 | | | 521,758 |
| Cat 2 Capital goods | | **142** | | | | 499 | | | 312 |
| Cat 3 Fuel and energy-related activities | | **5,501** | | | | 5,774 | | | 6,316 |
| Cat 4 Upstream transport and distribution | | **19,224** | | | | 62,102 | | | 155,957 |
| Cat 5 Waste generated in operations | | **341** | | | | 1,571 | | | 1,860 |
| Cat 6 Business travel | | **2,142** | | | | 1,749 | | | 227 |
| Cat 7 Employee commuting | | **1,962** | | | | 1,741 | | | 2,268 |
| Cat 8 Leased assets | | **1,059** | | | | 1,260 | | | 608 |
| Cat 9 Downstream transport and distribution | | **10,379** | | | | 22,581 | | | 48,390 |
| Cat 10 Processing of sold products | | **n/a** | | | | n/a | | | n/a |
| Cat 11 Use of sold products | | **1,075,439** | | | | 1,459,393 | | | 2,629,913 |
| Cat 12 End-of-life treatment of sold products | | **40,000** | | | | 53,162 | | | 71,954 |
| Cat 13 Downstream leased assets | | **n/a** | | | | n/a | | | n/a |
| Cat 14 Franchises | | **n/a** | | | | n/a | | | n/a |
| Cat 15 Investments[4] | | **1,344,194** | | | | 552,817 | | | 463,938 |

* All emissions have been calculated following the Greenhouse Gas Protocol Corporate Standard. The verification statement available on our website provide further details on methodology and boundary.

1 Information assured and verified by BIP.Verco. Report is available on our website.

2 Information assured and verified by SE. Report is available on our website.

3 Calculating and verifying Scope 3 data is a complex and time-consuming exercise. The figures presented for FY26 current reporting year are from the latest available data which is the FY25 Scope 3 inventory and for FY25 previous reporting year is from FY24 Scope 3 inventory. Both are verified by third-party experts.

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.

# OUR BEHAVIOURS AS A BUSINESS.

We are committed to responsible business practices across our operations and value chain. 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.
- Supplier Code of Conduct.
- Modern Slavery Statement.

## Code of Ethical Conduct

Our Code of Ethical Conduct (COEC) sets out the ethical principles and standards of behaviour expected across PZ Cussons. It provides guidance to support compliance with the UK Bribery Act and equivalent legislation in other jurisdictions, and applies to all employees, contractors, Directors, senior leaders, joint venture partners and third parties acting on our behalf.

The COEC also addresses key risk areas, including anti-bribery and corruption, modern slavery, supply chain due diligence, animal testing, whistleblowing and the prevention of financial crime. It is supported by a wider suite of Group policies, as detailed in the Audit and Risk Committee Report.

We reinforce understanding of the COEC through annual employee confirmation, onboarding and targeted training. New joiners complete mandatory ethics and anti-bribery training, while additional face-to-face engagement is delivered in higher risk markets and manufacturing sites to support consistent understanding and application across the business.

## Supplier Code of Conduct

The Supplier Code of Conduct (SCOC) aligns with our COEC and requires suppliers to comply with applicable laws and regulations, uphold human rights standards and meet our requirements on issues such as modern slavery, labour practices and animal testing.

We apply a risk-based approach to supplier due diligence, screening vendors through our third-party risk framework and requiring agreement to the SCOC as part of onboarding. Progress continues to be made in securing supplier commitments, supported by the Dow Jones platform, which strengthens oversight and supports our ambition of full compliance across our direct supply base.

## Modern Slavery Statement

Our Modern Slavery Statement sets out our commitment to preventing all forms of slavery and human trafficking across our supply chain. This commitment is underpinned by our SCOC and procurement policies, which set clear expectations for ethical and responsible business practices.

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 and 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 pages 78 to 80 of this report.

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 76**

### 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. 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 ANZ, 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, which limits global warming to 1.5°C by 2100 through stringent and immediately introduced climate policies and innovation, reaching net zero $CO_2$ emissions around 2050 – linked to SSP1-1.9 (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 – linked to SSP5-8.5 (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).

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

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 SSP1-1.9 and SSP5-8.5. 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:

| | | |
|---|---|---|
| L | 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 180 to 182.

**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 31 and 32.

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 1.5°C 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 monitor climate-related risks and opportunities and incorporate any material findings into our strategy, risk management and transition planning.

## 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 33 to 40 of this Annual Report and Accounts.

Specifically, our Risk Management Methodology on page 34 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 34. Climate change forms part of our 'Sustainability and the Environment' Principal Risk, with further information on how we manage this risk provided on page 40.

**ST** Short term **MT** Medium term **LT** Long term **L** Low risk **M** Medium risk **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.

| Potential financial impact | Modelling approach | Scenario | Relative impact ST | Relative impact MT | Relative impact LT | How we're responding |
|---|---|---|---|---|---|---|
| The Group's direct operations might be affected by physical impacts, which may lead to increased costs for repair/retrofit of impacted assets and decreased revenue due to operational outages. | Exposure of each asset is determined based on 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. | Net zero | L | H | H | The Group will continue to analyse a variety of locations which are key to the business, 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.<br>**Highest exposure countries:** Nigeria, Indonesia |
| | | Current policies | L | H | H | |

### Supplier operations

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

| Potential financial impact | Modelling approach | Scenario | Relative impact ST | Relative impact MT | Relative impact LT | How we're responding |
|---|---|---|---|---|---|---|
| The Group's supply chain might be disrupted by physical risks resulting in increased costs and loss of revenue due to changes in the availability of goods and services from suppliers. | Exposure of each asset is determined based on 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. | Net zero | L | H | H | The Group analyses exposure for a range of acute climate-related risks and puts mitigation plans in place. Further mitigation actions will provide business and organisational resilience to acute/chronic risks.<br>Alternative suppliers with lower exposure to climate-related risk might be taken into consideration to mitigate the risk in the future.<br>**Highest exposure countries:** China, Thailand |
| | | Current policies | L | H | H | |

## TRANSITION RISKS

### Carbon pricing

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

| Potential financial impact | Modelling approach | Scenario | Relative impact ST | Relative impact MT | Relative impact LT | How we're responding |
|---|---|---|---|---|---|---|
| Carbon pricing already exists in some of the Group's jurisdictions, including the EU and UK. Under different scenarios, carbon taxes are expected to increase, which could increase the Group's direct operating costs, resulting in a loss of revenue. | Carbon prices from NGFS applied to our long-term emissions forecasts.<br>The short-term relative financial impact of carbon pricing with regard to the Scope 3 scenarios increased in FY26, primarily reflecting a re-assessment of the period covered by the short-term time horizon which factors in higher projected carbon prices over that period, rather than a material change in the Group's underlying exposure. | Scope 1 & 2 net zero | L | L | L | In our sustainability strategy, we have set ambitious targets: to reduce GHG emissions throughout our value chain, reducing our dependence on future carbon taxes and voluntary off-set markets. We also monitor government policies and climate change actions and take necessary steps to minimise the impact on our business.<br>**Highest exposure country:** Nigeria |
| | | Scope 1 & 2 current policies | L | L | L | |
| | | Scope 3 net zero | H | H | H | |
| | | Scope 3 current policies | M | H | H | |

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

**Extended producer responsibility**

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

| Potential financial impact | Modelling approach | Scenario | Relative impact ST | Relative impact MT | Relative impact LT | How we're responding |
|---|---|---|---|---|---|---|
| The introduction of EPR in the UK has already resulted in additional operational and compliance costs, with further financial exposure expected due to the implementation of eco-modulated fees in 2026.<br>EPR fees may increase over time impacting profitability through increased cost of goods.<br>The PPWR in the EU could impact our profitability by 2030 through increased cost of goods for our EU portfolio (including Northern Ireland). | Estimated EPR costs applied to our long-term packaging forecasts. | Net zero | L | L | M | We are actively reviewing our European packaging portfolio to minimise exposure to non-recyclable packaging fees under UK EPR eco-modulation. While the implications of the EU PPWR remain under assessment, the packaging optimisation activities already underway for UK EPR are expected to help mitigate some of the potential impact.<br>**Highest exposure country:** UK |
| | | Current policies | L | H | H | |

**Cost of energy**

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

| Potential financial impact | Modelling approach | Scenario | Relative impact ST | Relative impact MT | Relative impact LT | How we're responding |
|---|---|---|---|---|---|---|
| The Group anticipates continued high levels of energy price volatility. This will impact energy costs associated with the Group's operations, which will also affect our supply chain resulting in increased costs and loss of revenue. | Energy prices from NGFS applied to our long-term energy forecasts.<br>The relative financial impact of the cost of energy with regard to the net zero scenario across all time horizons increased in FY26, reflecting enhanced modelling of the energy transition, including greater electrification and higher projected electricity prices. | Net zero | H | H | H | Through our continuous improvement programme in our factories, we continue to assess energy reduction initiatives across our sites to minimise the risk of increased energy costs.<br>**Highest exposure country:** Nigeria |
| | | Current policies | L | L | M | |

## OPPORTUNITY

**Energy efficiency**

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

| Potential financial impact | Modelling approach | Scenario | Relative impact ST | Relative impact MT | Relative impact LT | How we're responding |
|---|---|---|---|---|---|---|
| Reduced energy costs may decrease the Group's operational costs. | Energy prices from NGFS applied to our long-term energy forecasts. | Net zero | L | L | L | We will continue reviewing the energy efficiency of our assets and suppliers through our continuous improvement programmes, which will also result in lower operational costs.<br>**Highest exposure country:** Nigeria |
| | | Current policies | L | L | L | |

### 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 24 to 26 of this Annual Report and Accounts.

# 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.

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.

### 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.

# Risk Management and Principal Risks continued

## 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.

## 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 activities.

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.

## 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.

**1 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.

**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.

**4 Discussions with external advisers:**

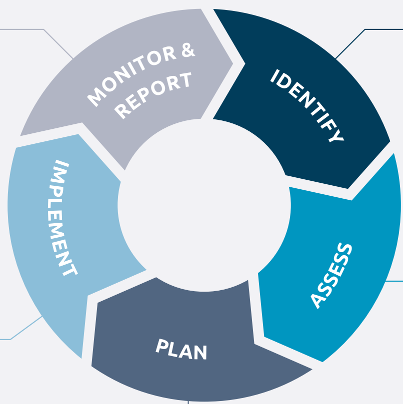
These processes are informed by regular discussions with the Group's network of external advisers including its lawyers, accountants and tax advisers, internal audit partners, insurance brokers, health and safety advisers and sustainability and PR advisers. The Group is also a member of various trade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

### Our Risk Management Methodology

5 The results and status of those risk actions are **monitored** by the Group Risk team, management and second-line assurance functions.

The status of risk actions is **reported** frequently to the Audit and Risk Committee.

4 Actions are **implemented** by regional and business unit management.




1 The initial **identification** of risks, including emerging risks at the operational level.

2 These risks are then **assessed,** including an assessment of the potential impact of the risk on our business, and the extent to which the risk can be mitigated or controlled.

3 Mitigating actions are then **planned,** agreed and communicated to the relevant risk owners throughout the Group.

## 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 ongoing conflict in the Middle East means the Group's overall residual risk profile has increased slightly, driven primarily by increasing risks in relation to 'Macro-economic and Financial Volatility inc. Foreign Exchange', 'Geopolitical Instability' and 'Supply Chain and Logistics', with these increases driven by worsening global conditions rather than any deterioration in the effectiveness of existing controls or mitigations. In addition to this, the Group's Principal Risk relating to 'Talent Development and Retention' has reduced following the completion of the Strategic Review.

'Business Transformation' has been removed as a standalone Principal Risk, as transformation activities are now embedded across all functions and reflected within other Principal Risks. In addition, the former 'IT and Information Security' risk has been separated into 'Cybersecurity' and 'IT Infrastructure and Systems' to better reflect their distinct risk profiles and management, consistent with evolving market practice and the Group's increasing risk maturity.

**LINK TO STRATEGY** Build Brands · Serve Consumers · Reduce Complexity · Develop People · Grow Sustainably

**TREND** Increase · No change · Decrease · New

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

**Trend:** Increase

**Link to Strategy:** Reduce Complexity, Grow Sustainably

**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 macro-economic and political decisions in some of our jurisdictions, and the consequences of those decisions may impact our ability to access foreign currency to settle inter-company liabilities, including the repatriation of cash to the UK through 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 macro-economic 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:**

- 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 medium-term forward exchange contracts taken to reduce our exposure to fluctuations.
- 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: CYBERSECURITY

**Trend:**

**Link to Strategy:**

**Description of risk:**

We communicate with our customers and suppliers electronically, and our operations involve the processing and storage of personal, confidential and commercially sensitive data. As a result, we are exposed to the risk of cyberattacks, data breaches, ransomware, phishing and other malicious activity which could compromise the confidentiality, integrity or availability of our information.

Ongoing global instability, increasing geopolitical tensions and the growing sophistication of cyber-criminal activity, including the use of generative AI, have continued to elevate the cyber threat landscape. A successful cyber incident could result in operational disruption, financial loss, regulatory sanction, reputational damage, and loss of stakeholder trust, as well as potential compromise of data across our extended supply chain.

**How we manage the risk:**

- The Information Security Risk Committee meets throughout the year to govern and review matters relating to the security and protection of information and associated risks, with representation from across the business.
- A centrally governed IT function continuously monitors known and emerging cyber threats that may impact the Group.
- Our cybersecurity control framework is a blend of best-practice, industry-based models.
- We deliver an ongoing information security awareness and phishing training programme to ensure that both business and personal information remain protected.
- We have enhanced our security capability through an additional dedicated managed cybersecurity partner, providing specialist expertise and supporting our internal team.
- We utilise the support of the National Cyber Security Centre (NCSC) to assist with monitoring our external cyber estate for potential threats.
- A comprehensive set of information security policies is in place covering all aspects of cybersecurity.
- As part of our risk-based approach to assurance, we have continued to conduct internal audits and risk deep dives into this area.
- We have implemented advanced security technologies, including AI-enabled threat detection and continuous security monitoring tools, designed to prevent, detect and respond to cyber incidents.

## RISK 3: GEOPOLITICAL INSTABILITY

**Trend:**

**Link to Strategy:**

**Description of risk:**

The Group operates across markets whose underlying political, economic and regulatory conditions can shift materially when triggered by geopolitical events.

Conflicts, trade wars, economic and political polarisation, nationalisation of supply chains and energy crises could disrupt the environment in which we operate, both within our markets and across our wider value chain. Political instability can also 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 increased costs, reduced consumer affordability and difficulty in strategic forward planning. During the year, the conflict in the Middle East and the resulting closures of the Strait of Hormuz drove the largest oil supply shock on record. The transmission channels to the Group include an elevated energy and freight cost environment, palm oil and surfactant input price pressure, currency volatility, and inflationary pressure on consumer affordability in our markets.

Sustained deterioration in these conditions could materially affect the Group's financial performance, margin delivery, market share and reputational standing.

**How we manage the risk:**

- 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 simplify 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 market-related legal and compliance-related risks.
- Trends in relation to geopolitical instability are monitored and modelled regularly and integrated into our monthly business performance cycle.
- As a direct response to the conflict in the Middle East, specific and regular risk-based governance forums are in place to ensure the Group is best placed to mitigate risk where possible.

**LINK TO STRATEGY** Build Brands Serve Consumers Reduce Complexity Develop People Grow Sustainably

**TREND** Increase No change Decrease New

## RISK 4: IT INFRASTRUCTURE AND SYSTEMS

**Trend:** New

**Link to Strategy:** Build Brands, Serve Consumers, Reduce Complexity, Develop People, Grow Sustainably

**Description of risk:**

Our manufacturing, sales, distribution and support operations are dependent on reliable, resilient and secure IT infrastructure and enterprise systems. Prolonged disruption, failure or degradation of critical systems, networks or third-party IT services could adversely impact our ability to operate effectively, fulfil customer demand, process transactions, or access management information.

System outages, infrastructure failures, supplier service interruptions, capacity constraints or ineffective disaster recovery arrangements could result in operational disruption, increased costs, and reputational harm. The risk is heightened by increasing system complexity, dependence on third-party technology providers and the need to maintain high availability across a globally distributed operating model.

**How we manage the risk:**

- Our IT systems and infrastructure are centrally governed, with ongoing monitoring of system performance, stability and availability.
- Critical business systems and data are backed up in line with our control framework, and disaster recovery and recovery testing is undertaken regularly.
- We use globally recognised technology and hosting partners with embedded resilience and continuity capabilities.
- IT service providers are subject to appropriate due diligence, performance monitoring and contractual service level agreements.
- System availability and performance are actively monitored, and issues are escalated and addressed through established incident management and change management processes.

## RISK 5: SUPPLY CHAIN AND LOGISTICS

**Trend:** Increase

**Link to Strategy:** Serve Consumers, Reduce Complexity

**Description of risk:**

Our ability to make and move product, and to get finished products to our customers and consumers at the right time and at a reasonable price, is fundamental to business performance.

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.

Where geopolitical instability disrupts key shipping routes, energy markets or regional supplier operations, as seen in parts of the Middle East, this could exacerbate volatility in freight availability, extend lead times, increase input costs and adversely impact continuity of supply.

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.

**How we manage the risk:**

- 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.
- 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 and to obtain value.
- 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.
- We continue to actively monitor geopolitical developments, including in the Middle East, working closely with logistics and procurement partners to manage potential disruption to transport routes, lead times and costs.

# Risk Management and Principal Risks continued

## RISK 6: CONSUMER AND CUSTOMER TRENDS

**Trend:**

**Link to Strategy:**

**Description of risk:**

Our consumers continue to face cost-of-living 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.

**How we manage the risk:**

- 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 consumer base.
- 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 7: TALENT DEVELOPMENT AND RETENTION

**Trend:**

**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 see employee engagement, reward and wellbeing as continued priorities.

**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.
- 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, 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.
- 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.

**LINK TO STRATEGY** Build Brands · Serve Consumers · Reduce Complexity · Develop People · Grow Sustainably

**TREND** Increase · No change · Decrease · New

## RISK 8: LEGAL AND REGULATORY COMPLIANCE

**Trend:** No change

**Link to Strategy:** Reduce Complexity, Develop People, Grow Sustainably

**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 and leakage of confidential information as employees establish how to use the new tools. 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, 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 whistleblowing line is in operation, which gives employees and contractors the chance to raise issues to be investigated by the Ethics and Compliance team.

# Risk Management and Principal Risks continued

## RISK 9: SUSTAINABILITY AND THE ENVIRONMENT

**Trend:** No change

**Link to Strategy:** Build Brands, Serve Consumers, Develop People, Grow Sustainably

### 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.

### How we manage the risk:

- 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.
- Our third-party risk management tool, which include 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.

## RISK 10: CONSUMER SAFETY

**Trend:** No change

**Link to Strategy:** Reduce Complexity, Develop People

### 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 that 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.

**LINK TO STRATEGY** Build Brands | Serve Consumers | Reduce Complexity | Develop People | Grow Sustainably

**TREND** Increase | No change | Decrease | New

# 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 had, as at 31 May 2026, a £200.0 million committed Revolving Credit Facility which is available for general corporate purposes and a £70.0 million Term Loan. As at 31 May 2026, the Group had headroom on the committed facility of £193.1 million and net debt of £25.0 million comprising cash of £51.9 million and borrowings of £76.9 million. On 9 June 2026, the Group agreed terms on a new four year £225.0 million Revolving Credit Facility (see note 19 for further details).

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 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. Management has prepared a base case forecast for the going concern period and, consistent with the approach taken at 31 May 2025, has modelled the following severe but plausible downside scenarios: a 5% reduction in Group revenue, a Group gross margin decline of 200bps and a 10% decline in the Naira exchange rate from the USD/NGN 1,450 rate used in the base case forecast. The scenario set has been updated in FY26 to reflect emerging geopolitical risks, including a prolonged conflict in the Middle East with the impact extending to 18 months. None of these severe but plausible scenarios, either separately or in combination with another, forecast a breach in covenants prior to management action and there remain mitigating actions available to management should they be required. The Directors consider it appropriate to continue to adopt the going concern basis in preparing the Consolidated 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 10 to 11 and the Group's diversified portfolio of products, operations and customers, which reduce exposure to specific geographies, markets and customer/product combinations; strong product demand; the market share and penetration of our focus brands; and the resilience and strength of our 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 2031 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 40. These principal risks were assessed both individually and collectively. While the principal risks all have the potential to affect future performance, none of them are considered likely, either individually or collectively, 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.

# Viability and Going Concern continued

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 2031. For the viability assessment, management considered the availability of committed credit facilities through the viability period. As at the balance sheet date, the Group has £270.0 million of committed funding, including a £200.0 million Revolving Credit Facility, although on 9 June 2026 had completed a refinancing of its Group committed borrowing arrangements with agreement of a new four year £225.0 million Revolving Credit Facility with two, one year extension options. The viability assessment extends beyond the current contractual maturity date of the Group's committed borrowing facilities. Consistent with previous refinancing exercises, management has assumed that the Group will refinance or extend its committed funding arrangements prior to maturity and has concluded that this assumption is reasonable given the projected financial position and covenant headroom of the Group throughout the assessment 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.

## 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 covenant to be breached, EBITDA would need to fall significantly from the current level which the Board do 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 its viability review, the Board confirm that there is 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 their assessment to 31 May 2031.

| 2026 Scenarios modelled | Link to Principal Risks | Mitigation |
|---|---|---|
| **1. MACRO-ECONOMIC AND GEOPOLITICAL**<br><br>**Nigerian Naira devaluation –** reduced profitability as a result of a 50% devaluation of the Nigerian Naira throughout the viability period.<br><br>**Interest Rate reduction slowdown –** lower than assumed base case rate reduction as result of a +50bps higher SONIA rate throughout the viability period. | 1. Macro-economic and financial viability<br><br>3. Geopolitical instability | The African guardrails have been developed to ensure that the Group is not put at risk as a result of its African footprint. Performance against agreed KPIs are a standing agenda item at the UK Plc Board. |
| **2. CONSUMER AND CUSTOMER**<br><br>**Competitive landscape and consumer trends leading to pricing pressures –** 5% year-on-year reduction in Group revenue compared to base.<br><br>**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. | 6. 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**<br><br>**Closure of UK in-house manufacturing for six months –** no revenue from in-house manufactured products for three months in FY27, followed by three months of 50% operational capacity. | 5. 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**<br><br>**Fines –** one-off charge of 5% of worldwide revenue in FY28. | 2. Cybersecurity<br><br>8. Legal and regulatory compliance<br><br>10. 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. |


# Morning Fresh

Morning Fresh is a leading Australian dishwashing brand, trusted since 1980 and holding nearly half of the hand dishwash category in Australia[1]. In FY26, we expanded into Auto Dish and also launched our Easy Squeeze format to reduce waste and improve ease of use.

1 Nielsen Australia Grocery Scan as at 17 April 2026.

**Market share of**

**48%**

For more details, visit:
**https://morningfresh.com.au/**

# 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. | Page 29 |
| | | Our environmental and social impact framework and governance. | Page 29 |
| | | Our Environmental and Social Impact Committee has Terms of Reference which are approved by the Board. | |
| **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. | Pages 24 to 28 |
| | | Our environmental performance, policies and due diligence activities. | |
| **1(b)** | **Employees** | Our employee engagement policies and practices. | Page 46 |
| **1(c)** | **Society** | We are proud of the contributions we are able to make to the communities in which we operate. | Pages 24 and 47 |
| **1(d)** | **Human rights** | Our policies and due diligence to ensure the integrity of our supply chain. | Page 28 |
| **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 28 |
| **2(a)** | **Business model** | Our business model. | Page 10 |
| **2(d)** | **Principal risks** | Our Principal Risks. | Page 35 |
| | | Our approach to risk management. | Page 33 |
| **2(e)** | **Non-financial key performance indicators** | Our primary non-financial key performance indicators. | Page 15 |

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

Section 172(1) Statement

# HOW THE BOARD CONSIDERS OUR STAKEHOLDERS.

## We aim to create long-term value for everyone we work with

The Board's role is to promote the long-term success of the Company for the benefit of shareholders as a whole. In doing so, it considers the interests of key stakeholders, including employees, customers, suppliers, communities and the environment, together with the likely long-term consequences of its decisions.

Management brings stakeholder considerations into Board discussions through regular reporting, including updates on employee engagement, customer and market performance, supply chain matters and sustainability.

The Board considered stakeholder impacts in its principal decisions during the year, with further detail set out in the Principal Decisions section on pages 48 to 49.

**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) as listed below:

| Section 172(1) factors | Where addressed | Page number or website |
|---|---|---|
| **(a) consequence of any decision in the long-term** | • Company values | Page 20 |
| | • Our business model | Page 10 |
| | • Our strategy | Page 12 |
| | • Board activity | Page 56 |
| **(b) the interests of the company's employees** | • People and culture | Page 20 |
| | • Diversity and inclusion | Page 20 |
| | • Environmental and Social Impact Committee Report | Page 76 |
| | • Board activity | Page 56 |
| **(c) the need to foster the company's business relationships with suppliers, customers and others** | • Sustainability Report | Page 24 |
| | • Modern Slavery Statement | Page 28 and website |
| | • Board activity | Page 56 |
| **(d) the impact of the company's operations on the community and the environment** | • Sustainability Report | Page 24 |
| | • Modern Slavery Statement | Page 28 and website |
| | • Board activity | Page 56 |
| | • Palm oil commitment | Page 26 and website |
| **(e) the desirability of the company maintaining a reputation for high standards of business conduct** | • Modern Slavery Statement | Page 28 and website |
| | • Code of Ethical Conduct | Page 28 and website |
| **(f) the need to act fairly as between members of the company** | • Shareholder engagement | Page 47 |
| | • AGM | Page 50 |
| | • Remuneration Policy | Page 82 |
| | • Voting rights | Page 104 |

# 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.<br>• To continue delighting consumers.<br>• To help our portfolios to win.<br>• To create enthusiastic consumers and advocates for our brands. | • To create a supportive environment, where everyone feels valued and a strong sense of belonging is fostered.<br>• To value ideas equally.<br>• To maintain an open culture.<br>• To foster open communication.<br>• To develop engaged employees and unlock their potential.<br>• To increase productivity and performance through an engaged workforce. |
| **Key priorities** | • Environmental sustainability and transparency in the supply chain.<br>• Customer service.<br>• Access to our products through digital channels.<br>• Value and costs. | • Strategy and business priorities.<br>• Purpose and values.<br>• Safety.<br>• Wellbeing.<br>• Career development, learning and leadership.<br>• Driving a positive culture. |
| **How the Group engages** | • Strategic partnership with key customers:<br>– Shopper insights.<br>– Proposing promotions and products.<br>– Helping with developing strategies.<br>• Market research.<br>• Social media.<br>• Direct feedback.<br>• Sales data. | • Local and global Town Hall meetings.<br>• Functional Teams calls.<br>• Leadership events.<br>• Strategy deployment events.<br>• Local Engagement Champions. |
| **Board activity/How the Board engages** | • Undertakes market visits and engages with customers and consumers on an ad hoc basis during site visits.<br>• Receives regular market reviews from business unit leadership.<br>• Reviews customer service, consumer insights and related 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.<br>• Our Directors travel to our markets when possible and hold dedicated employee engagement sessions on such trips. |
| **Strategic objective** | | |
| **Priorities for the year ahead** | • Continue to deliver broad-based growth through targeted investment in innovation and brand-building, supported by strong commercial execution across the Group's lead markets.<br>• Maintain a focus on building winning portfolios of locally-loved brands and strengthening long-term consumer loyalty. | • Embed the strategy cascade by ensuring teams are aligned on strategic priorities, while continuing to strengthen a performance culture.<br>• Continue to work with the Executive Committee to develop our leadership capability. |

## LINK TO STRATEGY

Build Brands  Serve Consumers  Reduce Complexity  Develop People  Grow Sustainably

| Investors | Distributors and Suppliers | Communities |
|---|---|---|
| • To understand their investment objectives and goals.<br>• To communicate our strategy and progress against that. | • To ensure our supplier relationships remain as long-term partnerships.<br>• To create and sustain robust, lasting and mutually beneficial relationships. | • To develop good relations with the local communities where we operate.<br>• To make a positive contribution to society.<br>• To minimise any negative impacts from our operations. |
| • Financial and operating performance of the business.<br>• Purpose, values and culture of the business.<br>• Risks and opportunities.<br>• Long-term sustainable and profitable growth.<br>• Sustainability issues.<br>• Capital allocation decisions.<br>• Good governance. | • Ensure stable, long-term and mutually beneficial relationships.<br>• Minimise costs.<br>• Ensure product and service quality.<br>• Be innovative. | • Reduce the environmental impact of our products (packaging and plastic).<br>• Reduce our carbon emissions.<br>• Be aware of cost-of-living and living standards.<br>• Engage employees and have a positive impact on local communities.<br>• Decrease deforestation and drive a sustainable supply chain. |
| • Q&A sessions and roadshow meetings for institutional shareholders.<br>• Ad hoc investor events.<br>• Our AGM is an opportunity to listen to our shareholders and respond to any concerns they may have or perspectives they may wish to share.<br>• Engagement is led by our dedicated Investor Relations Director whose role is to strengthen relationships with the investment community. | • The Board engages via a dedicated Procurement function.<br>• The Board ensures open, dynamic communication. | • We have established key charity and environmental partnerships in our business units.<br>• These partnerships are aligned to our corporate purpose and brands.<br>• Employee engagement is encouraged to optimise impact on our local communities. |
| • The Chair and our Executive Directors periodically meet with our major shareholders.<br>• The CEO and CFO deliver the Group's interim and final results, with presentations.<br>• Our Board members and our Company Secretary attend the AGM.<br>• 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.<br>• The 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.<br>• The ES Committee approved the environmental and social impact framework 'Better for All'. |
| • Maintain transparent and forward-looking engagement focused on delivery of sustainable shareholder value, reflecting a more focused and resilient business.<br>• Continued progress on balance sheet strengthening, including the use of proceeds from the sale of the 50% stake in the PZ Wilmar joint venture to reduce debt and improve covenant metrics. | • Support continuity and stability across the supply and distribution network during ongoing portfolio actions, including post-completion of the PZ Wilmar joint venture transaction.<br>• Maintaining product and service quality and preserving long-term partner relationships. | • Advance the ES Committee's sustainability programme.<br>• Strengthen community relationships through employee participation and contributions that embody our BEST values. |

# Section 172(1) Statement continued

## PRINCIPAL DECISIONS IN FY26

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. During FY26, the Board consistently reviewed documents outlining the stakeholders potentially affected by each issue discussed and any resulting decisions.

The following illustrates how these considerations were incorporated into two significant decisions made this year.

### Principal decision 1: Outcome of Africa strategic review

In FY26, the Board concluded its strategic review of the Group's Africa business, which assessed the long-term strategic options for the region, including portfolio focus, operating model and capital allocation. Following detailed analysis and management recommendations, the Board agreed the retention and strategic direction of the Africa business, with a view to improving performance, reducing complexity and supporting sustainable value creation over the long term.

**In making the decision, we considered:**

#### The long-term effect

The Board carefully considered the long-term consequences of the outcome of the Africa strategic review, recognising the importance of ensuring that the Group's geographic footprint and operating model remain aligned with its strategic priorities and risk appetite. The decision was taken to strengthen focus on markets and activities where the Group has clear competitive advantage, improve capital discipline and enhance operational resilience. The Board concluded that the agreed approach supports the long-term success of the Company by enabling management to deploy resources more effectively and deliver improved financial performance over time.

#### Affected stakeholder groups

**Customers and consumers**

The impact of the decision on product availability, quality and brand equity across African markets was carefully considered. Ensuring continuity of supply, maintaining trusted local brands and minimising disruption to consumers, were key priorities in determining the preferred outcome of the review.

**Employees**

The Board recognised that the strategic review had potential implications for employees in the region and beyond. Employee interests were a key focus, with efforts made to ensure clear communication as appropriate, and fair treatment. The Board considered the uncertainty caused by, and the time required for, any potential sales process.

**Investors**

The Board considered the implications of the decision for shareholder value, including its impact on earnings, balance sheet, cash generation, risk profile and future returns. The opportunity cost of any sales process and subsequent stranded costs review were also considered. The outcome of the strategic review was assessed in the context of the Group's broader transformation agenda and the need to demonstrate disciplined capital allocation and strategic clarity to investors.

**Distributors and suppliers**

Our partners are essential to our operations, and maintaining stability during restructuring is a key part of our strategy. The Board considered the importance of maintaining strong relationships with distributors and suppliers in Africa.

**Community**

The Company maintains its commitment to the community through a range of initiatives and programmes. As a result, we expect to enhance our relationships within the community and generate a constructive social impact, thereby strengthening goodwill and affirming our role as a responsible, community-oriented organisation.

#### The environmental impact

The Board considered how the agreed outcome could support a more efficient operating footprint and contribute to reducing environmental impact through simplified supply chains and improved operational focus, particularly given the sale of the PZ Wilmar joint venture.

#### The impact on our reputation and the need to act fairly

The Board recognised the importance of acting fairly, transparently and responsibly throughout the strategic review process. Clear communication with stakeholders and adherence to high standards of business conduct were key considerations in safeguarding the Group's reputation.

### Principal decision 2: Renewal of the St.Tropez strategy and partnership with The Emerson Group

During the year, following a detailed strategic review of the portfolio, the Board decided to retain the St.Tropez brand within the Group, renew the St.Tropez strategy and enter into a strategic partnership with The Emerson Group (Emerson). The Board considered a range of alternative business models for St.Tropez, including ownership structure, route-to-market and future growth potential. The Board concluded that retaining the brand, refocusing the strategy and partnering with Emerson would best support long-term value creation by accelerating growth, enhancing brand execution and leveraging specialist capabilities.

**In making the decision, we considered:**

#### The long-term effect

Recognising the brand's heritage, market position and future growth potential, as well as the limitations of the current approach, the Board considered in detail the long-term implications of retaining St.Tropez and resetting its strategic direction. The partnership with Emerson was assessed as a means to strengthen brand development, expand distribution and enhance commercial execution while retaining strategic oversight. The Board concluded that this approach supports sustainable value creation by benefiting from Emerson's scale in the US, enabling focused investment, accelerating innovation and improving long-term financial returns.

#### Affected stakeholder groups

**Customers and consumers**

The Board considered the importance of maintaining product quality, brand integrity and continuity for consumers of the St.Tropez brand. The renewed strategy and partnership are expected to enhance product innovation, distribution reach and customer engagement, supporting a consistent and high-quality consumer experience.

**Employees**

The decision took into account the impact on employees supporting the St.Tropez brand, including the need for clarity, stability and engagement during the transition. The Board recognised the importance of clear communication and appropriate support as the renewed strategy and partnership arrangements were implemented.

**Investors**

The Board assessed the impact of the decision for shareholder value, including growth prospects and risk profile. Retaining St.Tropez and partnering with Emerson was assessed as the most attractive option to deliver long-term returns.

**Distributors and suppliers**

Key considerations included the importance of maintaining strong relationships with distributors and suppliers and how the partnership model could enhance operational effectiveness while minimising disruption. Ensuring continuity and reliability across the supply chain was also critical.

**Community**

The new strategy aims to support responsible brand growth, enabling the Company to more effectively assist local community initiatives.

#### The environmental impact

The renewed St.Tropez strategy and partnership with Emerson are anticipated to encourage more efficient use of resources and could potentially contribute to improved sustainability outcomes in the future.

#### The impact on our reputation and the need to act fairly

Retaining the St.Tropez brand and entering into a partnership was considered consistent with maintaining trust among stakeholders. It was also considered supportive of protecting the brand's reputation and demonstrating disciplined, long-term strategic decision-making.

The Strategic Report from pages 2 to 49 was approved by the Board of Directors on 5 August 2026 and signed on its behalf by:

**Kareem Moustafa**
**General Counsel and Company Secretary**

# Chair's Introduction to Governance

## DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present this Governance Report for the year ended 31 May 2026.

This year, we made important strategic progress. We decided to keep our Africa operations and completed a transaction for the sale of our 50% share in the PZ Wilmar joint venture. This supports our aim to create a simpler and more sustainable business which can deliver lasting value to our shareholders. It also means that the Group now has a stronger balance sheet and is more resilient.

This Governance Report explains the principles and policies that shape our Company's leadership and decision-making. As a listed company, we are committed to strong corporate governance. We focus on transparency, accountability and creating long-term value for stakeholders. Our approach is built on ethical foundations. We aim to be a responsible business which acts with integrity and supports sustainable growth.

I invite you to read this report and learn about our governance standards. We strive to improve and we value the feedback from our stakeholders. With robust governance, the Board is confident it can handle challenges and seize opportunities in a changing world.

Key areas of focus for the Board during the year have been as follows.

## STRATEGY

A particular focus of the Board during the year was our strategic review of our African operations. This was concluded in December 2025 with our decision to retain the business as a core part of the Group. Information about the Board and decision-making in the context of Section 172(1) can be found on pages 45 to 49.

## BOARD COMPOSITION AND SUCCESSION PLANNING

The Board is composed of a Non-Executive Chair, Chief Executive Officer, Chief Financial Officer and four independent Non-Executive Directors. Sarah Pollard stepped down from the Board and left the business in March 2026. On behalf of the Board, I would like to take this opportunity to thank Sarah for her significant contribution as Chief Financial Officer of the Company over the last five years. She has been a key member of the leadership team and has helped navigate the business through an important phase of its development.

We are very pleased to welcome Jan Bramall as Chief Financial Officer to replace Sarah. She joined the Board in March 2026. Jan has extensive experience in senior finance and strategy roles with a strong track record of achievement across a variety of industries. Jan's appointment was subject to a formal and rigorous process. Details of her recruitment and induction programme are described on page 66.

Alongside this change, we have continued to focus on succession planning for the Board and the Executive Committee. Effective succession planning ensures continuity and fosters leadership development within the organisation. This approach enhances organisational resilience and underpins ongoing long-term success.

As noted in the Chair's statement, Valeria Juarez and Jitesh Sodha will step down from the Board at the conclusion of the AGM on 1 October 2026. The Board thanks them very much for their significant contributions to the Company, and the Nomination Committee continues to keep Board composition under review to ensure a suitable balance of skills, experience and diversity.

## BOARD EFFECTIVENESS

This year, we conducted an externally facilitated evaluation of the effectiveness of the Board, together with its Committees. The exercise concluded that each were operating effectively. Areas where progress could be made were also highlighted. Details can be found on page 67.

Effective governance is vital and the Board acknowledges its role in this. Each Director demonstrates a high level of commitment to their role and continues to perform effectively.

## DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY

The Board reviewed and approved our Board and Executive Committee Inclusion and Diversity Statement in the year. This is available on the Company's website.

Diversity and inclusion are vital for innovation and strong decision-making. The Board values different perspectives, which enrich our culture and shape our business strategies. This commitment helps us serve global markets and supports sustainable business success.

## STAKEHOLDER ENGAGEMENT

The Board continues to engage regularly with shareholders to help inform decision-making and to understand their views, with a particular focus this year on strategic decisions in regard to Africa and the design of the 2026 Remuneration Policy. The Board reviewed regular updates on shareholder feedback and key areas of focus. The Chair and Committee Chairs, as well as the Executive Directors, remain accessible for questions. Directors also actively engage through the AGM or meetings arranged by the Investor Relations team. To read more on our dialogue with stakeholders, see page 47.

## OUTLOOK

The Board will continue to oversee Company performance and strategic delivery. We entered the new financial year with stronger foundations, a clear strategic focus and improved financial flexibility. While macroeconomic uncertainty remains, the Board is confident that the Group's trusted brands, market positions and disciplined execution will support sustainable growth and long-term value creation.

## 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 1 October 2026. Together with my fellow Directors, we look forward to meeting shareholders and welcome your feedback at the AGM or any time during the year.

**David Tyler**
**Non-Executive Chair**

5 August 2026

## Governance at a Glance

# STRONG GOVERNANCE UNDERPINNING FOCUS, RESILIENCE AND GROWTH.

### BOARD DECISIONS

- The decision to retain the Africa business and set growth plans for the business, as part of a wider Group strategy.
- Adoption of a capital allocation policy which defines the use of surplus cash after re-investment in the business.

### BOARD AND COMMITTEE MEETING ATTENDANCE[1]

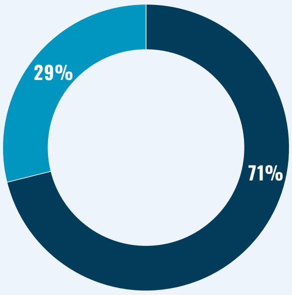
| Board members | Member since | Board | Audit and Risk Committee | ES Committee | Nomination Committee | Remuneration Committee |
|---|---|---|---|---|---|---|
| David Tyler | 2022 | 7/7 | — | — | 3/3 | — |
| Jonathan Myers | 2020 | 7/7 | — | 3/3 | — | — |
| Sarah Pollard[2] | 2021 | 4/5 | — | — | — | — |
| Jan Bramall[3] | 2026 | 1/1 | — | — | — | — |
| Kirsty Bashforth | 2019 | 7/7 | — | 2/3 | 3/3 | 4/4 |
| Jitesh Sodha | 2021 | 7/7 | 4/4 | — | 3/3 | 4/4 |
| Valeria Juarez | 2021 | 7/7 | 4/4 | 3/3 | 3/3 | 4/4 |
| Vivek Ahuja | 2024 | 7/7 | 4/4 | — | 3/3 | 4/4 |

1 Scheduled Board and Committee meeting attendance.
2 Stepped down as a Director on 13 February 2026.
3 Appointed as a Director on 23 March 2026.

### DIRECTORS' CORE AREA OF EXPERTISE

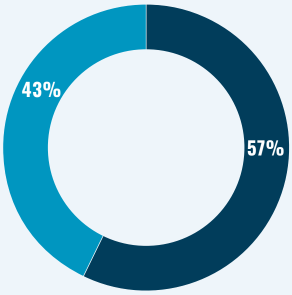
- UK institutional shareholders
- Recent financial experience
- Remuneration experience
- Chair skills
- Mentoring and coaching skills
- Sector experience
- Retail experience
- Africa experience
- South-East Asia and ANZ experience
- Entrepreneurial experience
- Operational experience
- Strategy
- M&A, strategic partnerships
- M&A integration
- Business transformation
- E-commerce
- Sales and marketing

### BOARD COMPOSITION



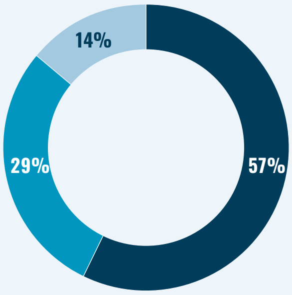

- Non-Executive
- Executive

### GENDER DIVERSITY



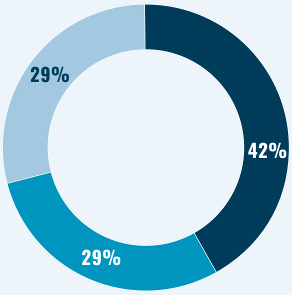

- Male
- Female

### ETHNIC BACKGROUND




- White British or Other White
- Asian/Asian British
- Mixed/Multiple

### TENURE




- 0–3 Years
- 3–6 Years
- 6–9 Years

All figures are as at the date of this Annual Report and Accounts.

# Our Board

**David Tyler** (N)

**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. In addition, he was the Co-chair and then the Chair of the Parker Review on ethnic diversity in UK business from 2015 to 2026. David currently chairs Domestic & General and is a senior advisor to Jefferies, the Investment Bank.

**Other appointments:**

- Director and Chair of Domestic & General Limited.

**Jonathan Myers** (E)

**Chief Executive Officer**

**Appointed:** 2020[1]

**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.

**Jan Bramall**

**Chief Financial Officer**

**Appointed:** 2026[1]

**Skills and experience:**

Jan is an experienced Chief Financial Officer with extensive experience in senior finance and strategy roles in international businesses. Prior to joining PZ Cussons, she spent seven years at Manchester Airports Group, serving as Chief Financial Officer for five of those years and playing a key role in delivering major transformation projects. Immediately before joining PZ Cussons, she was Interim Chief Financial Officer at Severfield plc. Jan has also spent many years at Tyco and Johnson Controls in senior VP finance roles based both in the UK and in the US.

**Vivek Ahuja** (A) (N) (R)

**Senior Independent Director**

**Appointed:** 2024

**Skills and experience:**

Vivek is a board-level leader with over 35 years of experience in global financial services, spanning banking, private equity, and investment management. As a highly experienced non-executive director, he currently serves as Chair of Investec Bank plc and Independent Non-Executive Director of the Investec Group. Additionally, Vivek is an Independent Non-Executive Director and Chair of the Audit & Risk Committee for Aberdeen Group plc.

In his executive career, he was most recently the Chief Executive Officer of Terra Firma, a leading European private equity firm, and prior to that, Deputy Group CFO at Standard Chartered plc. Vivek brings inclusive leadership, cross-cultural fluency, and a unique combination of strategic, operational, and governance expertise to complex multi-sector businesses.

**Other appointments:**

- Chair of Investec Bank plc and Independent Non-Executive Director of Investec plc and Investec Limited.
- Independent Non-Executive Director and Chair of the Audit & Risk Committee of Aberdeen Group plc.

1 All Directors were independent on appointment except for Jonathan Myers and Jan Bramall.

### 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 N 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 E A N R

**Non-Executive Director**

**Appointed:** 2021

**Skills and experience:**

Valeria is an international business leader at the intersection of digital/AI strategy, brand-building, and business transformation. She currently leverages her 27 years of executive experience to drive impact across a diverse portfolio of non-executive and advisory roles. This includes serving as a Non-Executive Director at Hunter Douglas Group Ltd., providing strategic advice to lifestyle brands and digital start-ups and acting as a strategic AI advisor to leadership teams navigating the AI opportunities and risks. 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.

#### Committees

- A Audit and Risk Committee
- R Remuneration Committee
- N Nomination Committee
- E Environmental and Social Impact Committee
- ● Chair

#### Other

- D Designated Non-Executive Director for employee engagement
- Executive

# Our Executive Committee

**Jonathan Myers**

**Chief Executive Officer**

**Appointed to the Executive Committee:** 2020

**Jan Bramall**

**Chief Financial Officer**

**Appointed to the Executive Committee:** 2026

**Cath Bailey**

**Chief People Officer**

**Appointed to the Executive Committee:** 2023

**Abby Adderley**

**Chief Information Officer**

**Appointed to the Executive Committee:** 2025

**Oghale Elueni**

**Chief Executive Officer of PZ Cussons Nigeria PLC and Managing Director – Africa**

**Appointed to the Executive Committee:** 2023

**Dimitris Kostianis**

**Electricals Category Leader**

**Appointed to the Executive Committee:** 2023

**Kareem Moustafa**

**General Counsel and Company Secretary**

**Appointed to the Executive Committee:** 2024

**Steve Noble**

**Chief Supply Chain Officer**

**Appointed to the Executive Committee:** 2021

**Alastair Smith**

**Managing Director – ANZ**

**Appointed to the Executive Committee:** 2022

**Rob Spence**

**Managing Director – Europe**

**Appointed to the Executive Committee:** 2022

**Paul Yocum**

**Chief Growth and Marketing Officer**

**Appointed to the Executive Committee:** 2022

**Ningcy Yuliana**

**Managing Director – Asia**

**Appointed to the Executive Committee:** 2023


## Premier Cool

Premier Cool is our men's grooming brand in Africa, focused on cooling freshness and antibacterial protection. In FY26, it supported our growth with exciting marketing activity including promotion at the Lagos City Marathon.

**Revenue growth in FY26**

**15%**

# 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.

Since the conclusion of the strategic review of Africa, the Board has reviewed the operational and financial guardrails designed to reduce the risks associated with any future currency volatility or business disruption at each scheduled Board meeting.

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

## STRATEGY

| Board matters discussed | Stakeholders affected | Link to strategy |
|---|---|---|
| **FY26 Strategy Day**<br>• Portfolio transformation<br>• Organic growth<br>• M&A ambitions<br>• Organisational design | • Customers/Consumers<br>• Investors<br>• Employees<br>• Communities<br>• Suppliers | Build Brands, Serve Consumers, Reduce Complexity, Develop People, Grow Sustainably |
| **Strategic review of brands and geographies** | • Customers/Consumers<br>• Investors<br>• Employees<br>• Communities<br>• Suppliers | Build Brands, Serve Consumers, Reduce Complexity |
| **ES matters and frameworks** | • Communities<br>• Investors<br>• Employees | Grow Sustainably |
| **Diversity, equity and inclusion update** | • Employees | Develop People, Grow Sustainably |

## OPERATIONS

| Board matters discussed | Stakeholders affected | Link to strategy |
|---|---|---|
| **Reviews of businesses and functions:**<br>• Africa<br>• Europe<br>• Brand-building and R&D<br>• Supply chain | • Investors<br>• Customers/Consumers<br>• Suppliers<br>• Employees | Build Brands, Serve Consumers, Reduce Complexity, Develop People, Grow Sustainably |
| **Digital transformation and cybersecurity** | • Investors<br>• Customers/Consumers<br>• Suppliers<br>• Employees | Build Brands, Serve Consumers, Reduce Complexity, Develop People, Grow Sustainably |
| **Employee engagement** | • Employees | Develop People, Grow Sustainably |

**Link to strategy** Build Brands | Serve Consumers | Reduce Complexity | Develop People | Grow Sustainably

## FINANCE

| Board matters discussed | Stakeholders affected | Link to strategy |
|---|---|---|
| **Central costs and efficiencies** | • Investors<br>• Suppliers<br>• Employees | |
| **Results reporting, including Annual Report and Accounts** | • Investors<br>• Employees | |
| **Dividend payments** | • Investors | |
| **Principal and emerging risks** | • Investors<br>• Employees<br>• Community | |
| **Budget approval** | • Employees<br>• Investors | |
| **Group tax strategy** | • Investors | |
| **Capital allocation policy** | • Investors | |

## GOVERNANCE

| Board matters discussed | Stakeholders affected | Link to strategy |
|---|---|---|
| **Director appointments / reappointments**<br>**Board succession and composition** | • Employees<br>• Investors | |
| **Shareholder communications including AGM** | • Investors | |
| **Governance disclosures including Modern Slavery Statement** | • Employees<br>• Community | |
| **Board and Committees evaluation** | • Customers/Consumers<br>• Investors<br>• Communities – Environment<br>• Suppliers | |
| **Review of Board policies**<br>**Board reserved matters**<br>**Delegation of authority**<br>**Statement of Board responsibilities**<br>**Terms of Reference** | • Investors | |

# Corporate Governance Statement 2026

This Corporate Governance Statement as required by the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules (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 2024 (the 2024 Code). A copy of the 2024 Code can be found on the Financial Reporting Council's website: www.frc.org.uk.

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

- The Group's risk management and internal control are found on **page 33**
- Information with regards to share capital is presented in the Report of the Directors from **page 102**
- Information on Board and Committee composition can be found on **page 51**
- Information on Board diversity including the Board Inclusion and Diversity Policy can be found on **pages 67 to 68**

The Company's obligation is to state whether it has complied with the relevant principles and provisions of the 2024 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 2024 Code during the financial year ended 31 May 2026.

The following pages will outline how the Company complies with the principles and provisions of the 2024 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 and entrepreneurial Board | • Nomination Committee Report | See **page 65** |
| **B** Purpose, strategy, values and culture | • Strategic Report | See **pages 12 and 20** |
| **C** Board decisions and outcomes | • Strategic Report<br>• How the Board considers our stakeholders | See **pages 4 and 45** |
| **D** Stakeholder engagement | • How the Board considers our stakeholders | See **page 45** |
| **E** Workforce policies and practices | • Non-Financial Information and Sustainability Statement<br>• Audit and Risk Committee Report | See **pages 44 and 69** |

### 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' business model and strategy are set out on pages 10 to 13 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 stakeholders and contributing to wider society.

An externally facilitated Board evaluation was concluded in March 2026.

For more on this, see the Nomination Committee Report on **page 67**

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: How the Board considers our stakeholders on **page 45**

## Employee engagement

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 engagement 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 2024 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:

- Career clarity and progression: strengthening confidence in career pathways by piloting capability frameworks that clarify what 'good' looks like at each level and what it takes to progress.
- Strategy and performance culture: reinforcing understanding of the strategy and the role individuals and teams play in delivering success, while continuing to build a high-performance culture.
- Leadership capability and management support: continuing to develop leadership effectiveness through increased focus on management capability.

### Engagement methods

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

- Market engagement and leadership roundtables, including sessions with Indonesia and Australia leadership teams.
- Global employee events, for example, regular global Town Halls and our International Women's Day event joined by the Chair and other Directors.
- Targeted engagement workshops and action planning sessions, including follow-up focus groups where further insight is needed.
- Career workshops and career-focused interventions to strengthen clarity on development and progression (including market-led career workshops).
- Leadership and people-manager training to strengthen day-to-day management capability, including leading people, managing change, coaching techniques, and delivering effective, dynamic feedback.
- Communication and activation of our employee promise, Dare. Discover. Do., including clearer articulation of the five reasons why PZ Cussons is unique as an employer.

For more details, see People and Culture on **page 20**

## 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 and how it has been embedded 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 Chief Executive Officer's 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, the Board visited our UK factory, Agecroft in Salford, and Kirsty Bashforth visited our Australian and Indonesian 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 whistleblowing. These policies are reviewed and updated as necessary.
- Whistleblowing: The Board, through the Audit and Risk Committee, reviews reports against the Group's Code of Ethical Conduct, including from the Group's whistleblowing facility, and evaluates the effectiveness of these arrangements.

# Corporate Governance Statement 2026 continued

## DIVISION OF RESPONSIBILITIES

| Code principle and description | Annual Report and Accounts | Reference |
|---|---|---|
| **F** Role of the Chair | • Our Board | See **page 52** |
| **G** Independence | • Our Board<br>• Nomination Committee Report | See **pages 52 and 65** |
| **H** External commitments | • Our Board | See **page 52** |
| **I** Board function | • Corporate Governance Statement | See **page 58** |

### 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**<br>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:<br>• 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;<br>• ensuring members of the Board receive accurate, timely and clear information;<br>• reviewing and agreeing training and development for the Board;<br>• 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;<br>• ensuring there is effective communication with the Group's shareholders and other stakeholders;<br>• ensuring that the performance of the Board as a whole, its Committees and individual Directors, is formally evaluated; and<br>• promoting high standards of integrity and corporate governance throughout the Group, particularly at Board level. |
| **Chief Executive Officer**<br>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:<br>• 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;<br>• the successful achievement of objectives and execution of the Group's strategy;<br>• managing the Group's risk profile in line with the Company's risk appetite and ensuring that effective internal controls are in place;<br>• ensuring effective communications with shareholders;<br>• executive management of matters affecting the Group and leading the Executive Committee;<br>• promoting and conducting the affairs of the Group with standards of integrity and corporate governance that align to the Group's integrity and purpose;<br>• 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;<br>• ensuring open, honest and transparent dialogue between the Board and the Executive Committee;<br>• ensuring, with the support of the Company Secretary, that the Executive Committee complies with its delegated authority and the matters reserved for the Board;<br>• leading and overseeing the development and implementation of good governance policies relating to whistleblowing, insider dealing, disclosure, anti-corruption, safety and sustainability;<br>• promoting an entrepreneurial and ethical culture which welcomes and supports a diverse workforce; and<br>• championing the Group's values, culture and behaviours. |

| Role | Responsibilities |
|---|---|
| **Chief Financial Officer**<br>Jan Bramall | The Chief Financial Officer's specific responsibilities include:<br>• implementing the Group's financial strategy, including balance sheet management and capital allocation;<br>• supporting the Chief Executive Officer in the delivery of the Group's strategy and financial performance; and<br>• overseeing financial reporting and internal controls. |
| **Senior Independent Director**<br>Vivek Ahuja | The Senior Independent Director's specific responsibilities include:<br>• acting as a sounding board for the Chair and serving as intermediary for the other Directors when necessary;<br>• being available for confidential discussions with other Non-Executive Directors;<br>• 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;<br>• chairing meetings of the Non-Executive Directors or other meetings where appropriate; and<br>• 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:<br>• contributing to the development of the Group's strategy;<br>• promoting and supporting the Group's values, culture and commitment to high standards of corporate governance; and<br>• review, 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 2026 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[1]

**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 Committee**

Approving the Group's environmental and social impact strategy and performance targets, and monitoring progress against the strategy, including engagement 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.

1 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 2024 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 51 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 51**

## BOARD ACTIVITY

During the year, the Board held six scheduled meetings and a Board strategy day. In addition, a further four Board meetings and calls were convened for specific business. 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 Board Activity at a glance on **pages 56 to 57**

## BOARD COMPOSITION, SUCCESSION AND EVALUATION

| Code principle and description | Annual Report and Accounts | Reference |
|---|---|---|
| **J** Appointments to the Board and succession planning | • Our Board | See **page 52** |
| **K** Board composition, skills and experience | • Our Board<br>• Nomination Committee Report | See **pages 52 and 65** |
| **L** Evaluation | • Nomination Committee Report | See **page 65** |

### Appointments to the Board

Jan Bramall was appointed to the Board on 23 March 2026. For Jan's biography, skills and experience see Our Board on page 52.

### 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.

For more details, see Governance at a glance on **page 51** and Our Board on **page 52**

# Corporate Governance Statement 2026 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 **pages 70 to 71** |
| **N** Fair, balanced and understandable assessment of Company's prospects | • Audit and Risk Committee Report<br>• Report of the Directors | See **pages 73 and 105** |
| **O** Effective risk management and internal control framework | • Risk Management and Principal Risks<br>• Audit and Risk Committee Report | See **pages 33 and 72** |

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 105.

For more details see:

- Financial reporting **page 74**.
- Significant financial judgements **page 71**.
- Internal financial controls **page 72**.
- Assurance over external reporting **pages 106 to 113**.
- Internal and external audit **pages 69 to 75**.
- Risk management **pages 33 to 40**.
- Business continuity and disaster recovery **page 36**.
- Cybersecurity **page 36**.
- Report on the Directors' Remuneration **page 91**.

## REMUNERATION

The 2024 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 Report<br>• Remuneration Policy | See **pages 78 and 82** |
| **Q** A formal and transparent procedure for developing policy | • Remuneration Policy | See **page 82** |
| **R** Independent judgement and discretion | • Remuneration Committee Report | See **page 78** |

The Remuneration Committee Report sets out the Directors' Remuneration Policy, how the Directors' Remuneration Policy was applied throughout FY26 and how it will be applied during FY27.

# Nomination Committee Report

**David Tyler**
**Nomination Committee Chair**

## Committee role

- Regularly review the business's leadership needs and succession plans.
- Continually evaluate the Board's structure, size, and the make-up of its Committees.
- Find and propose candidates for open Board positions for approval.
- Review the Board's diversity and its balance of skills.
- Assess how well the Board is performing.
- Ensure there is a diverse pool of candidates ready for succession.

## Priorities for 2027

- Continue to strengthen succession plans for the Board, its Committees and senior management.
- Carry out Board changes in Non-Executive Directors.
- Carry out an internal Board evaluation.
- Keep under review the impact of ongoing organisational changes on leadership capacity and capability.
- Maintain focus on diversity and inclusion in all senior appointments.

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 2026.**

During the year, the Committee concentrated on succession planning for both the Board and Executive Committee, as well as Board reappointments and its ongoing composition. Additionally, it oversaw an external review of the Board. These areas will remain central in FY27 as the Company continues to develop.

## HOW THE COMMITTEE OPERATES

The Committee meets a minimum of twice a year and more frequently as necessary. During the year, the Committee met twice for its regular planned meetings. In addition, a further two Committee meetings were convened for specific business items.

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.

## INDEPENDENCE

In line with the definition set out in the UK Corporate Governance Code 2024 (the 2024 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 2024 Code requiring each Director to seek re-election annually. In accordance with the UK Listing Rules, and to ensure continuing good governance, at the AGM, the election and re-election of all independent Non-Executive Directors must be approved by a majority vote of all shareholders and, separately, by a majority vote of the shareholders entitled to vote on the election or re-election of Directors other than the controlling shareholders (see the Report of the Directors on page 102 for further details on the controlling shareholders of the Company).

# Nomination Committee Report continued

## ACTIVITIES OF THE COMMITTEE DURING THE YEAR

### Board and Committee membership

During the year, the Committee considered and recommended to the Board that Jan Bramall be appointed Chief Financial Officer with effect from 23 March 2026. The Committee also considered and recommended my reappointment as Chair for a further three-year term from 24 November 2025 and the reappointment of Kirsty Bashforth as a Non-Executive Director for a further three-year term from 1 November 2025.

The Committee considered the membership of the Committees. There were no changes proposed to Committee memberships during the year. The memberships of each Committee can be seen on page 51.

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

### CFO recruitment process

The Committee led the Chief Financial Officer succession process. The Committee held detailed discussions with three prominent executive search firms before deciding on Spencer Stuart as its adviser. This decision was made due to Spencer Stuart's proven expertise, thorough understanding of the Group's requirements and dedication to assembling a diverse shortlist.

Working closely with Spencer Stuart, the Committee oversaw the development of a longlist of high-calibre external candidates, alongside identified internal talent, ensuring that both pools were evaluated on an equal footing. Spencer Stuart has no other connection to the Company or its Directors and is a signatory to the Voluntary Code of Conduct for Executive Search Firms. The search progressed into a structured interview phase designed to narrow the field to a final shortlist of candidates.

Throughout the process, the Committee reaffirmed its commitment to generating a diverse and balanced candidate pool, aligned with the Board's inclusion and diversity expectations. The Committee also ensured that the assessment criteria reflected not only technical and financial expertise but also the leadership capabilities required to support the next stage of the Group's transformation.

Following her appointment as Chief Financial Officer, Jan Bramall undertook a comprehensive induction programme designed to familiarise her with the Group's strategy, operations, governance framework and key risks. The induction was tailored to the role and overseen by the Company Secretary, in line with the Company's Director Appointment and Induction Policy.

### Succession planning and leadership development

The Committee is responsible for overseeing succession planning for the Board and senior management, ensuring that the Group maintains a strong and diverse pipeline of leadership talent aligned to its strategic priorities. During the year, the Committee received a comprehensive update on executive talent and succession planning. This included detailed succession plans for Executive Directors and Executive Committee roles. The Committee reviewed emergency cover arrangements and longer-term succession options. It also considered the need for further development of internal candidates.

The Committee reviewed the outcomes of the Group's global talent review, which demonstrated continued strengthening of the leadership pipeline and improved visibility of potential successors for key roles. The review also highlighted sustained progress in enhancing diversity within the succession pipeline, providing increased confidence in the depth and quality of future leadership talent across the Group.

Succession planning remains closely aligned with the Group's brand-building strategy and the organisational focus on becoming a leaner, more agile and performance-driven business. This approach supports the development of leadership capability aligned to long-term strategic priorities. The Committee emphasised the importance of strong, adaptive leadership in navigating external challenges and in delivering the Group's long-term growth ambitions. Looking ahead, the Committee will continue to monitor succession plans closely.

### Governance matters

The Terms of Reference were reviewed during the year to ensure that they are compatible with the 2024 Code.

The Committee confirmed its recommendation that all continuing Directors stand for re-election at the 2026 AGM.

### 2026 Board and Committee evaluation

The Board reviews its effectiveness annually, following the 2024 Code, with an external evaluation in year one and internal evaluations in years two and three. The Company Secretary and Chair facilitate each process.

The Board made notable progress on the priorities identified in the 2025 evaluation. It established clear strategic priorities to guide the Company's long-term direction following significant portfolio interventions and ensured the operating model was evolving in line with these new objectives. The Board allocated dedicated time to review market trends and competitive intelligence. Additionally, the Board reaffirmed the Company's BEST values, embedding them more deeply across the business in the wake of recent structural changes. Talent development and leadership remained a central focus, while the Board also maintained active oversight of its own composition and continued to strengthen its framework for assessing and reporting on material controls in accordance with the 2024 Code.

For FY26, this evaluation was externally facilitated by Board Intelligence. Other than the provision of board portal services, engaged after the evaluation, and a small number of follow-up advisory sessions, Board Intelligence has no other connection with the Company or any individual Director.

The Board is satisfied that the evaluation was conducted independently and objectively.

As part of the evaluation process, Board Intelligence representatives attended a Board and Committee meeting as observers. All participants completed detailed survey questionnaires followed by one-to-one consultations with Board Intelligence. This combination of structured feedback and individual discussion provided deeper insight into Board dynamics, strengths and areas for development.

The Board evaluation also included a review of the Audit and Risk Committee, the Remuneration Committee and the Environmental and Social Impact 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 March 2026 meeting. The Audit and Risk, Remuneration and Environmental and Social Impact Committees considered the results of their own evaluations.

The Chair met each Director individually to discuss feedback and personal contribution. The Board will also monitor its effectiveness over the coming year, with an internal evaluation planned in the latter part of FY27.

### Conclusions and actions agreed from 2026 evaluation

| | |
|---|---|
| A number of recommendations were made to the Board and actions agreed. | • Devote more time to strategic conversations.<br>• Enhance clarity and improve focus of key Board papers.<br>• Further improve candidness and openness of Board discussions.<br>• Strengthen succession planning, skills mapping, and timing.<br>• Enhance Board development to broaden perspectives. |

## BOARD INCLUSION AND DIVERSITY

The Company is dedicated to maintaining a diverse Board, Board Committees and Executive Committee that reflect our workforce and consumers. The Committee has reviewed Board skills and diversity, supported by an approved Inclusion and Diversity Policy which is available on our website.

The Committee recognises how important diversity and inclusion are for building a strong and progressive Board. We exceed Parker Review targets with three minority ethnic Directors and meet the FTSE Women Leaders Review's 40% female representation and senior female board member requirements.

All appointments are based on merit and objective criteria, while considering diversity and equal opportunity. We use external recruitment agencies that commit to diversity best practices. 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.

# Nomination Committee Report continued

## BOARD AND EXECUTIVE MANAGEMENT DIVERSITY DATA

We report our Board and executive management diversity data as follows as at our chosen reference date of 5 August 2026 (the date of this Annual Report and Accounts) further to the UK Listing Rules requirements.

As at 31 May 2026 and 5 August 2026, 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 52 to 54.

### 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 management1 | % of executive management |
|---|---|---|---|---|---|
| Men | 4 | 57 | 3 | 8 | 67 |
| Women | 3 | 43 | 1 | 4 | 33 |
| Other categories | — | — | — | — | — |
| Not specified/prefer not to say | — | — | — | — | — |

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

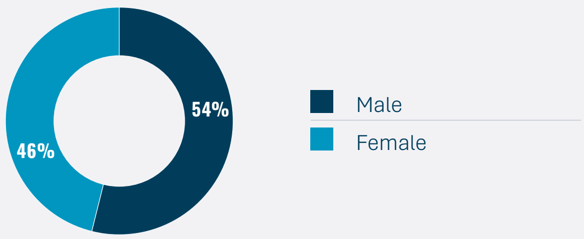
| | No. of Board members | % of the Board | No. of senior positions on the Board (CEO, CFO, SID and Chair) | No. in executive management1 | % of executive management |
|---|---|---|---|---|---|
| White British or other White (including minority-White groups) | 4 | 57 | 3 | 9 | 75 |
| Mixed/Multiple ethnic groups | 1 | 14 | — | 1 | 8 |
| Asian/Asian British | 2 | 29 | 1 | 1 | 8 |
| Black/African/Caribbean/Black British | — | — | — | 1 | 8 |
| Other ethnic group | — | — | — | — | — |
| Not specified/prefer not to say | — | — | — | — | — |

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.

Gender and ethnicity data is collected voluntarily for Executive Committee members who self-report via our people management system, Workday, or via a voluntary questionnaire. Gender and ethnicity data for Non-Executive Board members is obtained via a voluntary questionnaire. We encourage all employees to self-report diversity data, while also including a 'prefer not to say' option.

## SENIOR MANAGEMENT AND THEIR DIRECT REPORTS

In line with the 2024 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 2026 are disclosed. The names of our Executive Committee members are set out on page 54.




**David Tyler**
**Nomination Committee Chair**

5 August 2026

# 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, mitigation programmes, and internal control over financial and non-financial reporting.
- Review the independence, effectiveness and output of the Group's Internal Audit and Risk function and programme.
- Review the adequacy of the Group's whistleblowing arrangements and procedures for detecting fraud.

## Priorities for 2027

- 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.
- Strengthen governance and control over the African business following the strategic decision to retain, including continued focus on compliance, risk management capability and the effectiveness of key controls.
- 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 and Financial Control and Compliance functions, supporting a culture of risk management and embedding and strengthening internal controls across the Group.
- Increase 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 including the work to implement the requirements of IFRS 18.
- Oversee and support the External Auditor.

## DEAR SHAREHOLDERS

**I am pleased to present the Committee's report for the financial year ended 31 May 2026. This report summarises the Committee's activities and explains how we have discharged our responsibilities over the year.**

Throughout the year, we continued to oversee the embedding of process and controls improvements. The Committee's focus has remained on strengthening the control environment and reducing risk, with increased emphasis given the pace of regulatory change and ongoing Corporate Governance Code reform. We recognise the progress made and continue to support management in maintaining momentum and prioritising the most material controls.

Internal Audit and Risk, along with the Financial Control and Compliance team, remain central to this work, providing independent assurance and helping to embed the behaviours and discipline required for a sustainable controls culture. The Committee monitors progress carefully and while progress is also qualitative, reducing metrics such as open audit items, fewer overdue issues and reporting on management's self assessment of controls show a positive direction of travel.

## HOW THE COMMITTEE OPERATES

The Committee meets at least three times each year and more frequently as required. During the year, the Committee met four times. Please see page 51 for details of attendance at meetings. These meetings provided dedicated time for the full-year and interim results in September and February respectively, alongside meetings focused on internal audit, risk, controls and audit planning.

Time was spent outside of formal meetings considering management's detailed planning for Corporate Governance Reform.

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 52 and 53. 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 that at least one member has significant, recent and relevant financial experience.

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

# Audit and Risk Committee Report continued

## 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 the Committee should address. There were no material issues raised in this regard throughout FY26.

The Committee is satisfied that there are no connections, either current or previous, with the External Auditor which would compromise independence.

### 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.
- Assisted in the appointment of a new Chief Financial Officer and supported her onboarding process including engagement on financial governance, reporting and controls priorities.
- Increased oversight of cybersecurity risk, including review of key threats, resilience measures and incident response readiness.
- Reviewed the approach to shortened reporting timescales, focusing on the robustness of close processes, key controls and the quality of management information.
- Considered governance arrangements in Africa following the strategic decision to retain the business, including oversight of controls, compliance and risk management capability.
- Oversaw the refinancing of the business.
- Continued review of tax matters including uncertain tax positions.
- Oversaw continued progress of work required to strengthen the internal control environment and prepare 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 71 of this Annual Report and Accounts.
- Consideration of the letter following the Financial Reporting Council's (FRC) review into the Annual Report and Accounts for the year ended 31 May 2025. The review documented minor findings, none of which required a formal response.
- 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 policy on the supply of any non-audit services that are appropriate to be provided by the External Auditor is in force and any spend requires approval of the Committee. 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 2026, 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.

During the year, an external adviser completed an Audit Committee performance evaluation. All members of the Committee took part and the results of that assessment were discussed. The assessment concluded that the Committee continues to operate effectively. The Committee and management will consider any recommendations for improvement.

### Audit and non-audit fees

The Company paid £3.1 million in audit fees for the financial year ended 31 May 2026.

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. During the year, the Group paid £0.2 million to PwC in respect of the review of the interim statement.

The non-audit fee was 6.5% 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:**

| | |
|---|---|
| **Reference 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 Risk Director, and the Group Finance Director during the audit process. |

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

Following the FY26 year-end, the Committee also reviewed the FRC's most recent Audit Quality Review findings relating to the audit of the FY25 financial statements of the Group and discussed these with the audit engagement partner. The Committee received updates on actions undertaken by PwC to address inspection findings. The Committee was satisfied that appropriate actions had been implemented and remains confident in its conclusion on auditor effectiveness.

## 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 2026 are set out below:

| Significant issues and judgements | Decisions and improvements |
|---|---|
| **Areas of significant financial judgement** | The Committee considered several areas of significant financial judgement throughout the year. The key areas covered included: going concern; the impairment testing of goodwill and other intangible assets with indefinite lives; the treatment of uncertain tax positions across the Group; The Committee accepted the judgements recommended by management having challenged them and considered alternative options.<br><br>The committee also considered areas which were not assessed as significant judgements: accounting and disclosures relating to the sale of the PZ Wilmar joint venture; the designation and treatment of assets held for sale and the classification and disclosure of adjusting items. The Committee accepted the conclusions reached by management. |
| **Controls** | Controls improvement remained a core focus for the Committee this year, with an emphasis on ensuring the Group is appropriately prepared for Corporate Governance Reform and the related expectations around risk management and internal control. The Committee monitored management's ongoing programme to strengthen the internal control environment by establishing a clearer, more consistent control framework, improving control design and documentation, and supporting effective implementation and operation across the Group. Enablers of this work include greater standardisation of processes, improved use of SAP, and continued investment in finance shared services, organisation design and capability to support sustainable, timely and high-quality reporting. |
| **Risk management** | The Committee reviewed the development of risk management across the Group and commenced the process to appoint a permanent 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. |

# Audit and Risk Committee Report continued

## 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.
- Whistleblowing 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 UK Listing Rules and Market Abuse Regulation.
- 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 revised 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 controls improvement plans to address existing weaknesses identified, including upgrading the systems used to record trade promotions and addressing outstanding segregation of duty conflicts within our enterprise management systems.

The Committee notes the continuing work to improve documentation and second line review of controls in advance of regulatory change. This work will remain a focus of the Committee in FY27 as we work towards the change under provision 29 of the UK Corporate Governance Code 2024.

## 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 teams 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 Internal Audit Charter provides the framework for discharging the responsibilities of the Internal Audit function. The Charter is approved annually by the Audit and Risk Committee. It 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 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.

The Committee considered the current arrangements for Internal Audit as part of an internal review and remains satisfied that they are appropriate and effective for the Company. Our internal audit charter suggests an external review every five years. This was last completed by BDO in FY24. This will be reviewed again once the new Group Internal Audit and Risk Director is appointed.

## 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 33 to 40. 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 **page 33**

## WHISTLEBLOWING POLICY

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

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

The whistleblowing 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 Whistleblowing 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 29 to 32.

## 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; and
- 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 FY27, 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 105.

# Audit and Risk Committee Report continued

## 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 2025 and the full-year Annual Report and Accounts for the year to 31 May 2026. The principal steps taken by the Committee during the past 12 months in relation to its review of the published financial statements were:

- Consideration of the findings of the Financial Reporting Council's (FRC) review into the Annual Report and Accounts for the year ended 31 May 2025.
- Review of the 30 November 2025 interim financial statements and interim announcement and consideration of PwC's comments on the drafts of these documents.
- Review of the plan for preparing the Annual Report and Accounts for the year ending 31 May 2026.
- 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 2026 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.

## FINANCIAL REPORTING COUNCIL (FRC) REVIEW OF ANNUAL REPORT AND ACCOUNTS TO 31 MAY 2025

During the year, a letter was received from the FRC in relation to the Group's Annual Report and Accounts for the year ended 31 May 2025. The Committee reviewed the letter and was pleased that no queries or questions were raised requiring a response to the FRC. The Committee welcomes the comments received and understands the scope and limitations of the FRC review[1].

## VIABILITY STATEMENT AND GOING CONCERN

The Committee has reviewed the basis for the Company's viability statement on pages 41 to 42 that is drafted with reference to the financial forecasts for the next four years. In light of continued macro-economic and geopolitical uncertainty, foreign exchange volatility in key markets and ongoing cost pressures, 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.

The Committee also reviewed the appropriateness of adopting the going concern basis in preparing the Group's financial statements for the year ended 31 May 2026 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**

5 August 2026

1 The review was based on the Group's Annual Report and Accounts and did not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into. It is, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The FRC supports continuous improvement in the quality of corporate reporting and recognises that those with more detailed knowledge of our business, including the Audit Committee and Auditor, may have recommendations for future improvement, consideration of which the FRC would encourage.

This, and any subsequent letter, provides no assurance that our Annual Report and Accounts was correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

FRC letters are written on the basis that the FRC (which includes the FRC's officers, employees and agents) accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders.


# Cussons Baby

Cussons Baby is a trusted baby care brand in Asia and Africa offering gentle skincare, haircare and hygiene products designed specifically for babies' delicate skin. In FY26, we enhanced quality and packaging and introduced new variants to strengthen relevance and visibility.

**Growth in e-commerce sales**

**>50%**

For more details, visit:
**https://www.cussonsbaby.com/**

# 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 matters.
- Consider the climate-related risks and opportunities facing the Group.

## Priorities for 2027

- Review the Group's ES strategy, in light of a refreshed materiality assessment and performance.
- Monitor performance against all ES-related goals including carbon emission reduction, sustainable sourcing, water usage and sustainable packaging.
- Oversee participation in the UN Global Compact.
- Continue to monitor progress against the DEI strategy and goals.

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 2026.**

During the year, the Committee continued to oversee the Group's sustainability strategy, policies, performance measures and disclosures related to environmental and social impact matters. Consideration, engagement and communication with key stakeholders was also overseen to maintain PZ Cussons' reputation. We are responding proactively to a rapidly evolving regulatory and stakeholder landscape. The Committee is satisfied that the Group continues to make meaningful progress in delivering its ES agenda and is pleased to report continued progress against the goals set out in the Group's ES strategy.

In accordance with the Terms of Reference, the Committee meets a minimum of twice a year. In FY26, the Committee met three times. Membership of the Committee consists of three Directors: two Non-Executive Directors and the Chief Executive Officer. Only members of the Committee are entitled to attend the meetings. However, the Chief Growth and Marketing Officer, Chief Supply Chain Officer, R&D Director and Sustainability & Social Responsibility Manager also attend. Other Directors and individuals may be invited to attend all or part of any meeting, as and when appropriate. The Company Secretary acts as secretary to the Committee. The Committee is also supported by the Executive Committee through the Sustainability Steering Group and functional and regional workstreams.

## ACTIVITIES OF THE COMMITTEE DURING THE YEAR

### ES strategy

Following organisational changes across the Group in FY26, the scope of the ES strategy was reviewed and prioritised to ensure it reflected the shape of the business while maintaining PZ Cussons' ES goals and ambitions. The strategy provides operational focus and clearly defined performance targets, underpinned by the UN Global Compact (UNGC) framework. The Committee continued to monitor progress against the strategy during the year and has reviewed the priorities for FY27.

More information about the ES strategy can be found on **page 24**

### Carbon reduction commitments

For FY26, our carbon programme prioritised delivering remaining opportunities to further reduce Scope 1 and 2 emissions across PZ Cussons' global operations and continuing to strengthen Scope 3 inventory, data quality and reporting capabilities. The Committee was pleased to see that the Company remains on track to meet its targets to reduce its GHG emissions. In FY26, the Group reported a 73.3% reduction in Scopes 1 and 2 and a 25.5% reduction in Scopes 1, 2 and 3 against the 2021 baseline.

### Waste, water, sustainable packaging and procurement commitments

The Committee continued to monitor the progress being made against targets to reduce landfill waste, water usage and to ensure responsible sourcing of paper and palm oil. Progress against the packaging targets continued in FY26, although overall improvement was moderated by changes in portfolio mix.

The Committee will continue to monitor and advise on projects which will best support the achievement of the packaging-related targets and will review how to assess, measure and report water impacts across the Group.

Further detail regarding the progress achieved in FY26 can be found in the Sustainability Report on **pages 25 to 27**

### Diversity, equity and inclusion and social impact

The Committee considered progress against the diversity, equity and inclusion (DEI) strategy in the year including greater gender diversity in senior leadership roles across the business, the launch of local groups under the global women's network, EmpowHer, and the introduction of a Menopause Policy in the UK. Future plans will focus on inclusive leadership, diversity in recruitment, and embedding DEI metrics throughout the talent lifecycle, aligning with the vision of fostering a culture of belonging and equitable opportunities for all employees.

The Committee reviewed the rollout of the social impact framework and the development of clear criteria to ensure initiatives drive meaningful impact and are aligned with the ES agenda. The framework, driven by local business units, supports the delivery of social initiatives and partnerships that align with our purpose, connect with our brands and contribute meaningfully to the communities in which we operate.

### UNGC framework and CDP reporting

The Committee received updates on the embedding of the UNGC framework across the business. The Committee also reviewed the CDP scores achieved for 2025, where the Group has sustained a strong performance against the climate score and will be placing more focus on forest and water submissions in upcoming years.

### FY23 and FY24 Long-Term Incentive Plan

The Committee reviewed performance against the sustainability targets for the FY23 Performance Share Plan awards, which vested in September 2025, and made its recommendation to the Remuneration Committee. Further detail can be found on page 87 of the FY25 Annual Report and Accounts.

The Committee also considered the sustainability underpin for the FY24 Restricted Share Plan awards, due to vest in September 2026, and made its recommendation to the Remuneration Committee. Further detail can be found in the Report on the Directors' Remuneration on page 95 of this Annual Report and Accounts.

### Regulatory developments and sustainability disclosures

The Committee discussed emerging and evolving regulatory requirements, including the potential introduction of mandatory disclosures aligned with the UK Sustainability Reporting Standards (UK SRS S1 and S2). The Committee reviewed mitigation plans to reduce costs associated with the introduction of the Extended Producer Responsibility tax and eco-modulated fees in 2026 and the potential impact of EU Deforestation Regulation and Packaging and Packaging Waste Regulation.

The Committee reviewed the remit of the Group's Product Stewardship Committee. The Product Stewardship Committee is responsible for the proactive management and development of PZ Cussons' product portfolio and innovation pipeline, in the context of an increasingly complex and strict environmental regulatory landscape, and improved understanding of the impact of commonly used ingredients on human health.

The Committee reviewed and approved the Group's sustainability disclosures, including the annual Sustainability Report and TCFD Report on pages 24 to 32.

**Valeria Juarez**

**Environmental and Social Impact Committee Chair**

5 August 2026

# Remuneration Committee Report

**Kirsty Bashforth**
**Remuneration Committee Chair**

## Committee role

- To set, develop and oversee the implementation of the Directors' Remuneration Policy (the 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.

## Priorities for 2027

- Reinforce brand-building and innovation with changes to the annual bonus plan.
- Work with management to review wider workforce remuneration and related policies.

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 2026 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) The proposed new Directors' Remuneration Policy (the Policy) – setting out proposals for the new Policy following a process of significant shareholder engagement and consultation. The Policy will be subject to a binding vote at our 2026 AGM on 1 October 2026.

(3) The Report on the Directors' Remuneration – setting out how the Directors' Remuneration Policy was applied throughout FY26 and how our new proposed Policy will be applied during FY27, which will be subject to an advisory vote at our 2026 AGM.

## BUSINESS CONTEXT FOR THE YEAR ENDED 31 MAY 2026

During FY26, we announced a renewed Group strategy which outlined how we plan to deliver sustainable shareholder value through building winning portfolios of locally-loved brands across four lead markets, balanced between developed and emerging markets.

PZ Cussons is now a more focused and resilient business and we have outlined clear medium-term financial ambitions targeting double-digit total shareholder returns through the cycle, based on: delivering mid single-digit % like for like revenue growth, achieving high single-digit operating profit growth at constant currency, high single-digit EPS growth, and maintaining a progressive dividend policy. Together, these objectives reflect our commitment to build a stronger and more resilient business.

FY26 has seen a number of headline achievements:

- Like for like (LFL) revenue growth of 5.8%.
- In Africa, we retained our business with plans to grow, subject to embedding clear guardrails.
- The Nigeria business saw double-digit growth, as a result of a volume and margin growth, and mitigating actions has significantly reduced sensitivity to future movements in the Nigerian Naira.
- The UK business grew across most of our larger brands, led by a successful gifting campaign by Sanctuary Spa.
- In ANZ, revenue grew 4.0% to £91.3 million. We delivered strong growth across our largest brands of Morning Fresh, Radiant and Rafferty's Garden.
- In Indonesia, revenue grew 10.2% to £60.5 million driven by growth in Cussons Baby with improvements in both price/mix and volume and continued e-commerce growth.
- St.Tropez North America returned to growth, of 6.9%, as our partnership with Emerson strengthens our US offering, offset by revenue decline in UK and Europe.
- Net debt reduction of £87.0 million to £25.0 million, driven in large part by proceeds from the sale of PZ Wilmar joint venture, the sale of other surplus assets and ongoing strong cash flow generation. Net debt/ EBITDA is 0.7x – compared to our target range of 1.0-1.5x.
- Adjusted operating profit increased by almost 25%, excluding the contribution from the PZ Wilmar joint venture in FY25, reflecting cost savings of £8.5 million, allowing for £3.5 million increased marketing investment.
- Adjusted PBT grew by 21.9%, driven by a reduced net finance charge due to the balance sheet strengthening. This was offset by an increased share of minority interest arising from the growth in Nigeria and a higher effective tax rate, resulting in EPS decline of 2.7%.

## REMUNERATION DECISIONS YEAR ENDED 31 MAY 2026

### 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 FY26, 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 £57.0 million (at budget rate) which gives a payout of 58.2% of maximum on this element.
- Operating Free Cash Flow Conversion of 98.6% (at budget rate) which gives a payout of 94.1% of maximum on this element.

This gives a combined achievement of 67.2% 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. 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 and delivering and embedding the portfolio transformation. Assessing their contribution in the round, and notwithstanding the financial performance delivered, the Committee determined an overall achievement of 85% of maximum on this element for the CEO and 100% of maximum for the CFO.

Combining the financial and the personal elements, the bonus outcome was 70.7% of the maximum for the CEO and 73.7% of maximum for the CFO.

This results in bonus awards of 106.1% of salary for the CEO and 17.7% of salary, on a pro rata basis, for the CFO. 40% will be deferred into shares for two years for the CFO as per the Policy. Full details of the performance assessment can be found on pages 92 and 93.

### FY24 Long-Term Incentive Plan

September 2026 marks the vesting of the first Restricted Share Plan (RSP) awards implemented in the 2023 Policy. While no performance conditions apply to the restricted shares, in line with typical market practice and investor expectations, the Committee retains the ability to reduce vesting (including to nil) subject to satisfaction against the following three key underpins:

- 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 Remuneration Committee reviewed performance against the underpins, which included input from both the Audit and Risk Committee and Environmental and Social Impact Committee, and determined the FY24 RSP awards should vest at 100%. Details are set out in full on page 94 and 95. As we disclosed last year, a one-off reduction was made at the point the FY26 RSP awards were granted to mitigate the potential for windfall gains due to share price performance up to the point of grant. This resulted in an award of 79% of salary for the CEO (note the CFO's award lapsed on cessation as explained later in this letter).

### Board changes during FY26

Jan Bramall was appointed to the Board as CFO on 23 March 2026. Her remuneration was set in line with the Remuneration Policy on a salary of £430,000 and a pension contribution in line with the majority of the UK workforce at 10% of salary. In line with our Policy, for FY26, Jan participated in the annual bonus plan with a maximum opportunity of 125% of salary (on a pro- rated basis ) and the RSP with a maximum opportunity of 75% of salary. This is consistent with the Policy for the previous incumbent. No buyout awards were made to Jan on recruitment.

Sarah Pollard stepped down as an Executive Director on 13 February 2026 and remained with the business until 20 March 2026 to ensure an orderly handover. Sarah received her salary and benefits to the point of departure and a payment in lieu of accrued, untaken holiday at cessation. No payments for loss of office were made. All outstanding share awards lapsed and she did not participate in the annual bonus for FY26. In line with the Policy, the post-employment shareholding requirement will apply.

There were no changes to the Non-Executive Directors during FY26. Detail of fees paid to Non-Executive Directors during FY26 can be found on page 91.

## REVIEW OF REMUNERATION POLICY

Our current Policy was approved at the 2023 AGM. During FY26, the Committee undertook a detailed review of the Policy, and we consulted with shareholders representing over 70% of our share capital.

The review of our Policy was undertaken in the context of the refreshed Group strategy, focused on building winning portfolios of locally-loved brands across four lead markets and delivering sustainable shareholder value. We considered that the combination of an annual bonus and RSP – introduced at the 2023 AGM – continues to provide an appropriate and well-balanced framework, driving both performance delivery and the Group's simplification agenda and this was widely supported during the consultation process.

We have been clear about the three main drivers of our competitive advantage, and our proposed Policy seeks to ensure that our approach incentivises and rewards for performance relating to our brands, our go-to-market capabilities and our commercial execution through manufacturing scale. As a result, the final proposed changes are mostly focused on targeted refinements to implementation. We were pleased with the levels of support from our shareholders for our proposed Policy changes. The main change being introduced as a direct result of feedback we received during the consultation is an increase in the weighting on operating free cash flow in the annual bonus (from 10% to 15%). If approved, the Policy will apply for a period of up to three years from the date of approval.

# Remuneration Committee Report continued

For the newly proposed Policy the key updates are as follows.

1. **Long-Term Incentive Plan (LTIP) – slight increase to continue to balance Long Term focus vs Short Term incentive of overall comp**
   - Increase RSP opportunity by 5% of salary: CEO from 90% to 95% of salary; CFO from 75% to 80% of salary. This increases the weighting of long-term incentives at target and reinforces alignment with sustainable value creation and the shareholder experience.

2. **Annual Bonus Plan – re-weighting of measures, target payout and bonus deferral**
   - Introduce two equally weighted strategic measures for FY27: market share performance and growth through innovation. This supports a more objective and measurable assessment of progress and aligns with brand-building to serve more consumers better.
   - Re-weight FY27 measures to reflect the renewed strategy: 50% operating profit, 15% revenue, 15% cashflow and 20% strategic measures, replacing the current key business objectives. This weighting was adjusted following feedback from shareholders on the importance of a continued focus on improving cash-flow.
   - Reduce payout for target performance from 60% to 50% of maximum opportunity, with no change to maximum opportunities. This better aligns the payout curve with governance expectations while retaining appropriate stretch and achievability.
   - Introduce a dashboard to support the Committee's assessment of bonus outcomes. This will help ensure that bonus payouts remain appropriate in light of decision-making during the year, underlying performance achieved and the shareholder experience.
   - Remove bonus deferral once an Executive Director has achieved the shareholding guideline of 200% of salary. Executive Directors who have met the guideline will continue to have meaningful alignment through existing shareholdings and RSP awards, including the two-year post-vesting holding period.

3. **Non-Executive Director fees (shares)**
   - Introduce an additional £20,000 annual payment in shares for Non-Executive Directors and the Chair, with no change to the NED shareholding guideline. This supports direct alignment with shareholders through share price while recognising time commitment and the complexity of operating in the UK-listed environment.

## OUR APPROACH TO REMUNERATION FOR THE YEAR ENDING 31 MAY 2027

### Base salaries

The base salaries for the CEO and CFO have been increased by 3.5% to £708,875 and £445,050 respectively with effect from 1 September 2026. This is aligned with the salary increase budget for the wider employee population in the UK of 3.5%.

### FY27 annual bonus

The changes to the FY27 annual bonus structure reflect the Directors' Remuneration Policy that we are asking shareholders to approve at the AGM on 1 October 2026 as outlined above.

The Committee set the FY27 annual bonus targets on a business-as-usual basis and will review to ensure these remain appropriate, and that the FY27 annual bonus outcome is a fair reflection of underlying financial performance and the shareholder experience.

### FY27 Restricted Share Plan (RSP) awards

Subject to the approval of the Directors' Remuneration Policy on 1 October 2026, the CEO will be granted a FY27 RSP award of 95% of salary (increased from 90% as per previous Policy) and the CFO, 80% of salary (increased from 75% as per previous Policy).

### Non-Executive Director alignment through share price

From FY27, we will be introducing an additional £20,000 payment in shares for our Non-Executive Directors as outlined above. There is no change to cash base fee for FY27 for Non-Executive Directors. Further summary details on how we intend to implement the Policy in FY27 are set out in the 'Remuneration at a Glance' summary on page 81 with full details on pages 82 to 90.

### Wider employee experience

The Committee continues to take account of remuneration policies and practices across the wider employee group, alongside relevant market data, when considering the remuneration arrangements for the Executive Directors and other senior executives. In my role as designated Non-Executive Director for employee engagement, as well as Chair of the Remuneration Committee, I meet regularly with the Chief People Officer to discuss remuneration across the Company. The key remuneration activities considered for the wider employee population for FY26, are set out below:

- Annual salary review for employees continue to be reviewed against individual performance, market data, economic forecasts and Group financial budgets, amongst other factors. The salary increase budget for FY26 for UK-based employees was 3.5%, Nigeria was 16%, Indonesia was 7.0% and Australia was 3.5%.
- For FY26 bonus, the scheme for participating employees included an element of their own business unit as well as company-wide performance to reward the overall success of the PZ Cussons Group. Our leaders continue to have an element relating to their personal contribution.
- Share awards in the form of RSPs continued to be granted to senior leaders and managers to reward critical talent and support retention. We believe that the RSPs are an impactful tool that enables the Company to compete internationally for the best executive talent. 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

Our approach to the newly proposed Policy is focused on providing clear alignment between strategy, incentives, stakeholder experience and remuneration. I would like to thank shareholders for all their feedback during FY26 as we seek to shape the right balance in providing a more rounded approach on delivery of our renewed strategy while also removing complexity. I hope our shareholders agree and will support as such at our upcoming AGM. We welcome your views and any discussion on the matters set out in this report.

**Kirsty Bashforth**
**Remuneration Committee Chair**

5 August 2026

# Remuneration at a Glance

## CHANGES TO DIRECTORS' REMUNERATION AND HOW IT WILL BE IMPLEMENTED IN FY27

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. During the year, the Committee undertook a detailed review of the Directors' Remuneration Policy, working with management and independent advisers to develop proposals and recommendations. No Executive Director was present when their own remuneration was discussed.

The Committee also considered market data from UK-listed companies of a similar size and complexity to arrive at the following table which sets out a summary of the approach to remuneration, including key changes for FY27, subject to shareholder approval at the 2026 AGM. Full detail is provided on pages 82 to 90.

| Key Policy features | Implementation in FY26 | Proposed approach for FY27 and key changes |
|---|---|---|
| **Salary**<br>**Base salaries** | **Salaries from 1 September 2025:**<br>**CEO** **£684,903**<br>**CFO** **£430,000** | **Salaries from 1 September 2026:**<br>**CEO** **£708,875 (+3.5%)**<br>**CFO** **£445,050 (+3.5%)** |
| **Pension/benefits/ all-employee share schemes**<br>Executive Directors will receive pension benefits in line with those generally provided to employees in the location in which they are based. | 10%<br>CEO and CFO: 10% of salary in line with UK employee population. | 10%<br>CEO and CFO: 10% of salary in line with UK employee population. |
| **Annual bonus**<br>Incentive scheme which focuses Directors on delivery of annual goals and milestones which are consistent with the Group's longer-term strategic aims. | **Opportunity:**<br>Policy maximum of 150% of salary (60% payout at target).<br>Maximum bonus for FY26:<br>**CEO** **150% of salary**<br>**CFO** **125% of salary**<br>40% of bonus earned deferred into shares for two years providing shareholding guideline not met.<br>Actual bonus outcome of 70.7% of maximum for the CEO and 73.7% for the CFO. | **Opportunity:**<br>Policy maximum of 150% of salary (50% payout at target).<br>Maximum bonus for FY27:<br>**CEO** **150% of salary**<br>**CFO** **125% of salary**<br>40% of bonus earned deferred into shares for two years providing shareholding guideline not met. |
| **Long-Term Incentive Plan (LTIP)**<br>LTIP which focuses on generating sustained shareholder value over the longer term and aligning the Directors' interests with those of the Company's shareholders.<br>Recovery and withholding provisions continue to apply. | Restricted Share Plan (RSP) subject to underpins.<br>**Opportunity:**<br>Awards made in FY26 to the CEO and CFO equivalent to:<br>**CEO: 79% of salary** (usually 90% without one-off reduction)<br>**CFO: 75% of salary**<br>**Underpins:**<br>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.<br>**Opportunity:**<br>Policy maximum of 95% of salary<br>Awards made in FY27 to the CEO and CFO equivalent to:<br>**CEO: 95% of salary**<br>**CFO: 80% of salary**<br>**Underpins:**<br>There are no changes to the underpins or holding period for FY27. |
| **Shareholding guidelines**<br>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.<br>Executive Directors are currently required to retain shares with a value equal to 50% of the net gain after-tax arising from the acquisition of shares pursuant to the DBP and LTIP until they satisfy this shareholding guideline.<br>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. | Requirement remains for Executive Directors to build up interests in the Company's shares worth 200% of salary. Once achieved, bonus deferral will no longer apply.<br>Expectation remains for the Chair and Non-Executive Directors to build up interests in the Company's shares worth 100% of their net base fee within four years.<br>Current shareholding of the Executive Directors and Non-Executive Directors is shown on page 97. |

# 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 2024 UK Corporate Governance Code (the 2024 Code) and the requirements of the UK Listing Rules. The Directors' Remuneration Policy as set out in this report will be put to shareholders for approval at the 2026 AGM to be held on 1 October 2026. It is the Committee's intention that the new Directors' Remuneration Policy will be effective following approval from shareholders through a binding vote at the 2026 AGM, and will replace the current Remuneration Policy approved at the 2023 AGM.

The Committee considered the principles listed in the 2024 Code when designing the Directors' Remuneration Policy and took these into account in its design and implementation:

**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 objectives and shareholder value creation through our Long-Term Incentive Plan (LTIP). Our remuneration policies and practices are designed to support the delivery of the Company's long- term strategy and promote long-term sustainable success. Our Remuneration Policy 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 payment in shares, alongside our current shareholding guideline, for all our Non-Executive Directors to ensure a consistent focus on sustainable growth of shareholder value.

**Transparency and reporting:** Remuneration arrangements have defined parameters which are transparently communicated to shareholders and other stakeholders, including maximum incentive quantum and incentive plan pay-out schedules. 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. We have also sought to find balance in our remuneration arrangements, while maintaining focus between short- and long-term performance. No Director should be involved in deciding their own remuneration outcome.

**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, ensuring common goals and outcomes. When required, the Committee exercises independent judgement or discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances. Provisions are also in place to allow for the application of clawback and/or malus in specific circumstances. The Committee reviews remuneration arrangements throughout the Company and takes these into account when setting Directors' remuneration.

The components of Executive Directors' remuneration are described below. A copy of the Remuneration Policy will be made available on the Company website: **www.pzcussons.com/investors/shareholders/annual-reports/**

## DIRECTORS' REMUNERATION POLICY TABLE

| Purpose and link to strategy | Operation | Maximum Opportunity | Performance Measures |
|---|---|---|---|
| **Element – Base Salary** | | | |
| To provide an appropriate level of fixed cash income to recruit and retain talent through the provision of competitively positioned base salaries. | Base salaries are normally reviewed annually taking into account:<br>• The scope of the role and the markets in which PZ Cussons operates.<br>• The performance and experience of the individual.<br>• Pay levels in other organisations of a similar size and complexity.<br>• Pay increases elsewhere in the Group. | To avoid setting expectations of Executive Directors and other employees, there is no overall maximum for salary increases under this Policy.<br>Salary increases are reviewed in the context of salary increases across the wider Group.<br>Any increase in excess of those elsewhere in the Group would be considered very carefully by the Committee. Full disclosure would be included in the relevant Remuneration Report. The circumstances in which higher increases may be awarded include but are not limited to:<br>• An increase in the scope and/or responsibility of a role.<br>• An increase upon promotion to Executive Director.<br>• Where a salary has fallen significantly below market positioning.<br>• The transition over time of a new Executive Director recruited on a below market salary to a more competitive market positioning as the Executive Director gains experience in the role. | None, although overall performance of the individual is considered by the Committee when setting and reviewing salaries. |
| **Changes from 2023–26 Policy:** None. | | | |

| Purpose and link to strategy | Operation | Maximum Opportunity | Performance Measures |
|---|---|---|---|
| **Element – Benefits** | | | |
| Recruitment and retention of senior executive talent through the provision of a competitively positioned and cost-effective benefits package. | 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.<br><br>Executive Directors may also participate in any all-employee share or benefits plans on the same basis as all other employees.<br><br>Where relevant, additional benefits may be offered if considered appropriate and reasonable by the Committee, such as assistance with the costs of relocation. | The maximum opportunity will be based on the cost of providing the benefits. This will be set at a level that the Committee considers appropriate, taking individual circumstances into account. | Not applicable. |
| **Changes from 2023–26 Policy:** None. | | | |
| **Element – Pensions** | | | |
| Designed to enable an Executive Director to generate an income in retirement and to provide an overall remuneration package that is competitive in the market. | Participation in a defined contribution pension plan or provision of a cash allowance in lieu of a pension contribution. | A Company pension contribution in line with the rate provided to the wider workforce in the country the Executive Director is based.<br><br>For the UK, this is currently 10% of base salary in respect of each financial year into the scheme on behalf of the Executive Director (or the Company makes an equivalent cash payment in lieu). | Not applicable. |
| **Changes from 2023–26 Policy:** None. | | | |

# **Remuneration Policy** continued

| Purpose and link to strategy | Operation | Maximum Opportunity | Performance Measures |
|---|---|---|---|
| **Element – Annual Bonus Scheme and Deferred Annual Bonuses** | | | |
| Designed to motivate Executive Directors to focus on annual goals and milestones that are consistent with the Group's longer-term strategic aims. | Measures and targets are set annually at the beginning of the relevant financial year and payout levels are determined by the Committee after the year-end based on performance against those measures and targets.<br><br>Unless the minimum shareholding guideline has been achieved, a minimum of 40% of the bonus earned will usually be deferred into shares. The deferral period will usually be two years (unless the Committee determines otherwise). Where the minimum shareholding requirement has been met, the annual bonus may be paid fully in cash and this will apply to the FY26 bonus.<br><br>A dividend equivalent may be payable on deferred shares that vest.<br><br>The Committee may at its discretion amend performance measures and bonus entitlements relating to any financial year to take account of particular circumstances or events which, in its reasonable opinion, are relevant to the attainment of the performance measures or bonus entitlements.<br><br>The Committee may apply discretion (both positively and negatively) to amend the bonus payout should this not, in the view of the Committee, reflect underlying business performance or individual contribution to the Group.<br><br>Recovery and withholding provisions apply to cash and deferred shares (see the notes to the table). | The maximum annual bonus opportunities for current Executive Directors are:<br>• Chief Executive: 150% of salary.<br>• Other Executive Directors: 125% of salaries. | The performance measures and targets are set by the Committee each year.<br><br>The majority of the annual bonus is based on challenging financial targets that are set in line with the Group's KPIs.<br><br>In addition, a smaller element of the annual bonus may be subject to achievement against strategic measures, key business objectives and/or personally tailored objectives.<br><br>For each financial objective set, up to 10% of the relevant part of the bonus becomes payable at the threshold performance level rising on a graduated scale to the maximum performance level. 50% of the bonus pays out for target performance.<br><br>The structure and nature of the strategic measures vary, such that it is not practical to specify any pre-set percentage of bonus that becomes payable for threshold performance. |
| **Changes from 2023–26 Policy:**<br>• Reduce payout for target performance from 60% to 50% of maximum opportunity, with no change to maximum opportunities.<br>• Remove bonus deferral once an Executive Director has achieved the minimum shareholding guideline. | | | |
| **Element – Restricted Share Awards under the PZ Cussons plc Long-Term Incentive Plan 2020 (LTIP)** | | | |
| Designed to simplify long-term incentives and align Executive Directors' reward with the delivery of shareholder value through sustainable share price growth, continued dividend payments and delivery of the business strategy. | Annual restricted awards of rights over shares are granted as a percentage of base salary. Awards normally vest three years from the date of grant subject to review by the Committee of performance against pre-determined underpins. If an underpin is 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.<br><br>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.<br><br>Dividend equivalents accrue on shares subject to RSP awards and are paid on vesting in respect of those shares that vest.<br><br>Award levels and underpins are reviewed before each award cycle to ensure that they remain appropriate.<br><br>Recovery and withholding provisions apply to restricted share awards (see the notes to the table). | Award opportunities in respect of any financial year are limited to rights over shares with a market value determined by the Committee at grant.<br><br>The current maximum opportunities for Executive Directors are:<br>• Chief Executive: 95% of base salary.<br>• Other Executive Directors: 80% of base salaries. | Performance underpins may be based around key financial, governance and strategic measures. They will be set taking into account the business strategy and may vary from year-to-year if the Committee deems it appropriate. Full disclosure of the underpins will be provided in the relevant Remuneration Report. |
| **Changes from 2023–26 Policy:** Increase LTIP opportunity by 5% of salary: CEO from 90% to 95% of salary; CFO from 75% to 80% of salary. | | | |

| Purpose and link to strategy | Operation | Maximum Opportunity | Performance Measures |
|---|---|---|---|
| **Element – Shareholding guidelines** | | | |
| Alignment of the Executive Directors' interests with those of the Group's shareholders. | Requirement to build and maintain interests in the Company's shares worth 200% of salary.<br><br>Executive Directors are currently required to retain shares with a value equal to 50% of the net gain after-tax arising from the acquisition of shares pursuant to the DBP and LTIP until they satisfy this shareholding guideline. | Not applicable. | Not applicable. |
| **Changes from 2023–26 Policy:** None. | | | |
| **Element – Post-employment share ownership requirements** | | | |
| Ensures there is an appropriate amount of 'tail risk' for Executive Directors post-cessation of employment. | Executives will be required to maintain a minimum shareholding of 200% of base salary for the first year following ceasing to be a Board Director and 100% of base salary for the second year, or in either case if lower, the full shareholding on cessation. | Not applicable. | Not applicable. |
| **Changes from 2023–26 Policy:** None. | | | |

## 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; or
- 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 without seeking shareholder approval for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation.

## PERFORMANCE MEASURES AND TARGET SETTING

The Committee considers carefully the selection of measures to be used in the incentive scorecards at the start of each performance cycle. The policy has been designed to balance simplicity and transparency with an appropriate focus on the outcomes that are most important to the long-term success of PZ Cussons.

The annual bonus focuses on the key drivers of performance within management's control, including profitable growth, cash generation and the successful execution of strategic priorities. The Committee believes these measures provide an appropriate balance between short-term operational delivery and the actions required to strengthen the Group's brands, capabilities and market positions over time.

The Committee has placed greater emphasis on operating free cash flow, reflecting the importance of cash generation, financial discipline and resilience as the Group continues to execute its renewed strategy. The framework also includes strategic measures to support delivery against key business priorities and ensure management is rewarded for creating sustainable value beyond purely financial outcomes. The RSP supports long-term alignment between executives and shareholders through a simple remuneration structure and emphasis on long-term share ownership. Vesting outcomes remain subject to performance underpins covering areas such as financial resilience, governance and sustainability to ensure rewards remain aligned with the long-term success of the business.

# **Remuneration Policy** continued

## DISCRETION

The Committee will operate the annual bonus and awards under the LTIP and the DBP in accordance with the annual bonus, LTIP and DBP plan rules (including any rules relating to the exercise of discretion), shareholder-approved Policy, and Listing Rules where applicable.

In line with 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 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.

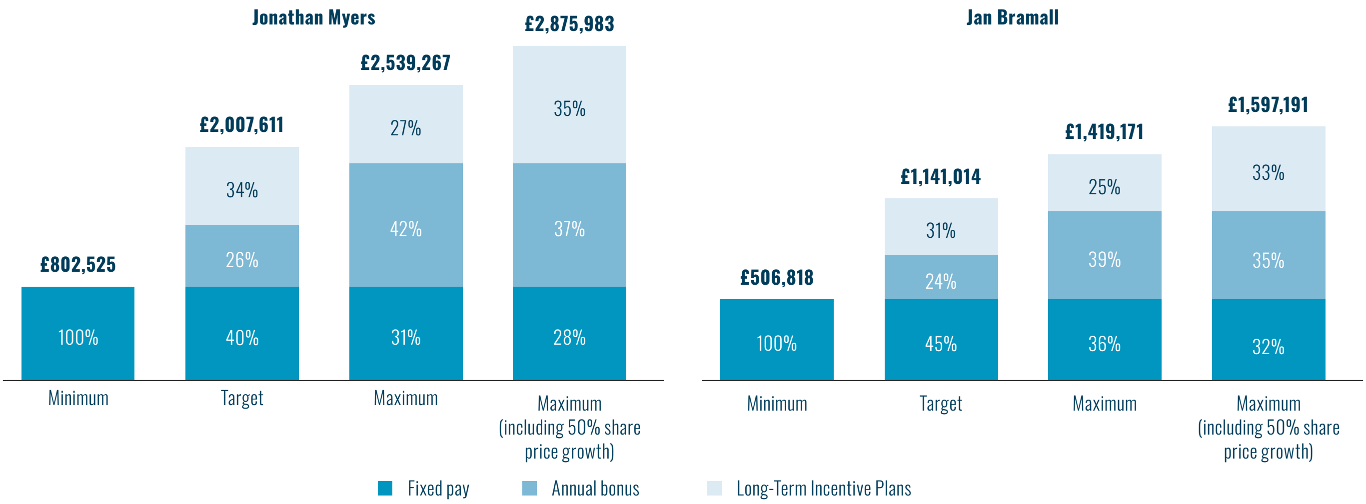
## NON-EXECUTIVE DIRECTORS REMUNERATION POLICY TABLE

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

| Purpose and link to strategy | Operation | Maximum Opportunity | Performance Measures |
|---|---|---|---|
| **Element – Non-Executive Director fees** | | | |
| To reflect the time commitment in preparing for and attending meetings, the duties and responsibilities of the role and the contribution expected from the Non-Executive Directors. | Fees are normally reviewed every year and may be amended to reflect market positioning and any change in responsibilities.<br><br>The Committee recommends the remuneration of the Chair to the Board.<br><br>Fees paid to Non-Executive Directors are determined and approved by the Board as a whole.<br><br>The Company covers the costs incurred by Non-Executive Directors to attend meetings and Non-Executive Directors may be reimbursed for any business expenses incurred (including any tax due) in fulfilling their roles. | 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 such roles.<br><br>Non-Executive Directors receive a basic fee (part of which may be paid in shares), and an additional fee for further duties (for example, chairing of a Committee or Senior Independent Director responsibilities). Any dealing fees, costs and taxes associated with the delivery of shares to a Non-Executive Director may be borne by the Company.<br><br>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. | Not applicable. |
| **Changes from 2023–26 Policy:** Introduction of payment of part of the fees in shares for Non-Executive Directors including the Chair. | | | |
| **Element – Shareholding guidelines** | | | |
| Alignment of the Non-Executive Directors' interests with those of the Group's shareholders. | 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. | Not applicable. | Not applicable. |
| **Changes from 2023–26 Policy:** No change to the Non-Executive Director shareholding guidelines. | | | |

## 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 for FY27 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 2026 (£708,875 for Jonathan Myers and £445,050 for Jan Bramall); 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 bonus** | | | |
| **0%** | **50% of maximum opportunity**<br>Jonathan Myers – 50% of 150% of salary<br>Jan Bramall – 50% of 125% of salary | **100% of maximum opportunity**<br>Jonathan Myers – 150% of salary<br>Jan Bramall – 125% of salary | **100% of maximum opportunity**<br>Jonathan Myers – 150% of salary<br>Jan Bramall – 125% of salary |
| **Long-Term Incentive Plan – (LTIP)** | | | |
| **0%** | **100% of award**<br>Jonathan Myers – 95% of salary<br>Jan Bramall – 80% of salary | **100% award**<br>Jonathan Myers – 95% of salary<br>Jan Bramall – 80% of salary | **100% of award with a 50% increase in share price over the vesting period**<br>Jonathan Myers – 95% of salary<br>Jan Bramall – 80% of salary |

## RECOVERY AND WITHHOLDING PROVISIONS

The LTIP, DBP and annual bonus arrangements are subject to malus and clawback provisions as provided for in the governing rules, a summary of which is set out below:

- Under the LTIP, the Committee may apply malus and/or clawback where there has been: (a) a misstatement of results (b) an error or miscalculation in assessing performance (c) misconduct by the individual (d) corporate failure or (e) reputational damage resulting from or likely to result from the actions of an individual. Any decision to apply malus or clawback can be made at any time from grant until the third anniversary of an award vesting.
- Under the DBP, the Committee may apply malus at any time prior to vesting where there has been: (a) a misstatement of results or (b) an error in assessing the value of a participant's annual bonus. The Committee may also apply malus at any time prior to settlement of an award or clawback at any time within three years of an award vesting where there has been: (a) misconduct by the individual (b) corporate failure or (c) reputational damage resulting from or likely to result from the actions of an individual.
- In respect of annual bonuses, the Committee may apply clawback where at any time within the period beginning on the first day of the financial year to which any bonus award relates and ending on the second anniversary of the payment where there has been: (a) a material misstatement of results (b) error in any calculation relevant to the Committee's determination of any bonus award made (c) misconduct by the individual or (d) circumstances which the Committee considers to have a serious adverse effect on any member of the Group or relevant business unit.

Malus and clawback may be effected in a number of ways set out in the governing malus and clawback rules e.g. by cancelling or reducing awards, by reducing any cash amount payable to an individual or by requiring an individual to return the value of the cash or shares delivered to recover any amount overpaid.

# Remuneration Policy continued

## 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 previous table. 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 Policy. Taking into account the circumstances of recruitment, the Committee will apply performance measures and / or underpins to buyout awards 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 Non-Executive Director Remuneration Policy table will apply.

## EXECUTIVE DIRECTOR CONTRACTS AND LOSS OF OFFICE PAYMENTS

Executive Directors have permanent service contracts which can be terminated by either party giving to the other not less than 12 months' notice. No Executive Director has any contractual entitlement to any payments on the termination of employment, but the Company has discretion to elect to make a payment in lieu of notice in respect of the value of the salary (and, in respect of Jonathan Myers only, contractual benefits) that would be due during the part of the notice period in which the Executive Director has not worked. Details of the current Executive Directors' service contracts are shown below:

| Name | Date of appointment |
|---|---|
| Jonathan Myers | 1 May 2020 |
| Jan Bramall | 23 March 2026 |

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 principles set out below:

- 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.
- The treatment of outstanding variable remuneration on termination will be determined by the relevant plan rules, a summary of which is set out below.

The Committee will take account of all relevant circumstances on a case-by-case basis including (but not limited to): the sums stipulated in the service contract; whether the Executive Director has presided over an orderly handover; the contribution of the Executive Director to the success of the Company during his or her tenure; and the need to compromise any claims that the Executive Director may have. The Company may, for example, if the Committee considers it to be appropriate:

- enter into agreements with Executive Directors which may include the provision of legal fees or the settlement of claims or liabilities in return for a single one-off payment or subsequent payments subject to appropriate conditions;
- reimburse reasonable relocation costs where an Executive Director (and, where relevant, their family) had originally relocated to take up the appointment;
- terminate employment other than in accordance with the terms of the contract (bearing in mind the potential consequences of doing so); or
- enter into new arrangements with the departing Executive Director (for example, confidentiality, restrictive covenants and/or consultancy arrangements).

### Long-Term Incentive Plan – Cessation 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. 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 underpins have been met. |
| Injury, ill health, disability, redundancy, retirement, transfer of the participant's employment or 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 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 underpins have been met.<br><br>Alternatively, the Committee has the discretion to allow the award to vest at the time of cessation, taking into account the extent to which the performance underpins have been met up to that date.<br><br>Awards will be subject to any applicable holding period unless the Committee determines otherwise.<br><br>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. |

### Long-Term Incentive Plan – Cessation during the holding period

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

| | |
|---|---|
| Death. | The shares will be released as soon as practicable following death. |
| Any other reason. | The shares will generally be released at the end of the holding period unless the Committee determines otherwise. |

### Annual bonus – cash element

The extent to which any annual bonus is paid in respect of the year of departure if the reason for departure is death, injury, disability, retirement with company consent, redundancy, the sale of the participant's employing company or business out of the Group or any other reason the Committee so decides, 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 – deferred share element under the DBP

| | |
|---|---|
| Death, injury, disability, ill-health, redundancy, retirement, transfer of the participant's employment or 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. |

### 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.

# Remuneration Policy continued

## 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 normally vest early taking into account: i) the extent to which the Committee considers that the performance underpins have been satisfied at that time, and ii) the pro-rating of the awards to reflect the proportion of the vesting 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. In the event of an internal corporate reorganisation, the rules of the LTIP provide that awards may be replaced by equivalent new awards over shares in a new holding company.

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 corporate action and with the agreement of the acquiring company, awards may be replaced by equivalent new awards over shares in a new holding company.

The Committee may, in the event of a change of control, determine to what extent any bonus should be paid taking into account the extent to which i) the Committee determines the relevant performance measures have been satisfied at that time, and ii) it is appropriate to apply time pro-rating (although the Committee can decide not to pro-rate a payment if it regards it as inappropriate to do so in the particular circumstances).

## 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' total rewards including compensation and benefits, review of employee-wide dashboard, 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. During FY26, the Committee undertook a detailed review of the Policy, consulted with shareholders representing over 70% of our share capital, and they considered all feedback received and their views helped shape the final 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 and subject to three months' notice by either party. 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 2028 |
| Kirsty Bashforth | 31 October 2028 |
| 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 FY26 and how our Directors' Remuneration Policy will be applied during FY27. The Report on Directors' Remuneration is subject to an advisory vote at our 2026 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 2026 (amounts are rounded to the nearest Pound Sterling):

### EXECUTIVE DIRECTORS

| | | Jonathan Myers | Sarah Pollard[8] | Jan Bramall[9] |
|---|---|---|---|---|
| Salary/fees[1] | **2026** | **680,077** | **342,728** | **83,244** |
| | 2025 | 659,200 | 412,000 | n/a |
| Benefits[2] | **2026** | **22,866** | **14,019** | **3,223** |
| | 2025 | 22,750 | 17,250 | n/a |
| Pension[3] | **2026** | **68,008** | **34,273** | **3,583** |
| | 2025 | 65,920 | 41,200 | n/a |
| **Total fixed** | **2026** | **770,951** | **391,020** | **90,050** |
| | 2025 | 747,870 | 470,450 | n/a |
| Bonus[4] | **2026** | **726,760** | **—** | **76,013** |
| | 2025[5] | 750,131 | 390,402 | n/a |
| RSP/PSP[6] | **2026** | **325,400** | **—** | **—** |
| | 2025 | 61,917 | 31,144 | n/a |
| **Total variable** | **2026** | **1,052,160** | **—** | **76,013** |
| | 2025 | 812,048 | 421,546 | n/a |
| **Total** | **2026** | **1,823,111** | **391,020** | **166,063** |
| | 2025 | 1,559,918 | 891,996 | n/a |

### NON-EXECUTIVE DIRECTORS

| | | David Tyler | Kirsty Bashforth | Jitesh Sodha | Valeria Juarez | Vivek Ahuja[7] |
|---|---|---|---|---|---|---|
| Salary/fees[1] | **2026** | **286,125** | **77,500** | **60,000** | **65,000** | **82,500** |
| | 2025 | 286,125 | 77,500 | 60,000 | 65,000 | 69,942 |
| Benefits[2] | **2026** | **—** | **—** | **—** | **—** | **—** |
| | 2025 | — | — | — | — | — |
| **Total** | **2026** | **286,125** | **77,500** | **60,000** | **65,000** | **82,500** |
| | 2025 | 286,125 | 77,500 | 60,000 | 65,000 | 69,942 |

1 The amount of salary/fees payable in the period, reflecting the pay increases effective 1 September 2025 for Jonathan Myers and since date of joining on 23 March 2026 for Jan Bramall.

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 received salary supplements of 10% of salary in lieu of pension contributions. Jan Bramall received 10% of salary split between salary supplement and employer contributions, starting from 1st May 2026.

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 92 and 93.

5 Includes relevant dividend equivalent shares value for previous year Deferred Bonus Awards as shown on page 96.

6 The value of the 2022 PSP has been updated since the previous Annual Report. Calculations now use actual vesting share price of £0.792, and includes relevant dividend equivalent shares value, and the value of the 2023 RSP award has been estimated using the average three month share price average to 31 May 2026 of £0.79.

7 Vivek Ahuja was appointed Senior Independent Director on 21 November 2024.

8 Sarah Pollard stepped down as an Executive Director on 13 February 2026 and remained with the business until 20 March 2026. Her leaving arrangements are detailed on page 97.

9 Jan Bramall was appointed to the Board as CFO on 23 March 2026 and her remuneration is fully in line with our shareholder approved Policy. She was appointed on a salary of £430,000 and a pension contribution of 10% of salary which is in line with the majority of the UK workforce. For FY26 Jan participated in the annual bonus plan with a maximum opportunity of 125% of salary (on a pro- rated basis ) and the RSP with a maximum opportunity of 75% of salary. This is consistent with the approach taken for the previous incumbent. Subject to shareholder approval, Jan's RSP award for FY27 will increase to 80% of salary. No buyout awards were made to Jan on recruitment.

# Report on the Directors' Remuneration continued

## 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 | Jan Bramall CFO |
|---|---|---|
| **Salary with effect from 1 September 2026** | **£708,875** | **£445,050** |
| Salary with effect from 1 September 2025[1] | £684,903 | £430,000 |

1 Jan Bramall's base salary at date of joining on 23 March 2026 was £430,000.

Jonathan Myers' and Jan Bramall's base salaries have both been increased by 3.5% from 1 September 2026. This is aligned with the average level awarded to the wider employee population in the UK.

## NON-EXECUTIVE DIRECTOR FEES (AUDITED)

There are no increases to cash base fees for Non-Executive Directors for FY27, instead we are introducing a £20,000 payment in shares:

| | From 1 September 2026 | From 1 September 2025 | 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% |
| Payment in shares[3] | **£20,000** | n/a | n/a |

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.
3 The Payment in shares of £20,000 applies to all Non-Executive Directors including the Chair, and will be implemented quarterly, effective from 1 June 2026.

## ANNUAL BONUS FOR THE YEAR ENDED 31 MAY 2026 (AUDITED)

In respect of the year ended 31 May 2026, the CEO, Jonathan Myers, and the CFO, Jan Bramall, both participated in the annual bonus scheme.

Under this scheme, the CEO was eligible to earn a bonus of up to 150% of base salary and the CFO 125% of base salary. Subject to shareholder approval of the new Policy, bonus payments will be made in cash where the shareholding guidelines have been met. This will apply to FY26 bonus payments where this condition is satisfied. For FY26 for the CFO, 40% will be deferred into shares for two years and are subject to recovery and withholding provisions and continued employment.

As set out last year, the FY26 annual bonus was based on two key financial indicators: 60% Adjusted Operating Profit, 20% Operating 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 FY26. A summary of the performance targets and outturns are set out in the following tables.

## FY26 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 as % of max bonus[4] |
|---|---|---|---|---|---|---|
| Adjusted Operating Profit[5] | **60%** | **£51.4m** | **£57.1m** | **£62.8m** | **£57.0m** | **34.9%** |
| Operating Free Cash Flow[5] | **20%** | **73.6%** | **86.6%** | **100.7%** | **98.6%** | **18.8%** |
| **Total** | | | | | | **53.7%** |

1 Personal objectives make up the remaining 20% of the bonus opportunity as explained below.

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 their control. The payout curve between Threshold and Target pivots on a 30% payout, and is a straight line from Target to Stretch.

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 58.2% of maximum and for Operating Free Cash Flow the payout is 94.14% of maximum.

5 These measures are defined in the Alternative Performance Measures section on pages 180 to 182.

## FY26 KEY BUSINESS OBJECTIVES

The FY26 Key Business Objectives (KBO) and milestones achieved are set out in the table below.

| KBO | Milestones achieved |
|---|---|
| **1**<br>**Financial delivery: 'Beat the budget'** | • Deliver operating profit target, revenue momentum and cost savings enabling robust margin delivery, and effective cash management to deliver Free Cash Flow target. |
| **2**<br>**Cost savings: Get 'back' to investable double-digit margins** | • Remove gross costs in FY26 by driving central cost reductions.<br>• 'Rewire' the remaining organisation to balance activity between business units and the group in order to enable delivery of future priorities, e.g. innovation and brand-building. |
| **3**<br>**Finalise transactions: Maximise value and 'draw the line' to move on to deliver against our future agenda for PZ Cussons** | • Complete the sale of our 50% stake in PZ Wilmar joint venture.<br>• Following the decision to retain the St.Tropez brand, deliver the plans to drive growth through partnership in the US with the Emerson Group.<br>• Announced continuation of operations in our wider African business, subject to introduction of guardrails designed to mitigate risks, extinguish historic FX liabilities, and drive profitable growth in Africa. |
| **4**<br>**Set out the agenda for 'New PZ'** | • Launch 'New PZ' as a leaner, reduced-risk 'developed and emerging market' opportunity with a stronger core and the potential for sustained growth:<br>– Successfully deliver capital markets day to demonstrate the 'equity story' for investors.<br>– Roll out internal employee value proposition that unleashes potential and a greater focus on performance.<br>– Develop and deploy the 'leadership of the future' at PZ. |

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, and concluded that the resulting 53.7% 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 17% out of a maximum of 20% against the KBOs for the CEO, taking the total payout to 70.7%. For the CFO, Jan joined late into FY26 and successfully completed handover responsibilities from the exiting CFO, and combined with a strong start into FY27, the Committee determined a bonus payout of 20% out of a maximum of 20%, taking the total payout to 73.7%.

The CEO's bonus will be paid wholly in cash, subject to the approval of the Directors' Remuneration Policy at the AGM. For the CFO, 40% of the FY26 annual bonus, totalling £30,405 will be deferred into shares for two years.

# Report on the Directors' Remuneration continued

## ANNUAL BONUS FOR THE YEAR ENDING 31 MAY 2027

Executive Directors will continue to be eligible to participate in the annual bonus scheme in respect of the year ending 31 May 2027 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 50% of maximum payable (a reduction from 60%) for on-target performance under the financial metrics.

For the FY27 annual bonus, with the re-introduction of revenue at 15%, the Adjusted Operating Profit measure is re-weighted at 50%, and the Operating Free Cash Flow measure at 15%. These metrics are cascaded 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 20% of the bonus will be based on two equally weighted strategic measures for FY27; market share performance and growth through innovation. These measures replace the previous Key Business Objectives (KBOs) and provide a clearer, more objective way to assess progress against our strategic priorities.

Targets for the FY27 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. The Committee will review the appropriateness of the targets set for the FY27 annual bonus, to ensure that the original targets remain appropriately stretching and the FY27 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 proposed Policy, subject to shareholder approval, a minimum of 40% of the FY27 bonus earned will be deferred into shares unless shareholding guideline has been met. 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 section sets out details of:

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

The final PSP awards vested on 23 September 2025. There are no outstanding PSP awards to Executive Directors or senior executives.

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)

As disclosed last year, the last remaining PSP awards vested on 23 September 2025, with no discretion applied, as follows:

| | Date of award | Number of awards at 1 June 2025 | Granted/ allocated in year | Vested in year | Lapsed in year | Dividend Equivalent Shares | **Number of awards at 31 May 2026** | Share price at date of award (£) | Share price at date of vesting (£) | Vesting/ transfer date[1] |
|---|---|---|---|---|---|---|---|---|---|---|
| J Myers | 23-Sep-22 | 461,580 | — | 69,698 | 391,882 | 8,480 | **—** | 2.005 | 0.792 | 23-Sep-25 |
| S Pollard[2] | 23-Sep-22 | 232,178 | — | 35,058 | 197,120 | 4,264 | **—** | 2.005 | 0.792 | 23-Sep-25 |

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

2 Sarah Pollard forfeited any outstanding PSP awards.

## 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 2025 | Granted/ allocated | Face value | Vested | Lapsed in year | **Number of awards at 31 May 2026[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[3] | 27-Nov-23 | 214,530 | — | £300,000 | — | 214,530 | **—** | 1.442 | — | — | — |
| J Myers | 26-Sep-24 | 662,948 | — | £599,040 | — | — | **662,948** | 0.944 | — | — | 26-Sep-27 |
| S Pollard[3] | 26-Sep-24 | 345,285 | — | £312,000 | — | 345,285 | **—** | 0.944 | — | — | — |
| J Myers | 01-Oct-25 | — | 753,269 | £541,073 | — | — | **753,269** | 0.800 | — | — | 01-Oct-28 |
| J Bramall | 02-Apr-26 | — | 416,129 | £322,500 | — | — | **416,129** | 0.793 | — | — | 02-April-29 |

1 Jonathan Myers was granted the above awards on 1 October 2025, calculated using the average of the mid-market quotations for the 30-day period ending with 26 September 2025 of £0.7183. Jan Bramall was granted the above award on 2 April 2026, being the earliest practicable date following her appointment, calculated using the average of the mid-market quotations for the 30-day period ending with 1 April 2026 of £0.775. 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.

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

3 Unvested awards granted to Sarah Pollard lapsed following her resignation.

The Executive Directors were granted a conditional award under the RSP in FY26. The maximum award was 79% of base pay for the CEO (as previously disclosed this was a one-off reduction from 90%) and 75% of base pay for the CFO. Both awards will vest three years following the date of grant. Post-vesting, awards will be subject to a further two-year holding period. The vesting of the RSP is subject to three underpins detailed below, over the three financial years to May 2028. 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 2027. Subject to approval of the new Policy, the CEO will be granted an FY27 RSP award of 95% of salary (increased from 90% as per previous Policy) and the CFO, 80% of salary (increased from 75% as per previous Policy).

The vesting of the RSP will remain subject to the three underpins detailed above over the three financial years to May 2029. 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.

## VESTING OF RSP AWARDS GRANTED IN THE YEAR ENDING 31 MAY 2024

RSP awards were made to the CEO in the year to 31 May 2024 and are due to vest on 27 September 2026. The CEO was granted 411,899 shares on the date of grant (27 November 2023), using a share price of £1.3984. The award shall vest on 27 September 2026 at 100% of maximum. A three-month average share price to 31 May 2026 (£0.79) has been used to estimate the value of these awards.

# Report on the Directors' Remuneration continued

## DEFERRED BONUS AWARDS (AUDITED)

Under the current Directors' Remuneration Policy, 40% of any bonus is deferred into shares for two years where shareholding guidelines have not been achieved. 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 as % of STIP | Number of awards at 1 June 2025 | 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 2026** | Share price at date of award (£) | Share price at date of vesting (£) | Gain (£) | Vesting/ transfer date[2] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| J Myers | 23-Sep-22 | 25% | 60,653 | — | — | 60,653 | — | 7,379 | **—** | 2.005 | 0.792 | nil | 23-Sep-25 |
| S Pollard[3] | 23-Sep-22 | 25% | 28,569 | — | — | 28,569 | — | 3,475 | **—** | 2.005 | 0.792 | nil | 23-Sep-25 |
| J Myers | 27-Sep-23 | 25% | 115,659 | — | — | — | — | — | **115,659** | 1.510 | — | — | 27-Sep-26 |
| S Pollard[3] | 27-Sep-23 | 25% | 58,177 | — | — | — | 58,177 | — | **—** | 1.510 | — | — | — |
| J Myers | 26-Sep-24 | 40% | 282,177 | — | — | — | — | — | **282,177** | 0.944 | — | — | 26-Sep-26 |
| S Pollard[3] | 26-Sep-24 | 40% | 146,967 | — | — | — | 146,967 | — | **—** | 0.944 | — | — | — |
| J Myers | 01-Oct-25 | 40% | — | 414,471 | £297,715 | — | — | — | **414,471** | 0.800 | — | — | 01-Oct-27 |
| S Pollard[3] | 01-Oct-25 | 40% | — | 215,870 | £155,060 | — | 215,870 | — | **—** | 0.800 | — | — | — |

1 Jonathan Myers and Sarah Pollard were granted the above awards on 1 October 2025, calculated using the average of the mid-market quotations for the 30-day period ending with 26 September 2025 of £0.7183. The share price used to determine the number of shares subject to the award was in accordance with the rules of the DBSP 2021.

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.

3 Unvested awards granted to Sarah Pollard lapsed following her resignation.

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, as set out in the prior table. These awards vested on 23 September 2025, 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 2025 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. Following her resignation, Sarah Pollard's awards lapsed in full. These awards are detailed in the prior table.

## 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, unless shareholding guideline is met, as set out in the Remuneration Policy; and
- 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 2026 (together with interests held by any connected persons) were:

| | Ordinary shares held at 31 May 2026 | Interests in shares that are not subject to performance conditions as at 31 May 2026 | Shares held under the SIP as at 31 May 2026[1] | Value of shares held at 31 May 2026 as a % of base salary[2] |
|---|---|---|---|---|
| J Myers | 367,791 | 2,640,423 | 13,140 | 228.7% |
| J Bramall | — | 416,129 | — | 45.1% |
| S Pollard[3] | 99,097 | — | 8,407 | n/a |

1 Between 31 May 2026 and 31 July 2026, Jonathan Myers acquired 488 shares under the SIP.

2 The calculation for Executive Director shareholding is based on the salary at 31 May 2026 and the share price as at 31 May 2026 of £0.880.

3 As at date of resignation, 20 March 2026.

While Jonathan Myers has met the 200% of salary shareholding guideline in FY26, given the date of appointment to the Company and Board, Jan Bramall is progressing towards achieving the 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 2026, or date of resignation if earlier, are detailed below:

| | Shareholding requirement as % of net fee | Ordinary shares held at 31 May 2026 or date of resignation if earlier | Total price paid to acquire shares | Shareholding as % of fee at 31 May 2026 or date of resignation if earlier[1] |
|---|---|---|---|---|
| David Tyler | 100% | 134,005 | £139,182 | 92% |
| Kirsty Bashforth | 100% | 22,469 | £38,524 | 121% |
| Jitesh Sodha | 100% | 22,200 | £54,923 | 173% |
| Valeria Juarez | 100% | 23,860 | £35,386 | 111% |
| Vivek Ahuja | 100% | 40,000 | £37,215 | 117% |

1 The calculation for Non-Executive Director shareholding is based on the net base fee and the share price paid on acquisition.

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 2026, the Non-Executive Directors exceeded this expectation, with the exception of David Tyler though he has not yet reached his 4th anniversary.

There have been no changes in the interests of any Non-Executive Director between 31 May 2026 and 31 July 2026.

## 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 Jan Bramall, and previously applicable for 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)

Sarah Pollard stepped down as an Executive Director on 13 February 2026 and remained with the business until 20 March 2026 to ensure an orderly handover. Sarah received her salary and benefits to the point of departure and a payment in lieu of accrued, untaken holiday at cessation. No payments for loss of office were made. All outstanding LTIP and deferred bonus share awards lapsed and she did not participate in the annual bonus for FY26. Vested FY22 and FY23 LTIP awards will continue to be subject to the holding period. In line with the Remuneration Policy, Sarah will be required to maintain a minimum shareholding requirement of 200% of salary for the first year following cessation until 20 March 2027 and 100% of salary for the second year to 20 March 2028, or in either case if lower, the full shareholding on leaving the Company.

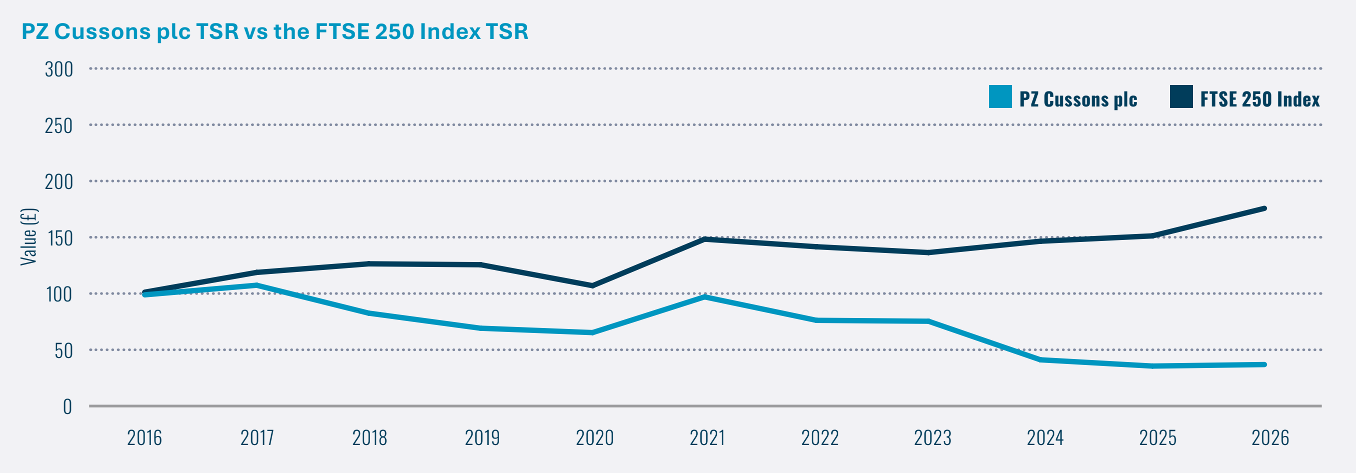
## LIMITS ON SHARES ISSUED TO SATISFY SHARE INCENTIVE PLANS

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 2026 under the Company's share incentive plans, no new ordinary shares were issued.

# Report on the Directors' Remuneration continued

## 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 2026 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 |
|---|---|---|---|---|
| **2025–26** | **Jonathan Myers** | **1,823** | **70.70%** | **100.0%** |
| 2024–25 | Jonathan Myers | 1,560 | 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 |
| 2019–20[1] | 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% |

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 2025 and 31 May 2026, and the percentage change:

| | **2026 £m** | 2025 £m | Change % |
|---|---|---|---|
| Total employee costs | **78.3** | 76.2 | 3% |
| Dividends paid | **15.1** | 15.1 | 0% |

## 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 FY26. 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 2026. For any employee who joined after 1 June 2025 and was still employed at 31 May 2026, 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.

| | Method | CEO single figure (£000) | Upper quartile | Median | Lower quartile |
|---|---|---|---|---|---|
| **2025–26** | **A** | **1,823** | **20** | **33** | **47** |
| 2024–25[1] | A | 1,560 | 17 | 29 | 41 |
| 2023–24 | A | 1,401 | 14 | 20 | 30 |
| 2022–23 | A | 1,569 | 18 | 29 | 44 |
| 2021–22 | A | 1,151 | 15 | 23 | 30 |
| 2020–21 | A | 1,518 | 19 | 29 | 40 |

1 CEO single figure has been updated to reflect actual vesting share price of the 2022 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 2026. This was driven primarily by the increased variable pay, in the form of RSP award, for the CEO which makes up a significant proportion of the remuneration package.

The salary and total pay for the individuals identified at the lower quartile, median and upper quartile positions as at 31 May 2026 are set out below:

| 2026 | Salary | Total pay |
|---|---|---|
| Upper quartile individual | **£63,361** | **£90,417** |
| Median individual | **£50,500** | **£55,277** |
| Lower quartile individual | **£35,000** | **£38,604** |

## 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 2024 Code. The Committee held four scheduled meetings in full attendance and a further two Committee meetings and calls were convened for specific business during the 2026 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

# Report on the Directors' Remuneration continued

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 £164,150 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 all of the 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 all of the 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.

## COMMITTEE ACTIVITIES DURING THE YEAR ENDED 31 MAY 2026

| | | |
|---|---|---|
| **July 2025** | • Remuneration Policy review.<br>• Review of draft Remuneration Report in respect of FY25.<br>• Update on external environment from independent adviser.<br>• Review annual bonus awards for FY25.<br>• Review and approval of structure and financial targets for the annual bonus scheme for FY26.<br>• Approval of executive salary review. | • Review of vesting of past LTIP awards and update on the progress of in-flight awards.<br>• Review of levels of share ownership.<br>• Review of company-wide remuneration dashboard.<br>• Review of Executive Director FY26 Key Business Objectives.<br>• Initial timetable for reviewing the Directors' Remuneration Policy ahead of FY27. |
| **September 2025** | • Update on external environment from independent adviser.<br>• Approval of shareholder communication.<br>• Approval of FY25 Directors' Remuneration Report.<br>• Review of post-audit annual bonus awards for FY25.<br>• In-flight PSP award update. | • Approval of Executive Director FY23 PSP vesting.<br>• Review and approval of FY26 RSP and Deferred Bonus Share Plan awards.<br>• Review of company-wide remuneration dashboard.<br>• Good leaver approval.<br>• Review of leaving terms for exiting CFO.<br>• Review approach to remuneration following conclusion of strategic review of operations in Africa. |
| **February 2026** | • Update on external environment from independent adviser.<br>• Update on FY26 annual bonus performance.<br>• Review of satisfying share scheme awards and dilution limits.<br>• Approach to variable pay design principles for FY27 as part of the future Directors' Remuneration Policy. | • Review of first draft of Policy review.<br>• Review of joining term for new CFO.<br>• Review of company-wide remuneration dashboard.<br>• Good leaver approval. |
| **April 2026** | • Review of first draft of Directors' Remuneration Policy.<br>• Approach to shareholder consultation for Directors' Remuneration Policy. | • Review of annual bonus design and modelling for FY27.<br>• Review of interim FY26 RSP awards for new joiners. |
| **May 2026** | • Update on external environment from independent advisor.<br>• Update on FY26 annual bonus performance.<br>• Consideration of FY27 annual bonus design and targets.<br>• Review of feedback from shareholders on proposed Policy review. | • Approach to Directors' Remuneration Report as part of Annual Report.<br>• Review of company-wide remuneration dashboard including salary review proposals.<br>• Review of Board Chair's fee. |

## SHAREHOLDER ENGAGEMENT

The Committee recognises the importance of understanding the perspective of 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 shareholders and, in this context, is committed to an open and transparent dialogue with shareholders on the issue of executive remuneration. For example, during FY26, this took the form of consultation on the proposed Policy, as well as questions at the 2025 AGM held on 20 November 2025. The votes cast at the 2025 AGM in respect of the advisory vote on the 2025 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 shareholders regarding remuneration at the 2026 AGM and looks forward to ongoing dialogue with shareholders during FY27.

## ADVISORY VOTE ON THE 2025 REPORT ON DIRECTORS' REMUNERATION AND THE CHAIR'S ANNUAL STATEMENT (2025 AGM)

| Votes for | | Votes against | | | |
|---|---|---|---|---|---|
| Number | % | Number | % | Votes cast | Votes withheld |
| 307,522,038 | 99.71 | 898,675 | 0.29 | 308,420,713 | 18,176,366 |

## 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**

5 August 2026

# 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 2026.

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were 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 16 to 19 of the Strategic Report.

The Directors recommend a final dividend of 2.20p (2025: final dividend of 2.10p) per ordinary share to be paid on 8 October 2026 to ordinary shareholders on the register at the close of business on 11 September 2026, which, together with the interim dividend of 1.50p (2025: 1.50p) paid on 9 April 2026, makes a total of 3.70p for the year (2025: 3.60p).

## SCOPE OF THE REPORTING IN THIS ANNUAL REPORT AND ACCOUNTS

The Group's statement on corporate governance can be found on pages 58 to 64 which is incorporated by reference and forms part of this Report of the Directors. For the purposes of compliance with UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTR) 4.1.5 R(2) and DTR 4.1.8R, 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 2006 can be found in the following locations:

| Section | Topic | Location |
|---|---|---|
| 1 | Details of long-term incentive schemes and other employee share schemes | Report on Directors' Remuneration on pages 94 to 96 |
| 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 103 |

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 2026 | |
|---|---|
| David Tyler | Served throughout the year |
| Jonathan Myers | Served throughout the year |
| Sarah Pollard | Served until 13 February 2026 |
| Jan Bramall | Appointed 23 March 2026 |
| 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 97. 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 DTR 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 31 July 2026:

| | **As at 31 July 2026** | | As at 31 May 2026 | |
|---|---|---|---|---|
| | **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 |
| FIL Limited | **43,171,641** | **10.07** | 43,171,641 | 10.07 |
| Heronbridge Investment Mgt | **31,157,024** | **7.27** | 31,157,024 | 7.27 |
| 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.

## ADDITIONAL STATUTORY INFORMATION

**Directors' indemnification and insurance**

As at the date of this report, 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 2026, the Concert Party held in the aggregate, approximately 42.69% of the issued share capital of the Company.

The 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 complies with this requirement.

**Political and charitable contributions**

Charitable contributions in the UK during the year amounted to £0.1 million (2025: £0.1 million).

No political contributions were made in the year (FY25: £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 27.

**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 2006, further details on the composition of our global employee population as at 31 May 2026 are set out in the table below:

| | **2026** | | 2025 | | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **No.** | **%** | No. | % | No. | % | No. | % | No. | % |
| Female employees | **596** | **30** | 689 | 29 | 688 | 28 | 726 | 27 | 756 | 27 |
| Male employees | **1,370** | **70** | 1,661 | 71 | 1,749 | 72 | 1,918 | 73 | 2,005 | 73 |
| Female senior managers | **71** | **46** | 76 | 48 | 75 | 43 | 74 | 40 | 61 | 36 |
| Male senior managers | **85** | **54** | 83 | 52 | 101 | 57 | 109 | 60 | 109 | 64 |
| Female Group Board Directors | **3** | **43** | 3 | 43 | 3 | 37 | 3 | 33 | 4 | 44 |
| Male Group Board Directors | **4** | **57** | 4 | 57 | 5 | 63 | 6 | 67 | 5 | 56 |

# Report of the Directors continued

| | |
|---|---|
| **External Auditor** | PwC has indicated its willingness to act as External Auditor to the Company for the year ending 31 May 2027 and, in accordance with section 485 of the Companies Act 2006, a resolution for its reappointment will be proposed at the forthcoming AGM. A statement on the independence of the External Auditor is included in the Audit and Risk Committee Report on pages 70 to 71. |
| **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 33 to 40 of the Strategic Report. |
| **Annual General Meeting** | The Company's 2026 AGM will be held at Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG at 10.30am on 1 October 2026. 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 2026, the Company's issued share capital consisted of 428,724,960 ordinary shares of 1p each.<br><br>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. |
| **Rights and obligations attaching to shares** | 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. |
| **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 2025 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.<br><br>No shares were purchased from 1 June 2025 to 31 May 2026 (2025: 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 transfer of securities** | There are no restrictions on the transfer of securities in the Company except:<br>• pursuant to certain restrictions under the Company's employee share incentive plans, where the shares are subject to the plan rules;<br>• that certain restrictions may from time to time be imposed by laws and regulations (for example, relating to insider trading); and<br>• pursuant to the UK Listing Rules 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.<br><br>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 41 to 42. |
| **Events after the balance sheet date** | The post-balance sheet events are described in note 30 to the Consolidated Financial Statements. |
| **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:<br>• Proposed future developments for the business are set out on pages 6 to 8.<br>• Details of Group subsidiaries including overseas branches are set out in note 28 of the Consolidated Financial Statements.<br>• Financial instruments and risk management are set out in note 19 of the Consolidated Financial Statements.<br>• 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 52 to 53, 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**

5 August 2026

# 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 2026 and of the Group's profit 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 2026 (the "Annual Report"), which comprise:

- the Consolidated Balance Sheet as at 31 May 2026;
- the Company Balance Sheet as at 31 May 2026;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Company Statement of Changes in Equity 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 six 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 five 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 80% of the Group's revenue.

*Key audit matters*

- Impairment of goodwill and brands (Group)
- Impairment of investment in subsidiaries and amounts owed by group companies (Company)

*Materiality*

- Overall group materiality: £5.4 million (2025: £5.1 million) based on 1.0% of revenue.
- Overall company materiality: £0.9 million (2025: £1.1 million) based on 1.0% of total assets.
- Performance materiality: £4.1 million (2025: £3.1 million) (Group) and £0.7 million (2025: £0.7 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.

Trade promotions – rebates, which was a key audit matter last year, is no longer included because of continued improvements in the systems and controls reducing the extent of audit effort. Otherwise, the key audit matters below are consistent with last year.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment of goodwill and brands (Group)**<br><br>As at 31 May 2026, the Group recognised indefinite-lived brands of £235.0 million (2025: £220.0 million) and goodwill of £19.4m (2025: £19.4 million) as per Note 10 of the financial statements. An impairment charge of £13.0 million and an impairment reversal of £24.4 million in relation to the indefinite-lived brands was recognised during the year.<br><br>During the year ended 31 May 2026, 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 secondly the goodwill is allocated to the CGU or groups of CGUs as appropriate and representing the lowest level which goodwill is monitored by management.<br><br>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, Fudge and St. Tropez brands to be the most sensitive to the changes in assumptions.<br><br>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.<br><br>This is an area of audit focus given the value of the goodwill and brands and the judgements and estimates made by management in reaching their conclusions.<br><br>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. | In assessing the appropriateness of valuation of goodwill and indefinite-lived brands we have performed the following procedures:<br><br>• we evaluated management's rationale for determining the CGUs and the allocation of assets including goodwill to the brand or group of brands;<br>• 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;<br>• 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;<br>• 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;<br>• we reconciled forecasts used back to the board approved budget and five year plan;<br>• we assessed management's assumptions for margins by comparing to historical data and reviewed the central costs allocation;<br>• we reconciled the assets used in the model back to the group consolidation;<br>• we considered management bias throughout the assumptions used and considered any contradictory evidence;<br>• 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;<br>• 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<br>• 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.<br><br>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 | How our audit addressed the key audit matter |
|---|---|
| **Impairment of investment in subsidiaries and amounts owed by group companies (Company)**<br><br>The Company has investments in subsidiaries of £36.8 million (2025: £36.8 million) and amounts owed by group companies of £48.6 million (2025: £66.6 million).<br><br>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 2026.<br><br>We focused on this area due to the material quantum of the carrying value of investments in subsidiaries and amounts owed by group companies. Judgement is required to determine whether impairment indicators exist which would require an impairment test to be performed.<br><br>Refer to Note 4 (Investments) and Note 5 (Receivables) within the Notes to the Company Financial Statements of the Annual Report. | In assessing the appropriateness of valuation of investment in subsidiaries we have performed the following procedures:<br><br>• we obtained a schedule of investments in subsidiaries and ensured this is reconciled to the financial statements;<br>• we challenged management's assertion that no impairment triggers were identified that would necessitate a full impairment review to be performed;<br>• 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<br>• we reviewed the disclosures included within Note 4 of the Company accounts and consider these to be appropriate.<br><br>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.<br><br>In respect of the amounts owed by group companies:<br><br>• we performed a reconciliation of the amounts owed by subsidiaries and ensured this agreed with the counterparty;<br>• 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<br>• we assessed the adequacy of the disclosure provided in Note 5 of the company financial statements in relation to the relevant accounting standards.<br><br>We found no exceptions as a result of our testing and consider the carrying value 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 six 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 five 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 2026.

### 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** | £5.4 million (2025: £5.1 million). | £0.9 million (2025: £1.1 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 £4.0 million (2025: £1.0 million to £3.9 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 75% (2025: 60%) of overall materiality, amounting to £4.1 million (2025: £3.1 million) for the group financial statements and £0.7 million (2025: £0.7 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) (2025: £0.3 million) and £0.05 million (company audit) (2025: £0.06 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;
- Reviewed the terms of the new RCF entered into in June 2026 and considered the impact of the new covenants during the going concern period;
- 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 below.

**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 2026 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 the 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 2026 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 the 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 the 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 the 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 the 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 Companies Act 2006, Listing Rules and UK and overseas tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 significant 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 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; and
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims.

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

We were first appointed by the Company for the financial year ended 31 May 2024. Our uninterrupted engagement covers 3 financial years.

# 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 LLP**
Chartered Accountants and Statutory Auditors
Manchester

5 August 2026

# Consolidated Income Statement

For the year ended 31 May 2026

| | Note | 2026 £m | 2025 £m |
|---|---|---|---|
| Revenue | 2 | **541.4** | 513.8 |
| Cost of sales | | **(322.0)** | (307.0) |
| **Gross profit** | | **219.4** | 206.8 |
| Selling and distribution expense | | **(92.0)** | (85.4) |
| Administrative expense | | **(57.7)** | (106.4) |
| Other operating income | 3 | **12.6** | — |
| Gain on disposal of joint venture undertakings | 29 | **4.5** | — |
| Share of results of joint venture | 14 | **—** | 5.6 |
| **Operating profit** | 2 | **86.8** | 20.6 |
| Finance income | | **3.4** | 3.9 |
| Finance expense | | **(12.8)** | (18.0) |
| **Net finance expense** | 6 | **(9.4)** | (14.1) |
| **Profit before taxation** | | **77.4** | 6.5 |
| Taxation | 7 | **(49.0)** | (11.7) |
| **Profit/(loss) for the year**[1] | 4 | **28.4** | (5.2) |
| **Attributable to:** | | | |
| Owners of the Parent | | **19.8** | (5.8) |
| Non-controlling interests | | **8.6** | 0.6 |
| | | **28.4** | (5.2) |
| | | **pence** | pence |
| **Profit/(loss) per share**[1] | | | |
| Basic (p) | 9 | **4.70** | (1.38) |
| Diluted (p)[2] | 9 | **4.67** | (1.38) |

1 Wholly derived from continuing operations.
2 The basic and diluted loss per share are equal in 2025 as a result of the Group incurring a loss for the year.

# Consolidated Statement of Comprehensive Income

For the year ended 31 May 2026

| | Note | 2026 £m | 2025 £m |
|---|---|---|---|
| **Profit/(loss) for the year** | | **28.4** | (5.2) |
| **Other comprehensive (expense)/income** | | | |
| *Items that will not be reclassified subsequently to income statement* | | | |
| Re-measurement loss on net retirement benefit surplus | 23 | **(3.1)** | (4.6) |
| Taxation on items that will not be reclassified to income statement | 21 | **0.8** | 1.2 |
| **Total items that will not be reclassified to income statement** | | **(2.3)** | (3.4) |
| *Items that may be reclassified subsequently to income statement* | | | |
| Exchange differences on translation of foreign operations[1] | | **0.2** | 0.2 |
| Reclassification of currency translation reserve on the disposal of joint venture undertaking | 29 | **13.6** | — |
| Share of other comprehensive expense of joint venture accounted for using the equity method | | **—** | (1.0) |
| Cash flow hedges – fair value movements | | **(0.8)** | 0.2 |
| Taxation on items that may be subsequently reclassified to income statement | 21 | **1.3** | — |
| **Total items that may be subsequently reclassified to income statement** | | **14.3** | (0.6) |
| **Other comprehensive income/(expense) for the year** | | **12.0** | (4.0) |
| **Total comprehensive income/(expense) for the year** | | **40.4** | (9.2) |
| | | | |
| **Attributable to:** | | | |
| Owners of the Parent | | **26.3** | (10.1) |
| Non-controlling interests | | **14.1** | 0.9 |
| | | **40.4** | (9.2) |

1 Includes a hyperinflation adjustment of £nil (2025: £1.9 million) in relation to Ghana, net of £nil (2025: £0.8 million) deferred taxation.

# Consolidated Balance Sheet

As at 31 May 2026

| | Note | 2026 £m | 2025 £m |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Goodwill and other intangible assets | 10 | **265.3** | 253.9 |
| Property, plant and equipment | 11 | **44.0** | 43.4 |
| Investment properties | 12 | **1.2** | 10.0 |
| Right-of-use assets | 13 | **11.5** | 13.6 |
| Net investment in joint venture | 14 | **—** | — |
| Trade and other receivables | 17 | **1.9** | 2.1 |
| Deferred tax assets | 21 | **13.0** | 15.8 |
| Tax receivable | | **1.3** | 4.8 |
| Retirement benefit surplus | 23 | **25.0** | 27.4 |
| | | **363.2** | 371.0 |
| **Current assets** | | | |
| Inventories | 16 | **78.8** | 70.0 |
| Trade and other receivables | 17 | **99.2** | 119.2 |
| Derivative financial assets | 19 | **0.1** | 0.4 |
| Current taxation receivable | | **1.3** | 0.1 |
| Cash and cash equivalents | 18 | **51.9** | 45.1 |
| | | **231.3** | 234.8 |
| Assets held for sale | 15 | **—** | 9.4 |
| | | **231.3** | 244.2 |
| **Total assets** | | **594.5** | 615.2 |
| **Equity** | | | |
| Share capital | 24 | **4.3** | 4.3 |
| Treasury shares | 24 | **(29.1)** | (32.0) |
| Capital redemption reserve | | **0.7** | 0.7 |
| Hedging reserve | 19 | **(0.8)** | (0.2) |
| Currency translation reserve | | **(150.6)** | (158.4) |
| Retained earnings | | **402.3** | 399.6 |
| Other reserves | | **7.4** | 5.7 |
| **Attributable to owners of the Parent** | | **234.2** | 219.7 |
| Non-controlling interests | | **7.9** | (6.2) |
| **Total equity** | | **242.1** | 213.5 |

| | Note | 2026 £m | 2025 £m |
|---|---|---|---|
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Borrowings | 18, 19 | **7.0** | 102.4 |
| Trade and other payables | 20 | **1.1** | 0.6 |
| Lease liabilities | 18, 19 | **10.5** | 12.6 |
| Deferred taxation liabilities | 21 | **45.3** | 34.1 |
| Retirement and other long-term employee benefit obligations | 23 | **11.5** | 11.7 |
| | | **75.4** | 161.4 |
| **Current liabilities** | | | |
| Borrowings | 18, 19 | **69.9** | 54.7 |
| Trade and other payables | 20 | **165.8** | 155.1 |
| Lease liabilities | 18, 19 | **2.4** | 2.3 |
| Derivative financial liabilities | 19 | **2.1** | 0.4 |
| Current taxation payable | | **36.4** | 27.5 |
| Provisions | 22 | **0.4** | 0.3 |
| | | **277.0** | 240.3 |
| **Total liabilities** | | **352.4** | 401.7 |
| **Total equity and liabilities** | | **594.5** | 615.2 |

The Consolidated Financial Statements from pages 114 to 171 were approved by the Board of Directors and authorised for issue on 5 August 2026.

They were signed on its behalf by:

**J Myers** **J Bramall**

5 August 2026

PZ Cussons plc
Registered number 00019457

# Consolidated Statement of Changes in Equity

For the year ended 31 May 2026

| | | Attributable to owners of the 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] £m | Non-controlling interests[4] £m | Total £m |
| 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:** | | | | | | | | | | |
| Ordinary dividends | 8 | — | — | — | — | — | (15.1) | — | — | (15.1) |
| Share-based payments | 25 | — | — | — | — | — | 3.4 | (0.8) | — | 2.6 |
| Shares issued from ESOT | | — | 2.5 | — | — | — | (2.5) | — | — | — |
| **Total transactions with owners recognised directly in equity** | | — | 2.5 | — | — | — | (14.2) | (0.8) | — | (12.5) |
| At 31 May 2025 | | 4.3 | (32.0) | 0.7 | (0.2) | (158.4) | 399.6 | 5.7 | (6.2) | 213.5 |
| **At 1 June 2025** | | **4.3** | **(32.0)** | **0.7** | **(0.2)** | **(158.4)** | **399.6** | **5.7** | **(6.2)** | **213.5** |
| Profit for the year | | **—** | **—** | **—** | **—** | **—** | **19.8** | **—** | **8.6** | **28.4** |
| Reclassification of currency translation reserve on the disposal of joint venture undertaking | 29 | **—** | **—** | **—** | **—** | **13.6** | **—** | **—** | **—** | **13.6** |
| Other comprehensive (expense)/ income | | **—** | **—** | **—** | **(0.6)** | **(5.8)** | **(0.7)** | **—** | **5.5** | **(1.6)** |
| **Total comprehensive (expense)/ income for the year** | | **—** | **—** | **—** | **(0.6)** | **7.8** | **19.1** | **—** | **14.1** | **40.4** |
| **Transactions with owners:** | | | | | | | | | | |
| Ordinary dividends | 8 | **—** | **—** | **—** | **—** | **—** | **(15.1)** | **—** | **—** | **(15.1)** |
| Share-based payments | 25 | **—** | **—** | **—** | **—** | **—** | **1.6** | **1.7** | **—** | **3.3** |
| Shares issued from ESOT | | **—** | **2.9** | **—** | **—** | **—** | **(2.9)** | **—** | **—** | **—** |
| **Total transactions with owners recognised directly in equity** | | **—** | **2.9** | **—** | **—** | **—** | **(16.4)** | **1.7** | **—** | **(11.8)** |
| **At 31 May 2026** | | **4.3** | **(29.1)** | **0.7** | **(0.8)** | **(150.6)** | **402.3** | **7.4** | **7.9** | **242.1** |

1 Reserve relates to continuing hedges.
2 Includes a hyperinflation adjustment of £nil (2025: £1.9 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 2026

| | Note | 2026 £m | 2025 £m |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 26 | **60.8** | 49.2 |
| Interest paid | | **(10.0)** | (14.9) |
| Taxation paid | | **(21.1)** | (10.8) |
| **Net cash generated from operating activities** | | **29.7** | 23.5 |
| **Cash flows from investing activities** | | | |
| Interest received | | **1.9** | 2.2 |
| Purchase of fixed assets | 10,11,12 | **(6.1)** | (6.9) |
| Proceeds from disposal of fixed assets | 11,12 | **27.6** | 0.9 |
| Proceeds from disposal of joint venture | 29 | **21.2** | — |
| Proceeds from disposal of current asset investment | | **—** | 0.9 |
| Rental income | 12 | **1.2** | 1.1 |
| Loan repayments from joint venture | 29 | **26.6** | 2.5 |
| **Net cash generated from investing activities** | | **72.4** | 0.7 |
| **Cash flows from financing activities** | | | |
| Dividends paid to Company shareholders | 8 | **(15.1)** | (15.1) |
| Acquisition of non-controlling interests | | **—** | (0.2) |
| Repayment of lease liabilities (principal) | | **(2.4)** | (3.5) |
| Repayment of borrowings | | **(291.5)** | (165.7) |
| Proceeds from borrowings | | **211.0** | 156.0 |
| Financing fees paid on committed credit facility | | **—** | (0.2) |
| **Net cash used in financing activities** | | **(98.0)** | (28.7) |
| **Net increase/(decrease) in cash and cash equivalents** | | **4.1** | (4.5) |
| Effect of foreign exchange rates | | **2.7** | (1.7) |
| Cash and cash equivalents at the beginning of the year | | **45.1** | 51.3 |
| **Cash and cash equivalents at the end of the year** | 18 | **51.9** | 45.1 |

# Notes to the Consolidated Financial Statements

Year ended 31 May 2026

## 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 184. 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 personal, home and baby care 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 and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The accounting policies have been applied consistently in the current and prior year, except for changes required by the adoption of new standards, amendments and interpretations as described below.

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 (for the periods ended 31 May 2025 and 31 May 2024 only).

The preparation of financial statements, in conformity with IFRS, 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 130 to 131.

### 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 had, as at 31 May 2026 a £200.0 million committed Revolving Credit Facility which is available for general corporate purposes and a £70.0 million Term Loan. As at 31 May 2026, the Group had headroom on the committed facility of £193.1 million and net debt of £25.0 million comprising cash of £51.9 million and borrowings of £76.9 million. On 9 June 2026, the Group agreed terms on a new four-year £225.0 million Revolving Credit Facility (see note 19 for further details).

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 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. Management has prepared a base case forecast for the going concern period and, consistent with the approach taken at 31 May 2025, has modelled the following severe but plausible downside scenarios: a 5% reduction in Group revenue, a Group gross margin decline of 200bps and a 10% decline in the Naira exchange rate from the USD/NGN 1,450 rate used in the base case forecast. The scenario set has been updated in FY26 to reflect emerging geopolitical risks, including a prolonged conflict in the Middle East with the impact extending to 18 months. None of these severe but plausible scenarios, either separately or in combination with another, forecast a breach in covenants prior to management action and there remain mitigating actions available to management should they be required. 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 2026:

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* issued in August 2023.

These amended standards have not had a significant impact on the Consolidated Financial Statements.

### (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 IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* (effective from 1 January 2026).
- Annual Improvements to the following IFRS Accounting Standards Volume 11 (effective from 1 January 2026).

- IFRS 18 *Presentation and Disclosure in Financial Statements* (effective from 1 January 2027).
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (effective from 1 January 2027).
- Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* (effective from 1 January 2027).
- IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, effective from 1 January 2024 (subject to endorsement and applicability in the UK reporting framework).

The Group continues to assess the expected impact of these standards. Based on current assessments:

- the amendments to IFRS 9 and IFRS 7 and the Annual Improvements, are not expected to have a significant impact on the Group's Consolidated Financial Statements;
- the amendments to IAS 21 are not expected to have a significant impact unless the Group adopts a hyperinflationary presentation currency; and
- IFRS S1 and IFRS S2 may result in enhanced sustainability-related disclosures in the Group's Annual Report and Accounts, subject to regulatory adoption and implementation requirements.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and introduces new presentation and disclosure requirements, particularly for the Income Statement. IFRS 18 does not affect the recognition or measurement of items in the financial statements. The requirements are effective for periods beginning on or after 1 January 2027, with retrospective application required, including specified reconciliations for comparative periods.

The Group is currently assessing the impact of IFRS 18 on presentation and disclosures in the Consolidated Financial Statements. Although the adoption of IFRS 18 will have no impact on the Group's profit after taxation, there will be an impact on presentation of the primary financial statements and certain disclosures. To date, the following potential impacts have been identified:

- Items of income and expenses presented in the Consolidated Income Statement will be grouped into the new categories: operating, investing, financing, income taxes, and discontinued operations.
- An additional mandatory subtotal for 'Profit/(loss) before financing and income taxes' will be presented.
- The enhanced principles on aggregation and disaggregation will require some changes to line items presented in the primary financial statements, however these changes are not expected to be significant.
- Certain new or enhanced disclosures will be required for:
  - management-defined performance measures (MPMs), most of which are currently disclosed as part of Alternative Performance Measures;
  - a breakdown of the nature of expenses for line items presented by function in the operating category of the Consolidated Income Statement; and
  - a reconciliation for each line item in the Consolidated Income Statement between the restated amounts and amounts previously published upon transition from IAS 1 to IFRS 18.
- There will be a minor impact on the presentation of the Consolidated Cash Flow Statement, as the starting point for the cash flow statement will be the 'Operating profit/(loss)' subtotal.

The Group intends to adopt IFRS 18 for the reporting period commencing 1 June 2027. Preparatory activities are underway to ensure readiness for adoption, including updates to reporting systems and the chart of accounts.

### (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 any amounts attributable to non-controlling interests are 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.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 1. ACCOUNTING POLICIES CONTINUED

### (c) Accounting policies continued

**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 Consolidated 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 associated with the acquisitions of Charles Worthington, Fudge, Sanctuary Spa and St.Tropez (the former Beauty brands) is allocated to a group of CGUs, reflecting the level at which the related acquisition synergies are generated and monitored. 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.

**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, requires 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 unless the repayment occurs as part of the sale of a subsidiary.

**Hyperinflationary economies**

Ghana was designated as a hyperinflationary economy for the years ended 31 May 2024 and 31 May 2025. As a result, IAS 29 *Financial Reporting in Hyperinflationary Economies* has been applied from 1 June 2023 to 31 May 2025 in respect of 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.

For the year ended 31 May 2026, Ghana is no longer a hyperinflationary economy and as such, no further adjustments have been made under IAS 29. The comparative information in the Consolidated Financial Statements for the year ended 31 May 2025 was not re-stated as it was presented in a stable currency (Pound Sterling).

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 1. ACCOUNTING POLICIES CONTINUED

### (c) Accounting policies continued

#### 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.

#### 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. The annual depreciation charge falls 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.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 1. ACCOUNTING POLICIES CONTINUED

### (c) Accounting policies continued

**Other intangible assets** continued

*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.

*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 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; and
- 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 Operations*. 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.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 1. ACCOUNTING POLICIES CONTINUED

### (c) Accounting policies continued

**Financial instruments** continued

*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 considers a financial asset to be in default when it is unlikely that the borrower will pay its credit obligations in full, without recourse by the Group. This includes situations where the borrower is in significant financial difficulty or has breached contractual terms. 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.

*(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 the Company's equity holders. When Treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity attributable to the 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 expense/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.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 1. ACCOUNTING POLICIES CONTINUED

### (c) Accounting policies continued

**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 29 to 32. 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-term (1–5 years) risk to these areas assessed in the TCFD report, no climate change-related impact was identified.

The viability assessment on pages 41 to 42 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 stress-testing 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 regularly assesses these risks against judgements and estimates made in preparation of the Consolidated Financial Statements.

**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 as described below, relate to areas more likely to be materially adjusted within the next 12 months due to the inherent uncertainty regarding estimates and assumptions.

**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 2026 of £33.7 million (2025: £23.1 million), of which £23.0 million (2025: £21.7 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. The increase in year primarily relates to an increase in risk that certain matters previously recorded as contingent liabilities will crystallise. The most material item relates to an overseas court verdict that found against the Group and the possible crossover risk into later years, which will continue to be appealed by the Group.

In addition to the provision items indicated above, as at 31 May 2026, the Group had further contingent taxation liabilities of £8.4 million (2025: £18.5 million) and contingent assets of £1.5 million (2025: £0.5 million). Items recorded as contingent liabilities include the interpretation of new tax laws implemented in an overseas jurisdiction, and amounts recorded as contingent assets relate to ongoing discussions with a local tax authority. Such positions have been disclosed 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 associated with the acquisitions of the former Beauty brands is allocated to a group of CGUs, reflecting the level at which the related acquisition synergies are generated and monitored. 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 2026, the Group recorded a deferred taxation asset of £21.5 million (2025: £26.8 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.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 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 Personal, Home and Baby care products. Revenue and operating profit from the Africa segment also arise from the sale of Personal, Home and Baby care 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 contains information about brand-specific performance. Global segmentation between the portfolio of brands is not part of the regular internally reported financial information.

| 2026 | Europe & the Americas £m | Asia Pacific £m | Africa £m | Central £m | Eliminations £m | Total £m |
|---|---|---|---|---|---|---|
| Gross segment revenue | **202.2** | **176.4** | **168.0** | **46.4** | **(51.6)** | **541.4** |
| Inter-segment revenue | **(1.9)** | **(3.3)** | **—** | **(46.4)** | **51.6** | **—** |
| **Revenue** | **200.3** | **173.1** | **168.0** | **—** | **—** | **541.4** |
| Segmental operating profit/(loss) before adjusting items | **36.6** | **23.9** | **21.9** | **(22.9)** | **—** | **59.5** |
| Adjusting items | **10.6** | **3.2** | **12.3** | **1.2** | **—** | **27.3** |
| **Segmental operating profit/(loss)** | **47.2** | **27.1** | **34.2** | **(21.7)** | **—** | **86.8** |
| Finance income | | | | | | **3.4** |
| Finance expense | | | | | | **(12.8)** |
| **Profit before taxation** | | | | | | **77.4** |

| 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) |
| **Profit before taxation** | | | | | | 6.5 |

Segment assets and liabilities are not routinely reported to or reviewed by the CODM and, accordingly, measures of segment current assets and liabilities are not presented for operating segments.

Revenue for the year ended 31 May 2026 was £175.4 million in the UK (2025 restated[1]: £174.6 million), £133.0 million in Nigeria (2025: £105.5 million), £91.3 million in Australia and New Zealand (2025: £88.5 million), and £68.8 million in Indonesia (2025: £68.5 million), representing the Group's four largest geographical markets by revenue. Non-current assets (excluding deferred tax assets and retirement benefit surpluses) at 31 May 2026 were £264.0 million in the UK (2025: £255.3 million), £14.5 million in Nigeria (2025: £10.6 million), £35.4 million in Australia and New Zealand (2025: £35.6 million), and £7.0 million in Indonesia (2025: £7.5 million).

The Group analyses its revenue by the following categories:

| | **2026 £m** | Re-stated 2025 £m |
|---|---|---|
| Personal Care | **271.3** | 269.2 |
| Baby Care | **115.6** | 106.6 |
| Home Care | **86.3** | 81.7 |
| Electricals | **59.9** | 47.0 |
| Other | **8.3** | 9.3 |
| | **541.4** | 513.8 |

During the year, the Group re-assessed how it analyses its revenue categories from Hygiene, Baby, Beauty, Electricals and Other and has re-stated its analysis accordingly.

No single customer generates revenue greater than 10% of the consolidated revenue.

1 Comparative amounts have been restated from £182.1 million following a reassessment of the revenue allocation to reflect revenue based on customer location.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 3. ADJUSTING ITEMS

Adjusting item expense/(income) comprised:

| | 2026 £m | 2025 £m |
|---|---|---|
| Simplification and transformation[1] | **(9.3)** | 8.7 |
| Acquisition and disposal-related items[2] | **(3.2)** | 1.7 |
| Net impairment (reversal)/charge[4] | **(11.4)** | 18.8 |
| Foreign exchange (gains)/losses arising on loans previously classified as permanent as equity[4] | **(3.4)** | 3.9 |
| Foreign exchange losses arising on loans previously classified as permanent as equity to joint venture undertaking[3] | **—** | 1.5 |
| **Adjusting items before taxation** | **(27.3)** | 34.6 |
| Taxation | **34.1** | 2.7 |
| **Adjusting items after taxation** | **6.8** | 37.3 |

1 Costs of £3.3 million (2025: £8.7 million) are included in administrative expense in the Consolidated Income Statement. Income of £12.6 million (2025: £nil) included in other operating income.

2 £4.5 million income (2025: £nil) is included in gain of disposal of joint venture undertakings, costs of £1.3 million (2025: £1.4 million) are included in administrative expenses and £nil (2025: £0.3 million) is included in finance income in the Consolidated Income Statement.

3 Included in share of results of joint venture in the Consolidated Income Statement.

4 Included in administrative expense in the Consolidated Income Statement.

### Simplification and transformation

For the years ended 31 May 2026 and 31 May 2025, costs in this category primarily relate to the strategic review of our Africa business and our global cost optimisation programme. Such costs total £3.3 million (2025: £8.7 million). These costs are offset by income relating to the gain on disposal of non-core properties. The gain on disposal of £12.6 million for non-core properties is as follows:

| | £m |
|---|---|
| Total proceeds (cash) | **27.5** |
| Net assets disposed: | |
| – investment properties | **(12.7)** |
| Transaction costs | **(2.2)** |
| **Gain on disposal** | **12.6** |

### Acquisition and disposal-related items

For the year ended 31 May 2026, the income of £3.2 million is mainly driven by the profit on disposal of the investment in PZ Wilmar Limited of £4.5 million, see note 29. This is partially offset by £1.3 million relating to foreign exchange losses on foreign currency forward contracts directly attributable to the sale of PZ Wilmar Limited but not designated as formal hedges.

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 undertakings. In the year ended 31 May 2025, the Group made the final settlement payment of the deferred consideration for the Childs Farm acquisition.

### Net impairment (reversal)/charge

The current year net impairment reversal relates to the £24.4 million impairment reversal of the Sanctuary Spa brand intangible offset by the impairment of the Charles Worthington brand of £5.1 million and impairment of the Fudge brand of £7.9 million (note 10).

For the year ended 31 May 2025, the impairment charge relates to the £35.3 million goodwill impairment of the Charles Worthington, Fudge, Sanctuary Spa and St.Tropez group of CGUs which was partially offset by the £16.5 million impairment reversal of the Sanctuary Spa brand intangible (note 10).

### Foreign exchange gains/losses arising on loans previously designated as permanent as equity (including to joint venture)

For the year ended 31 May 2026 and 31 May 2025, this primarily relates to realised and unrealised foreign exchange (gains)/losses primarily resulting from the Nigerian Naira foreign exchange movements on loans with the joint venture undertaking (year ended 31 May 2025 only) and subsidiary undertakings which were de-designated from permanent as equity in the year ended 31 May 2024. The majority of these loans have been repaid during the year ended 31 May 2026 and from 1 December 2025 onwards, the Group no longer recognised the foreign exchange (gains)/losses on these loans as adjusting items.

The closing NGN/GBP rate at 31 May 2026 was 1,851 (2025: 2,136), and the average NGN/GBP for the current year was 1,945 (2025: 2,015).

### Taxation

For the year ended 31 May 2026, the tax charge relating to adjusting items for the year was £34.1 million (FY25: £2.7 million). This comprises current and deferred tax effects of the underlying adjusting items recognised during the year, together with a £10.8 million movement in uncertain tax positions relating to a local tax matter. In addition it includes associated exposures that may extend into future periods. Also it reflects a £3.9 million impact arising from changes in local tax legislation, and a £5.7 million impact relating to intercompany debt relief provided following conclusion of the Africa strategic review.

## 4. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging/(crediting):

| | Note | 2026<br>£m | 2025<br>£m |
|---|---|---|---|
| Net foreign exchange (gains)/losses | | **(3.5)** | 7.8 |
| Research and development costs | | **1.1** | 1.1 |
| Depreciation of property, plant and equipment | 11 | **5.6** | 5.1 |
| Depreciation of investment properties | 12 | **—** | 0.1 |
| Depreciation of right-of-use assets | 13 | **2.8** | 2.8 |
| Profit on disposal of investment properties | 3 | **(12.6)** | (0.8) |
| Profit on disposal of other assets | | **—** | (0.3) |
| Profit on disposal of joint venture | 29 | **(4.5)** | — |
| Amortisation of intangible assets | 10 | **4.1** | 4.1 |
| Impairment of intangible assets, net of impairment reversal | 3, 10 | **(11.4)** | 18.8 |

### Auditor remuneration

An analysis of Auditor remuneration is provided below:

| | 2026<br>£m | 2025<br>£m |
|---|---|---|
| Fees payable to the Company's Auditor for the audit of the Company's annual financial statements and consolidation | **2.2** | 2.0 |
| Fees payable to the Company's Auditor and their associates for other services to the Group: | | |
| – audit of the Company's subsidiaries | **0.7** | 2.0 |
| **Total audit fees** | **2.9** | 4.0 |
| Fees payable to the Company's Auditor and its associates for other services: | | |
| – other assurance services[1] | **0.2** | 0.2 |
| **Total fees for non-audit services** | **0.2** | 0.2 |
| **Total Auditor's remuneration** | **3.1** | 4.2 |

1 Fees for permitted non-audit services paid to the Company's Auditor included £0.2 million (2025: £0.2 million) for the review of the Group's interim statement released in February 2026.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 5. EMPLOYEES

The average monthly number of employees (including Executive Directors) was as follows:

| | 2026 number | 2025 number |
|---|---|---|
| Production | **1,163** | 1,379 |
| Selling and distribution | **520** | 647 |
| Administration | **358** | 385 |
| | **2,041** | 2,411 |

Costs incurred in respect of the above were as follows:

| | 2026 £m | 2025 £m |
|---|---|---|
| Wages and salaries | **65.4** | 64.6 |
| Social security costs | **5.7** | 5.7 |
| Other pension costs | **3.9** | 3.3 |
| Share-based payments | **3.3** | 2.6 |
| | **78.3** | 76.2 |

Pension costs (note 23) consist of:

| | 2026 £m | 2025 £m |
|---|---|---|
| Defined benefit schemes | **1.7** | 1.3 |
| Defined contribution schemes | **1.9** | 1.8 |
| Nigerian gratuity scheme | **0.3** | 0.2 |
| | **3.9** | 3.3 |

## 6. NET FINANCE EXPENSE

| | 2026 £m | 2025 £m |
|---|---|---|
| Finance income on cash and cash equivalents held | **(1.8)** | (2.4) |
| Finance income on defined benefit pension schemes | **(1.4)** | (1.5) |
| Finance income on lease receivable | **(0.2)** | — |
| **Finance income** | **(3.4)** | (3.9) |
| Finance expense on borrowings | **10.8** | 15.5 |
| Finance expense on defined benefit pension schemes | **0.6** | 0.6 |
| Finance expense on lease liabilities | **0.6** | 0.6 |
| Change in fair value of deferred consideration | **—** | 0.3 |
| Amortisation of financing fees | **0.8** | 1.0 |
| **Finance expense** | **12.8** | 18.0 |
| **Net finance expense** | **9.4** | 14.1 |

## 7. TAXATION

| | 2026 £m | 2025 £m |
|---|---|---|
| **Current taxation** | | |
| UK corporation tax | | |
| – current year | **4.7** | 2.7 |
| – adjustments in respect of prior years | **(0.8)** | (1.6) |
| | **3.9** | 1.1 |
| Overseas corporation tax | | |
| – current year | **24.5** | 11.9 |
| – adjustments in respect of prior years | **3.4** | (0.2) |
| | **27.9** | 11.7 |
| Total current taxation charge | **31.8** | 12.8 |
| **Deferred taxation** | | |
| Origination and reversal of temporary timing differences | **13.1** | 1.5 |
| Adjustments in respect of prior years | **4.5** | (2.6) |
| Effect of rate change adjustments | **(0.4)** | — |
| Total deferred taxation charge/(credit) | **17.2** | (1.1) |
| Total taxation charge | **49.0** | 11.7 |
| Analysed as: | | |
| Taxation on profit before adjusting items | **14.9** | 9.0 |
| Taxation on adjusting items | **34.1** | 2.7 |
| | **49.0** | 11.7 |

The effective tax rate in relation to continuing operations for the year is 63.3% (2025: 180.0%). Before adjusting items, the effective tax rate is 29.7% (2025: 21.9%). Primary adjustments during the year include those resulting from the disposal of the investment in PZ Wilmar Limited and utilisation of realised FX losses in Nigeria, together with the impacts of new Nigerian tax legislation implemented from 1 January 2026 as well as impacts due to ongoing discussions with regional tax authorities.

UK corporation tax is calculated at 25.0% (2025: 25.0%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions with further impacts due to distribution of local profits. 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.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 7. TAXATION CONTINUED

| | 2026 £m | 2025 £m |
|---|---|---|
| **Profit before taxation** | **77.4** | 6.5 |
| Taxation at the UK corporation tax rate of 25% (2025: 25%) | **19.4** | 1.6 |
| Adjusted for: | | |
| Effect of non-deductible expenses | **10.5** | 13.6 |
| Effect of non-taxable income | **(12.9)** | (2.9) |
| Effect of rate changes on deferred taxation (all territories) | **(0.4)** | — |
| Taxation effect of share of results of joint venture | **—** | (1.8) |
| Other taxes suffered outside of the UK | **11.8** | 3.0 |
| Net adjustment to amount carried in respect of uncertain tax positions | **9.4** | 1.0 |
| Movements in deferred taxation assets not recognised | **0.3** | 0.1 |
| Adjustments in respect of prior years | **7.1** | (4.4) |
| Differences in overseas rates | **3.8** | 1.5 |
| **Taxation charge for the year** | **49.0** | 11.7 |

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 £9.4 million (2025: £1.0 million increase) reflecting developments in tax assessments and the recognition of potential exposures relating to both open and future periods across a number of jurisdictions.
- Effect of non-deductible expenses of £10.5 million (2025: £13.6 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.
- Effect of non-taxable income of £12.9 million (2025: £2.9 million) include items considered non-taxable across the Group's various operating entities including gains on disposals of property and land.
- Other taxes suffered outside the UK increased the taxation charge by £11.8 million (2025: £3.0 million) reflecting unrelieved withholding taxes on dividends remitted to the UK, as well as the impact of local levies and the application of minimum top-up taxes in Nigeria.
- Differences in foreign tax rates during the year of £3.8 million (2025: £1.5 million) reflecting the Group profitability profile in overseas jurisdictions.

Taxation on items taken directly to equity and other comprehensive income was a credit of £2.1 million (2025: £0.7 million credit) primarily relating to deferred taxation on the re-measurement of retirement and other long-term benefit obligations, together with the recycling of foreign exchange balances associated with joint ventures.

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 2 rules.

## 8. DIVIDENDS

| | 2026 £m | 2025 £m |
|---|---|---|
| **Amounts recognised as distributions to ordinary shareholders in the year comprise:** | | |
| Final dividend for the year ended 31 May 2025 of 2.10p (2024: 2.10p) per ordinary share | **8.8** | 8.8 |
| Interim dividend for the year ended 31 May 2026 of 1.50p (2025: 1.50p) per ordinary share | **6.3** | 6.3 |
| | **15.1** | 15.1 |

After the balance sheet date, a final dividend for the year ended 31 May 2026 was proposed by the Directors of 2.20p per ordinary share. This results in a total proposed dividend of £15.6 million (2025: £15.1 million). Subject to approval by shareholders at the Annual General Meeting, the dividend will be paid on 8 October 2026 to the shareholders on the register on 11 September 2026. The proposed dividend has not been included as a liability in the Consolidated Financial Statements as at 31 May 2026.

## 9. EARNINGS 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 average number of shares is reconciled to the basic weighted average and diluted weighted average number of shares as set out below:

| | 2026 number 000 | 2025 number 000 |
|---|---|---|
| Average number of ordinary shares in issue during the year | **428,725** | 428,725 |
| Less: weighted average number of treasury shares | **(7,412)** | (9,268) |
| **Basic weighted average shares in issue during the year** | **421,313** | 419,457 |
| Dilutive effect of share incentive schemes | **2,543** | 1,294 |
| **Diluted weighted average shares in issue during the year** | **423,856** | 420,751 |

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 10. GOODWILL AND OTHER INTANGIBLE ASSETS

| | Goodwill £m | Software £m | Brands £m | Total £m |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 June 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 |
| Additions | **—** | **0.5** | **—** | **0.5** |
| Exchange differences | **—** | **—** | **3.6** | **3.6** |
| **At 31 May 2026** | **66.6** | **66.3** | **268.0** | **400.9** |
| **Accumulated amortisation and impairment** | | | | |
| At 1 June 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 |
| Amortisation charge | **—** | **4.1** | **—** | **4.1** |
| Impairment charge | **—** | **—** | **13.0** | **13.0** |
| Impairment reversal | **—** | **—** | **(24.4)** | **(24.4)** |
| **At 31 May 2026** | **47.2** | **55.4** | **33.0** | **135.6** |
| **Net book value** | | | | |
| **At 31 May 2026** | **19.4** | **10.9** | **235.0** | **265.3** |
| At 31 May 2025 | 19.4 | 14.5 | 220.0 | 253.9 |

Amortisation and impairment are charged to administrative expense in the Consolidated Income Statement. Cumulative impairment of goodwill as at 31 May 2026 was £45.5 million (2025: £45.5 million) and cumulative impairment of brands as at 31 May 2026 was £32.9 million (2025: £44.3 million).

Software includes the Group's enterprise resource planning system (SAP), the carrying value of this asset as at 31 May 2026 is £9.0 million (2025: £11.3 million), with four years of amortisation remaining.

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 generates 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 associated with the acquisitions of the former Beauty brands is allocated to a group of CGUs, reflecting the level at which the related acquisition synergies are generated and monitored.

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.

Goodwill of £19.4 million (2025: £19.4 million) comprises £5.1 million (2025: £5.1 million) in relation to the acquisitions of Charles Worthington, Fudge, Sanctuary Spa and St.Tropez, £13.5 million (2025: £13.5 million) in relation to the acquisitions of Childs Farm and £0.8 million (2025: £0.8 million) in relation to other acquisitions. Goodwill associated with the acquisitions of Charles Worthington, Fudge, Sanctuary Spa and St.Tropez is assessed at the Group of CGUs comprising these brands 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, goodwill associated with the acquisitions of Charles Worthington, Fudge, Sanctuary Spa and St.Tropez is allocated to the group of CGUs comprising the four brands:

| | **Goodwill 2026 £m** | **Brands 2026 £m** | Goodwill 2025 £m | Brands 2025 £m |
|---|---|---|---|---|
| Charles Worthington | | **4.5** | | 9.6 |
| Fudge | | **16.7** | | 24.6 |
| Sanctuary Spa | | **75.4** | | 51.0 |
| St.Tropez | | **58.4** | | 58.4 |
| Charles Worthington, Fudge, Sanctuary Spa and St.Tropez group of CGUs | **5.1** | **155.0** | 5.1 | 143.6 |
| Original Source | **—** | **9.8** | — | 9.8 |
| Rafferty's Garden | **—** | **34.7** | — | 31.1 |
| Childs Farm | **13.5** | **35.5** | 13.5 | 35.5 |
| Other | **0.8** | **—** | 0.8 | — |
| | **19.4** | **235.0** | 19.4 | 220.0 |

In performing the impairment testing, the Group used the five-year plan ending 31 May 2031. 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, revenue growth and gross margin. No sensitivity has been presented for long-term growth rates as reasonably possible changes in this assumption would not result in a material adjustment to the carrying value of the goodwill and brands.

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] 2026** | CAGR[1] 2025 | **Long-term growth rate[2] 2026** | Long-term growth rate 2025 | **Pre-tax discount rate 2026** | Pre-tax discount rate 2025 |
|---|---|---|---|---|---|---|
| Charles Worthington | **—** | 2.5% | **—** | 2.0% | **12.8%** | 13.0% |
| Fudge | **(1.3)%** | 0.7% | **—** | 2.0% | **13.0%** | 13.5% |
| Sanctuary Spa | **5.9%** | 3.1% | **2.0%** | 2.0% | **12.8%** | 13.0% |
| St.Tropez | **5.4%** | 1.3% | **2.0%** | 2.0% | **13.3%** | 13.5% |
| Charles Worthington, Fudge, Sanctuary Spa and St.Tropez group of CGUs (goodwill assessment) | **4.6%** | 2.0% | **1.7%** | 2.0% | **13.1%** | 13.3% |
| Original Source | **9.2%** | 10.2% | **2.0%** | 2.0% | **12.9%** | 13.1% |
| Rafferty's Garden | **3.9%** | 2.5% | **2.0%** | 2.0% | **13.0%** | 13.1% |
| Childs Farm (brand and goodwill assessment) | **14.8%** | 11.2% | **2.0%** | 2.0% | **12.9%** | 13.0% |

1 CAGR refers to the compound annual revenue growth rate over the five-year plan period.

2 Long-term growth rate for Charles Worthington and Fudge have been removed in FY26 to reflect a more cautious outlook applied in the impairment assessment.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 10. GOODWILL AND OTHER INTANGIBLE ASSETS CONTINUED

The results of the brand impairment tests as at 31 May 2026 were as follows:

### Sanctuary Spa

In the year ended 31 May 2026, there was an impairment reversal of £24.4 million (2025: reversal £16.5 million) relating to the Sanctuary Spa brand, credited 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 the brand's all-year-round gifting strategy. The recoverable amount of the CGU was determined to be £86.6 million based on a value-in-use calculation, which when compared to a carrying value of £51.1 million (of which the brand represented £51.0 million) resulted in an impairment reversal of £24.4 million. Although the recoverable amount exceeded the carrying value by more than the amount reversed, the reversal was limited to £24.4 million, as the carrying value of the brand cannot be increased above the amount that would have been determined had no impairment loss previously been recognised. The long-term growth rate and discount rate used in the value-in-use calculations were 2.0% and 12.8% 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 2026 and a reasonably possible change of 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 3.9%, would result in an impairment charge of £4.0 million. A 200bps decline in gross margin within the five-year forecast period would reduce the headroom by £8.6 million and a 100bps increase in the discount rate would reduce the headroom by £10.0 million. A reduction of 1.5% in compound annual revenue growth rate over the five-year plan would result in £nil headroom. The same impact would be caused by a decline of 2.6% in gross margin or an increase of 1.1% in discount rate.

### St.Tropez

For the St.Tropez brand, the recoverable amount of the CGU was determined to be £68.5 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). This is as a result of benefits delivered from the partnership with Emerson and the refreshed strategy for the brand.

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 2026 and a reasonably possible change of 200bps decline in gross margin within the five-year forecast period would result in an impairment charge of £3.0 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 3.4%, would result in an impairment charge of £8.9 million and a 100bps increase in the discount rate would result in an impairment charge of £2.5 million. A reduction of 0.7% in compound annual revenue growth rate over the five-year plan would result in £nil headroom. The same impact would be caused by a decline of 1.3% in gross margin or an increase of 0.7% in discount rate.

### Rafferty's Garden

For the Rafferty's Garden brand, the recoverable amount of the CGU was determined to be £35.7 million based on a value-in-use calculation, which is in excess of the carrying value of £34.9 million (of which the brand represented £34.7 million).

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 2026 and a reasonably possible change of 200bps decline in gross margin within the five-year forecast period would result in an impairment charge of £6.5 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 1.9%, would result in an impairment charge of £7.3 million and a 100bps increase in the discount rate would result in an impairment charge of £3.5 million. A reduction of 0.2% in compound annual revenue growth rate over the five-year plan would result in £nil headroom. The same impact would be caused by a decline of 0.2% in gross margin or an increase of 0.2% in discount rate.

### Childs Farm

For the Childs Farm brand, the recoverable amount of the CGU was determined to be £75.9 million based on a value-in-use calculation, which is in excess of the carrying value of £49.1 million (of which goodwill represented £13.5 million and the brand represented £35.5 million). This is as a result of an increase in CAGR from 11.2% to 14.8% mainly driven by the benefits delivered from the partnership with Emerson in North America, the continued success of which is a key assumption in the impairment assessment.

Management has determined compound annual revenue growth rate to be the key assumption in the forecasts for Childs Farm. Sensitivity analysis has been carried out in the year ended 31 May 2026 and a reasonably possible change 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 12.8%, would reduce the headroom by £11.7 million. A reduction of 4.8% in compound annual revenue growth rate over the five-year plan would result in £nil headroom.

### Charles Worthington

In the year ended 31 May 2026, there was an impairment charge of £5.1 million (2025: £nil) relating to the Charles Worthington brand, charged to administrative expense in the Consolidated Income Statement and included in the Europe & the Americas segment. This is as a result of a reduction in CAGR from 2.5% to nil and the reduction in the long-term growth rate from 2.0% to nil driven by the brand's recent underperformance. The recoverable amount of the applicable CGU which was based on a value-in-use calculation was determined to be £4.5 million, which when compared to the carrying value of £9.6 million (of which the brand represented £9.6 million) resulted in an impairment charge of £5.1 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. Management concluded that reasonably possible changes in key assumptions would not result in a material adjustment to the carrying amount of the brand within the next 12 months.

### Fudge

In the year ended 31 May 2026, there was an impairment charge of £7.9 million (2025: £nil) relating to the Fudge brand, charged to administrative expense in the Consolidated Income Statement and included in the Europe & the Americas segment. This is as a result of a reduction in the long-term growth rate from 2.0% to nil driven by continued softness in brand performance. The recoverable amount of the applicable CGU which was based on a value-in-use calculation was determined to be £16.8 million which when compared to the carrying value of £24.7 million (of which the brand represented £24.6 million) resulted in an impairment charge of £7.9 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 2026 and a reasonably possible change of 200bps decline in gross margin within the five-year forecast period would increase the impairment charge by £1.6 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 (3.3)%, would increase the impairment charge by £2.8 million and a 100bps increase in the discount rate would increase the impairment charge by £1.5 million.

### Charles Worthington, Fudge, Sanctuary Spa and St.Tropez group of CGUs

The goodwill associated with the acquisitions of Charles Worthington, Fudge, Sanctuary Spa and St.Tropez of £5.1 million reflects the remaining headroom of £11.1 million on the Sanctuary Spa brand intangible and £5.5 million on the St.Tropez brand intangible. Please see 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 Sanctuary Spa and St.Tropez were identified, this would lead to additional impairment of the goodwill.

In the year ended 31 May 2025, there was an impairment charge of £35.3 million. At 31 May 2025, the remaining goodwill of £5.1 million reflected 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.

### 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.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 11. PROPERTY, PLANT AND EQUIPMENT

| | Land and buildings £m | Plant and machinery £m | Fixtures, fittings and vehicles £m | Assets in the course of construction £m | Total £m |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 June 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 |
| Additions | **—** | **0.1** | **0.2** | **5.3** | **5.6** |
| Disposals | **(4.0)** | **(1.5)** | **(0.8)** | **—** | **(6.3)** |
| Transfers | **0.5** | **3.3** | **1.0** | **(4.8)** | **—** |
| Exchange differences | **0.4** | **(0.3)** | **0.4** | **—** | **0.5** |
| **At 31 May 2026** | **46.8** | **80.1** | **40.4** | **5.3** | **172.6** |
| | | | | | |
| **Accumulated depreciation and impairment** | | | | | |
| At 1 June 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 |
| Depreciation charge | **1.4** | **3.0** | **1.2** | **—** | **5.6** |
| Disposals | **(3.9)** | **(1.5)** | **(0.8)** | **—** | **(6.2)** |
| Exchange differences | **0.3** | **(0.6)** | **0.1** | **—** | **(0.2)** |
| **At 31 May 2026** | **23.7** | **68.0** | **36.9** | **—** | **128.6** |
| | | | | | |
| **Net book value** | | | | | |
| **At 31 May 2026** | **23.1** | **12.1** | **3.5** | **5.3** | **44.0** |
| At 31 May 2025 | 24.0 | 11.4 | 3.2 | 4.8 | 43.4 |

1 Relates to hyperinflation in Ghana.

Depreciation is charged to administrative expense except for plant and machinery which is charged to cost of sales in the Consolidated Income Statement. As at 31 May 2026, the Group had entered into commitments for the purchase of property, plant and equipment amounting to £0.4 million (2025: £0.7 million).

## 12. INVESTMENT PROPERTIES

The movement in the year in the carrying value of investment properties is set out below:

| | 2026 £m | 2025 £m |
|---|---|---|
| **Cost** | | |
| **At 1 June** | **10.6** | 7.2 |
| Additions | **—** | 0.2 |
| Disposals | **(8.0)** | — |
| Hyperinflation impact[1] | **—** | 2.7 |
| Exchange differences | **(0.9)** | 0.5 |
| **At 31 May** | **1.7** | 10.6 |
| **Accumulated depreciation and impairment** | | |
| At 1 June | **0.6** | 0.6 |
| Depreciation charge | **—** | 0.1 |
| Disposals | **(0.1)** | — |
| Exchange differences | **—** | (0.1) |
| **At 31 May** | **0.5** | 0.6 |
| **Net book value** | | |
| **At 31 May** | **1.2** | 10.0 |

1 Relates to hyperinflation in Ghana.

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. Rental income for the year ended 31 May 2026 was £1.2 million (2025: £1.1 million) and is credited to administrative expenses in the Consolidated Income Statement.

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 2026 is £18.6 million (2025: £30.0 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 three 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 |
|---|---|---|---|---|
| Additions | **—** | **0.5** | **0.3** | **0.8** |
| Depreciation charge in the year | **(2.3)** | **(0.2)** | **(0.3)** | **(2.8)** |
| Net book value at 31 May 2026 | **10.3** | **0.4** | **0.8** | **11.5** |

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 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 related 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 was accounted for using the equity method. On 31 May 2025, the joint venture investment was reclassified to assets held for sale. On 14 November 2025, the joint venture investment was sold, see note 29 for further details.

The movement in the carrying value of the net investment in the joint venture is set out below:

| | £m |
|---|---|
| At 1 June 2024 | — |
| Share of results of joint venture | 5.6 |
| Exchange differences | (1.0) |
| Reclassification to assets held for sale | (4.6) |
| **At 31 May 2025 and 31 May 2026** | **—** |

Set out below is the summarised financial information for PZ Wilmar Limited in the year ended 31 May 2025:

| | 2025<br>£m |
|---|---|
| **Assets** | |
| **Non-current assets** | 25.7 |
| Current assets | |
| Cash and cash equivalents | 4.5 |
| Other current assets | 51.2 |
| | 55.7 |
| **Total assets** | 81.4 |
| **Liabilities** | |
| Non-current liabilities | (47.7) |
| Current liabilities | (24.4) |
| **Total liabilities** | (72.1) |
| **Net assets** | 9.3 |

| | 2025<br>£m |
|---|---|
| Revenue | 189.6 |
| Profit before taxation | 15.8 |
| Profit after taxation | 11.1 |
| **Proportion of Group's ownership interest in the joint venture** | 50% |
| **Share of results of joint venture** | 5.6 |

The loans issued to PZ Wilmar Limited at 31 May 2025 were assessed for impairment in accordance with IFRS 9 *Financial Instruments* and management concluded that no impairment of these loans was required. These loans were repaid in full at book value during the year ended 31 May 2026.

## 15. ASSETS HELD FOR SALE

Assets held for sale were £nil as at 31 May 2026 (2025: £9.4 million). Assets held for sale at 31 May 2025 related to land and buildings of £4.8 million and investments in joint ventures of £4.6 million, which were disposed of in the year ended 31 May 2026 as part of the ongoing simplification and transformation programme.

## 16. INVENTORIES

| | 2026 £m | 2025 £m |
|---|---|---|
| Raw materials and consumables | **14.1** | 11.9 |
| Work in progress | **8.8** | 4.7 |
| Finished goods and goods for resale | **55.9** | 53.4 |
| | **78.8** | 70.0 |

During the year, the cost of inventories recognised as an expense, and included in cost of sales, amounted to £313.0 million (2025: £289.5 million) which included £1.5 million (2025: £3.0 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 £1.8 million (2025: £3.2 million).

## 17. TRADE AND OTHER RECEIVABLES

| | 2026 £m | 2025 £m |
|---|---|---|
| Trade receivables | **84.9** | 76.7 |
| Less: loss allowance | **(2.0)** | (1.9) |
| Net trade receivables | **82.9** | 74.8 |
| Lease receivables | **1.9** | 1.2 |
| Amounts owed by joint venture | **—** | 27.1 |
| Other receivables | **11.7** | 12.6 |
| Prepayments | **4.6** | 5.6 |
| | **101.1** | 121.3 |
| **Classified within:** | | |
| Current assets | **99.2** | 119.2 |
| Non-current assets | **1.9** | 2.1 |
| | **101.1** | 121.3 |

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 17. TRADE AND OTHER RECEIVABLES CONTINUED

The Directors consider the carrying amount of trade and other receivables approximates to their fair value due to their short-term nature.

Lease receivables on an undiscounted basis comprise £0.2 million receivable in less than one year, £0.3 million receivable in one to two years, £0.6 million receivable in two to five years and £1.1 million receivable in more than five years. The impact of discounting is £0.3 million.

Movement in the trade receivables loss allowance was:

| | 2026 £m | 2025 £m |
|---|---|---|
| At 1 June | **(1.9)** | (2.6) |
| Increase in loss allowance | **(1.7)** | (0.8) |
| Allowance used during the year | **—** | 0.1 |
| Allowance released during the year | **1.6** | 1.4 |
| **At 31 May** | **(2.0)** | (1.9) |

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:

| | 2026 £m | 2025 £m |
|---|---|---|
| Pound Sterling | **30.1** | 29.0 |
| US Dollar | **9.7** | 11.7 |
| Nigerian Naira | **7.3** | 3.5 |
| Australian Dollar | **17.8** | 12.5 |
| Indonesian Rupiah | **12.7** | 12.8 |
| Other currencies | **5.3** | 5.3 |
| | **82.9** | 74.8 |

## 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 2025 £m** | **Net cash flow £m** | **Foreign exchange movements £m** | **Other[1] £m** | **31 May 2026 £m** |
|---|---|---|---|---|---|
| Cash at bank and in hand | **38.1** | **4.6** | **2.7** | **—** | **45.4** |
| Short-term deposits | **7.0** | **(0.5)** | **—** | **—** | **6.5** |
| **Cash and cash equivalents[2]** | **45.1** | **4.1** | **2.7** | **—** | **51.9** |
| Current borrowings | **(54.7)** | **55.0** | **—** | **(70.2)** | **(69.9)** |
| Non-current borrowings | **(102.4)** | **25.5** | **—** | **69.9** | **(7.0)** |
| **Net debt** | **(112.0)** | **84.6** | **2.7** | **(0.3)** | **(25.0)** |
| **Lease liabilities** | **(14.9)** | **3.0** | **—** | **(1.0)** | **(12.9)** |
| **Net debt including lease liabilities** | **(126.9)** | **87.6** | **2.7** | **(1.3)** | **(37.9)** |

| | 1 June 2024 £m | Net cash flow £m | Foreign exchange movements £m | Other[1] £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 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 2026, the Group had restricted cash of £0.9 million (2025: £1.3 million) primarily relating to the ESOT.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### (a) Financial instruments

The carrying amounts of each class of financial instruments were:

**Financial assets**

| | 2026 £m | 2025 £m |
|---|---|---|
| **Derivatives designated as hedging instruments at FVTOCI** | | |
| Forward foreign exchange contracts | — | 0.3 |
| **Derivatives not designated as hedging instruments at FVTPL** | | |
| Forward foreign exchange contracts | **0.1** | 0.1 |
| **Financial assets at amortised cost** | | |
| Cash and cash equivalents | **51.9** | 45.1 |
| Net trade and other receivables | **94.6** | 87.4 |
| Lease receivables | **1.9** | 1.2 |
| Trade receivables owed by joint venture | — | 0.7 |
| Loan receivables owed by joint venture | — | 26.4 |
| | **148.5** | 161.2 |
| **Classified within:** | | |
| Current assets | **146.6** | 159.1 |
| Non-current assets | **1.9** | 2.1 |
| | **148.5** | 161.2 |

**Financial liabilities**

| | 2026 £m | 2025 £m |
|---|---|---|
| **Current interest-bearing borrowings at amortised cost** | | |
| Borrowings | **69.9** | 54.7 |
| **Non-current interest-bearing borrowings at amortised cost** | | |
| Borrowings | **7.0** | 102.4 |
| **Derivatives designated as hedging instruments at FVTOCI** | | |
| Forward foreign exchange contracts | **0.8** | 0.2 |
| **Derivatives not designated as hedging instruments at FVTPL** | | |
| Forward foreign exchange contracts | **1.3** | 0.2 |
| **Other financial liabilities at amortised cost** | | |
| Trade and other payables[1] | **160.1** | 149.3 |
| Lease liabilities | **12.9** | 14.9 |
| | **252.0** | 321.7 |
| **Classified within:** | | |
| Current liabilities | **233.4** | 206.1 |
| Non-current liabilities | **18.6** | 115.6 |
| | **252.0** | 321.7 |

1 Excludes other taxation and social security.

Borrowings are amounts drawn under both committed and uncommitted borrowing facilities. At 31 May 2026, the Group has a £270.0 million (2025: £325.0 million) committed credit facility which is available for general corporate purposes. The credit facility incorporates both a GBP Term Loan, of up to £70.0 million, originally £125 million, with the balance as a multicurrency Revolving Credit Facility (RCF) structure (together the 'Facilities'). 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. Following this extension, the Term Loan reduced to £70.0 million and as at 31 May 2026, was due to mature on 8 November 2026. Drawings under the Facilities incur a margin of 1.35–2.05% above underlying reference rates, and dependent on the Group net leverage.

Borrowings as at 31 May 2026, are presented net of £0.1 million (2025: £0.4 million) of unamortised financing fees. Arrangement fees of £0.8 million (2025: £1.0 million) have been charged to the income statement in the year ended 31 May 2026. Borrowings comprise current borrowings of £70.0 million (2025: £125.0 million) of Term Loans which are denominated in GBP at an interest rate of 5.20% (2025: 6.18%), and £7.0 million (2025: £32.5 million) of non-current borrowings under the RCF which are denominated in GBP at an interest rate of 5.18% (2025: 6.04–6.10%). At 31 May 2026, all borrowings were from committed facilities.

In addition, the Group retains other unsecured and uncommitted facilities 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 2026, such facilities amounted to £118.1 million (2025: £122.1 million) of which £30.5 million, or 26%, were used (2025: £33.7 million or 28%). As at the reporting date, there were no bank overdrafts (2025: £nil).

Subsequent to 31 May 2026, on 9 June 2026, the Group entered into a new four-year £225.0 million Revolving Credit Facility maturing in June 2030, with substantially similar terms to the previous facilities including two, one-year extension options. Specifically, drawings under the Facilities incur a margin of 1.85–2.55% above underlying reference rates, and dependent on the Group net leverage.

The previous facilities were fully repaid on 10 June 2026, and an equivalent amount was drawn under the new facility on the same date. As the refinancing occurred subsequent to 31 May 2026, it has not affected the classification or measurement of borrowings at that date.

Changes in liabilities arising from financing activities were as follows:

| | **1 June 2025 £m** | **Net cash flow £m** | **Foreign exchange movements £m** | **Other £m** | **31 May 2026 £m** |
|---|---|---|---|---|---|
| Non-current borrowings | **(102.4)** | **25.5** | **—** | **69.9** | **(7.0)** |
| Current borrowings | **(54.7)** | **55.0** | **—** | **(70.2)** | **(69.9)** |
| Non-current lease liabilities | **(12.6)** | **0.7** | **—** | **1.4** | **(10.5)** |
| Current lease liabilities | **(2.3)** | **2.3** | **—** | **(2.4)** | **(2.4)** |

| | 1 June 2024 £m | Net cash flow £m | Foreign exchange movements £m | Other £m | 31 May 2025 £m |
|---|---|---|---|---|---|
| Non-current borrowings | (160.3) | 3.5 | — | 54.4 | (102.4) |
| Current borrowings | (6.3) | 6.2 | 0.1 | (54.7) | (54.7) |
| Non-current lease liabilities | (9.7) | 0.9 | 0.1 | (3.9) | (12.6) |
| Current lease liabilities | (2.4) | 2.4 | 0.1 | (2.4) | (2.3) |

### (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 which hedges 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.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### (b) Risk management continued

#### 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, 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.

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 | |
|---|---|---|---|---|---|---|---|
| **2026** | **Local currency million** | **Currency pair** | **Weighted average hedge rate** | **GBP equivalent £m** | **Average spot rate** | **Asset £m** | **Liability £m** |
| Buy USD | **11.6** | **GBP:USD** | **1.34** | **(8.7)** | **1.34** | **0.1** | **(0.2)** |
| Buy EUR | **4.6** | **GBP:EUR** | **1.14** | **(4.0)** | **1.15** | **—** | **—** |
| Buy AUD | **7.1** | **GBP:AUD** | **1.85** | **(3.8)** | **2.00** | **—** | **(0.2)** |
| Buy USD | **27.9** | **AUD:USD** | **0.68** | **(21.8)** | **0.67** | **—** | **(1.1)** |
| Buy IDR | **261,777.8** | **GBP:IDR** | **22,819** | **(11.5)** | **22,433** | **—** | **(0.6)** |
| | | | | | | **0.1** | **(2.1)** |

| | Notional | | | | | Fair value | |
|---|---|---|---|---|---|---|---|
| 2025 | 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) |

As at 31 May 2026, 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 £0.8 million (2025: £0.2 million loss). 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:

| | 2026 £m | 2025 £m |
|---|---|---|
| At 1 June | **(0.2)** | (0.4) |
| Fair value (losses)/gains, net of taxation | **(0.6)** | 0.2 |
| **At 31 May** | **(0.8)** | (0.2) |

The aggregate amount under forward foreign exchange contracts taken directly to profit or loss was a loss of £1.6 million (2025: £0.8 million gain).

The majority of the Group's monetary assets and liabilities are denominated in the functional currency of the relevant subsidiary.

The aggregate net foreign exchange gains recognised in profit or loss were £3.5 million (2025: £7.8 million loss) and are primarily as a result of stabilisation of the Nigerian Naira offset by losses on the revaluation of foreign currency (USD) liabilities.

At 31 May 2026, the Group held cash and cash equivalents of £51.9m (2025: £45.1m). The principal currency exposures within cash and cash equivalents were: Nigerian Naira £18.5m (2025: £13.1m), US Dollar £11.5m (2025: £10.8m), Thai Baht £8.6m (2025: £4.9m), Pound Sterling £4.7m (2025: £4.1m), Ghanaian Cedi £2.7m (2025: £3.0m) and other currencies £5.9m (2025: £9.2m).

At 31 May 2026, £24.5 million (2025: £20.2 million) of the cash and cash equivalents were held by the Group's Nigerian subsidiaries.

The Group's exposure to foreign currency changes for currencies other than US Dollar and Nigerian Naira 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.

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 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 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 (note 1).

| | 2026 | | 2025 | |
|---|---|---|---|---|
| £m | Impact on profit before tax | Impact on pre-tax equity | Impact on loss before tax | Impact on pre-tax equity |
| US Dollar | **(0.6)** | **0.1** | (1.4) | 1.5 |
| Nigerian Naira | **2.3** | **—** | 3.8 | — |

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.

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.

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| £m | Impact on adjusted operating profit | Impact on operating loss | Impact on total equity | Impact on adjusted operating profit | Impact on operating loss | Impact on total equity |
| Nigerian Naira | **(1.6)** | **(1.5)** | **(7.4)** | (1.7) | (1.4) | (5.6) |
| Indonesian Rupiah | **(1.2)** | **(1.6)** | **(0.1)** | (1.0) | (1.0) | (0.5) |
| Australian Dollar | **(1.0)** | **(1.0)** | **(0.7)** | (1.3) | (1.2) | (0.8) |
| Other | **(0.6)** | **(1.1)** | **(2.6)** | (0.6) | (0.6) | (2.2) |

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### (b) Risk management continued

**A. Market risk** continued

*(ii) Commodity pricing risk*

Commodity risk, is the risk that changes in underlying raw material prices can 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, 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 2026 (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 | **2026 £m** | 2025 £m |
| Nigerian Naira rates | +50.0 | **—** | 0.1 |
| | -50.0 | **—** | (0.1) |

| | | Effect on profit/(loss) before tax | |
|---|---|---|---|
| | Increase/decrease in basis points | **2026 £m** | 2025 £m |
| GBP rates | +50.0 | **(0.4)** | (0.8) |
| | -50.0 | **0.4** | 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 and from its operating activities (primarily trade receivables). 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 creditworthiness 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):

| | **2026** | | 2025 | |
|---|---|---|---|---|
| | **Cash and cash equivalents £m** | **Financial derivatives £m** | Cash and cash equivalents £m | Financial derivatives £m |
| AA- | **22.8** | **—** | 4.1 | 0.2 |
| A+ to A- | **2.8** | **0.1** | 19.6 | 0.2 |
| BBB+ to BBB- | **0.1** | **—** | 0.4 | — |
| BB+ to BB- | **0.6** | **—** | — | — |
| B+ to B- | **25.6** | **—** | 20.8 | — |
| not rated | **—** | **—** | 0.2 | — |
| | **51.9** | **0.1** | 45.1 | 0.4 |

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 seven 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 2026** | **Expected credit loss rate %** | **Gross trade receivables £m** | **Lifetime expected credit loss £m** | **Net trade receivables £m** |
|---|---|---|---|---|
| Not past due | **0.0%** | **63.1** | **—** | **63.1** |
| Past due 0-30 days | **0.6%** | **16.4** | **(0.1)** | **16.3** |
| Past due 31-60 days | **5.0%** | **2.0** | **(0.1)** | **1.9** |
| Past due 61-90 days | **20.0%** | **0.5** | **(0.1)** | **0.4** |
| Past due 91-180 days | **41.7%** | **1.2** | **(0.5)** | **0.7** |
| Past due >180 days | **70.6%** | **1.7** | **(1.2)** | **0.5** |
| **Total** | | **84.9** | **(2.0)** | **82.9** |

| 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 |
| Total | | 76.7 | (1.9) | 74.8 |

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### (b) Risk management continued

#### 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 £270.0 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.

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 2026 | <3 months £m | 3-12 months £m | 1-2 years £m | 2-5 years £m | >5 years £m | Total £m |
|---|---|---|---|---|---|---|
| Trade and other payables | **(150.5)** | **(15.3)** | **(1.1)** | **—** | **—** | **(166.9)** |
| Forward foreign exchange contracts | **(42.3)** | **(29.2)** | **—** | **—** | **—** | **(71.5)** |
| Borrowings | **—** | **(71.5)** | **(7.0)** | **—** | **—** | **(78.5)** |
| Lease liabilities | **(0.7)** | **(2.2)** | **(2.9)** | **(5.6)** | **(3.0)** | **(14.4)** |

| 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 (restated)[1] | (0.1) | (56.2) | (76.1) | (32.5) | — | (164.9) |
| Lease liabilities | (0.7) | (2.1) | (2.7) | (6.9) | (4.0) | (16.4) |

1 The maturity analysis at 31 May 2025 has been restated to present undiscounted contractual cash flows, including future interest charges.

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:

| At 31 May 2026 | <3 months £m | 3-12 months £m | 1-2 years £m | 2-5 years £m | >5 years £m | Total £m |
|---|---|---|---|---|---|---|
| Inflows | **41.1** | **28.5** | **—** | **—** | **—** | **69.6** |
| Outflows | **(42.4)** | **(29.2)** | **—** | **—** | **—** | **(71.6)** |
| Net | **(1.3)** | **(0.7)** | **—** | **—** | **—** | **(2.0)** |
| Carrying amounts: | | | | | | |
| Asset | **0.1** | **—** | **—** | **—** | **—** | **0.1** |
| Liability | **(1.4)** | **(0.7)** | **—** | **—** | **—** | **(2.1)** |
| | **(1.3)** | **(0.7)** | **—** | **—** | **—** | **(2.0)** |

| At 31 May 2025 | <3 months £m | 3-12 months £m | 1-2 years £m | 2-5 years £m | >5 years £m | Total £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) | — | — | — | — |

*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 £270.0 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 Net Debt to adjusted EBITDA) in the facility agreement. As at 31 May 2026, the Group's net debt including lease liabilities was £37.9 million (2025: £126.9 million), net of £51.9 million (2025: £45.1 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. Subsequent to 31 May 2026, on 9 June 2026, the Group entered into a new four-year £225.0 million Revolving Credit Facility maturing in June 2030, with substantially similar terms to the previous facilities including two, one-year extension options.

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 participants 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.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

### (b) Risk management continued

**C. Liquidity risk** continued

*Fair values continued*

At the end of the reporting period, the Group held the following financial assets and liabilities at fair value:

| At 31 May 2026 | Level 1 £m | Level 2 £m | Level 3 £m | Total £m |
|---|---|---|---|---|
| **Assets held at fair value** | | | | |
| Derivative financial assets | **—** | **0.1** | **—** | **0.1** |
| **Liabilities held at fair value** | | | | |
| Derivative financial liabilities | **—** | **2.1** | **—** | **2.1** |

| At 31 May 2025 | Level 1 £m | Level 2 £m | Level 3 £m | Total £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 |

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.

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 £0.1 million (2025: £0.8 million).

## 20. TRADE AND OTHER PAYABLES

| | 2026 £m | 2025 £m |
|---|---|---|
| **Current** | | |
| Trade payables | **75.1** | 72.5 |
| Other taxation and social security | **6.8** | 6.4 |
| Other payables | **3.4** | 4.9 |
| Accruals | **80.5** | 71.3 |
| | **165.8** | 155.1 |
| **Non-current** | | |
| Other payables | **1.1** | 0.6 |

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 £7.5 million (2025: £6.9 million) under such arrangements.

## 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 £m | Retirement benefit obligations £m | Business combinations £m | Accruals and provisions £m | Tax losses/ (gains) £m | Other timing differences £m | Total £m |
|---|---|---|---|---|---|---|---|
| At 1 June 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) |
| Credit/(charge) to income statement | **0.4** | **—** | **(4.8)** | **(0.1)** | **(6.9)** | **(5.8)** | **(17.2)** |
| Credit/(charge) to other comprehensive income | **—** | **0.8** | **(1.1)** | **—** | **—** | **2.4** | **2.1** |
| Exchange differences | **(0.2)** | **(0.3)** | **—** | **0.1** | **1.6** | **(0.1)** | **1.1** |
| **At 31 May 2026** | **(6.1)** | **(3.5)** | **(48.3)** | **0.7** | **21.5** | **3.4** | **(32.3)** |

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 2026, the Group recorded a deferred taxation asset of £21.5 million (2025: £26.8 million) on recognised but unused tax losses primarily relating to the historical impact of the Naira devaluation and resulting unrealised FX and operating losses, together with unrelieved Group losses in the UK. Given the high probability of ongoing profitability together with other supporting items, deferred tax assets are recognised in full. The reduction in the year primarily reflects utilisation of losses associated with positive operating performance and settlement of Nigerian intercompany debt balances.

A further £1.8 million (2025: £7.0 million) of unrecognised tax losses are not expected to expire or be disposed of, together with £14.2 million (2025: £12.7 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 (2025: £0.1 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 (2025: £7.4 million), an asset for corporate interest restriction of £9.3 million (2025: £17.8 million) and an asset for share-based payments of £0.4 million (2025: £0.4 million). A deferred tax liability of £2.0 million (2025: £1.2 million) in respect of unremitted earnings in Indonesia, Ghana, Kenya and Nigeria have 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 2026, the aggregate amount of gross temporary differences associated with investments in subsidiaries for which deferred taxation liabilities have not been recognised is £30.9 million (2025: £24.2 million) which now includes unrecognised gross temporary differences relating to Nigeria.

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 £3.0 million (2025: £3.5 million) and a deferred tax liability in relation to its right-of-use assets of £2.7 million (2025: £3.1 million). There was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12.

Deferred tax assets and liabilities have been classified as non-current. The timing of reversal of the underlying temporary differences is dependent on future events and cannot be reliably estimated. Accordingly, the Group has not separately disclosed amounts expected to reverse within and after 12 months.

After offsetting deferred taxation assets and liabilities where appropriate within jurisdictions (as permitted by IAS 12 *Income Taxes*), the net deferred taxation liability comprises:

| | 2026 £m | 2025 £m |
|---|---|---|
| Deferred tax assets | **13.0** | 15.8 |
| Deferred tax liabilities | **(45.3)** | (34.1) |
| | **(32.3)** | (18.3) |

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 22. PROVISIONS

| | Warranty provisions £m |
|---|---|
| At 1 June 2024 | 0.2 |
| Additions | 0.1 |
| At 31 May 2025 | 0.3 |
| Additions | **0.2** |
| Utilisation | **(0.1)** |
| **At 31 May 2026** | **0.4** |

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 wide-ranging implications, affecting other schemes that were contracted-out on a salary related basis, and made amendments between April 1997 and April 2016.

On 29 April 2026, the Pension Schemes Act 2026 was enacted to address the uncertainty arising from the Virgin Media judgment. The legislation introduced a statutory remediation framework, enabling affected schemes to validate certain historic amendments retrospectively where the required actuarial confirmation is obtained.

Based on legal advice received and the trustees' current assessment, there are no indications that the Group's UK defined benefit schemes are materially impacted by the issues identified in the Virgin Media case. The Group continues to monitor developments and guidance in relation to the remediation framework. At the reporting date, the Group considers that there is no reliable basis on which to quantify any potential impact on the defined benefit obligation. Accordingly, no adjustment has been recognised in respect of this matter in the measurement of the defined benefit obligation.

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 *Employee Benefits* 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 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.<br><br>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** | Benefits in payment and deferred benefits attract increases which are linked to inflation, therefore an increase in the assumed future rate of inflation will increase the present value of the schemes' liabilities under IAS 19 *Employee Benefits* and statutory/long-term funding bases. | 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 schemes' 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.<br><br>The schemes consider additional approaches to mitigating longevity risk, for example by buying annuities with an insurance company to cover the schemes' liabilities. |

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 23. RETIREMENT BENEFITS AND OTHER LONG-TERM EMPLOYEE OBLIGATIONS CONTINUED

A summary of the amounts recognised in the Consolidated Balance Sheet for the UK schemes described above is as follows:

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | **Assets £m** | **Obligations £m** | **Total £m** | Assets £m | Obligations £m | Total £m |
| Main plan | **131.5** | **(118.9)** | **12.6** | 135.4 | (120.2) | 15.2 |
| Directors' plan | **26.9** | **(14.9)** | **12.0** | 27.4 | (15.2) | 12.2 |
| Expatriate plan | **78.8** | **(39.0)** | **39.8** | 78.4 | (39.5) | 38.9 |
| Unfunded plan | **—** | **(2.8)** | **(2.8)** | — | (2.8) | (2.8) |
| | **237.2** | **(175.6)** | **61.6** | 241.2 | (177.7) | 63.5 |
| Restrictions due to asset ceiling | | | **(39.8)** | | | (38.9) |
| Net asset | | | **21.8** | | | 24.6 |
| **Classified as/within:** | | | | | | |
| Retirement benefit surplus | | | **24.6** | | | 27.4 |
| Retirement benefit and other long-term employee obligations | | | **(2.8)** | | | (2.8) |
| | | | **21.8** | | | 24.6 |

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:

| | **2026 £m** | 2025 £m |
|---|---|---|
| At 1 June | **241.2** | 266.2 |
| Recognised in Consolidated Income Statement: | | |
| – administrative expense | **(1.4)** | (1.0) |
| – finance income | **11.3** | 11.3 |
| Recognised in Consolidated Statement of Other Comprehensive Income: | | |
| – return on plan assets (excluding finance income) | **(0.6)** | (18.4) |
| Not recognised within comprehensive income due to asset ceiling: | | |
| – finance income | **2.3** | 2.2 |
| – return on plan assets (excluding finance income) | **(1.3)** | (5.6) |
| Employer contributions to the Unfunded plan | **0.1** | 0.2 |
| Benefits paid | **(14.4)** | (13.7) |
| **At 31 May** | **237.2** | 241.2 |

Employer contributions to the Unfunded plan related to payments during the year to former Directors amounting to £0.2 million (2025: £0.2 million).

During the year, the Group paid £1.4m (2025: £1.0m) of administrative expenses on behalf of the schemes, which are recharged to and reimbursed by the schemes.

The assets in the schemes are as follows:

| | 2026 £m | 2025 £m |
|---|---|---|
| Equities | — | 2.5 |
| Bonds | **226.9** | 226.2 |
| Insured annuities | **0.4** | 0.4 |
| Cash and cash equivalents | **9.9** | 12.1 |
| | **237.2** | 241.2 |

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:

| | 2026 £m | 2025 £m |
|---|---|---|
| At 1 June | **(177.7)** | (195.1) |
| Recognised in Consolidated Income Statement: | | |
| – finance expense | **(9.9)** | (9.8) |
| Recognised in Consolidated Statement of Comprehensive Income: | | |
| – re-measurement (loss)/gain due to changes in demographic assumptions | **(0.3)** | 3.3 |
| – re-measurement (loss)/gain due to changes in financial assumptions | **(1.7)** | 18.6 |
| – re-measurement loss due to experience adjustments | **(0.4)** | (8.4) |
| Benefits paid | **14.4** | 13.7 |
| **At 31 May** | **(175.6)** | (177.7) |

The weighted average duration of the total defined benefit obligation is approximately 11 years (2025: 11 years). This represents the average time until the expected benefit payments are settled.

Amounts recognised in the Consolidated Income Statement comprised:

| | 2026 £m | 2025 £m |
|---|---|---|
| Administrative expense | **(1.4)** | (1.0) |
| Finance income | **1.4** | 1.5 |
| | — | 0.5 |

Amounts recognised within Consolidated Statement of Comprehensive Income comprised:

| | 2026 £m | 2025 £m |
|---|---|---|
| Relating to plan assets: | | |
| – return on plan assets (excluding finance income) | **(0.6)** | (18.4) |
| Relating to plan defined benefit obligations: | | |
| – re-measurement (loss)/gain due to changes in demographic assumptions | **(0.3)** | 3.3 |
| – re-measurement (loss)/gain due to changes in financial assumptions | **(1.7)** | 18.6 |
| – re-measurement loss due to experience adjustments | **(0.4)** | (8.4) |
| | **(3.0)** | (4.9) |

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 23. RETIREMENT BENEFITS AND OTHER LONG-TERM EMPLOYEE OBLIGATIONS CONTINUED

The key financial assumptions used by the actuary to value the scheme obligations were as follows:

| | **2026** | 2025 |
|---|---|---|
| Rate of increase in retirement benefits in payment | | |
| – pensions in payment | **2.9%** | 2.7% |
| – deferred pensions | **2.7%** | 2.4% |
| Discount rate | **5.9%** | 5.8% |
| Inflation (RPI) | **3.1%** | 2.9% |

The mortality assumptions used were as follows:

| | **2026 years** | 2025 years |
|---|---|---|
| Weighted average life expectancy on post-retirement mortality table used to determine benefit obligations | | |
| – Member age 65 (current life expectancy) | **22.2** | 21.9 |
| – Member age 45 (life expectancy at age 65) | **23.3** | 23.0 |

The ages shown above are weighted average across the schemes based on the scheme's defined benefit obligation as at 31 May 2026, 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 2.5% |
| Inflation (RPI) | Increase of 0.25% | Increase of 2.3% |
| Mortality | Increase in life expectancy of 1 year | Increase of 3.3% |

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 2027, the Group expects to make cash contributions of £nil (2026: £nil) to funded defined benefit schemes, and £0.2 million (2026: £0.2 million) to unfunded schemes.

### Overseas retirement benefit schemes

Outside of the UK, the Group operates a number of defined benefit pension schemes. 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.

A summary of the amounts recognised in the Consolidated Balance Sheet for the overseas schemes described above is as follows:

| | **2026** | | | 2025 | | |
|---|---|---|---|---|---|---|
| | **Assets £m** | **Obligations £m** | **Total £m** | Assets £m | Obligations £m | Total £m |
| Net liability | **0.4** | **(8.7)** | **(8.3)** | — | (8.9) | (8.9) |

The Company funds its post-employment benefits obligation through a financial institution pension fund in a pooled fund scheme which started during the year ending 31 May 2026. The Company made contributions of £0.6 million in the year ended 31 May 2026. The assets within this plan are all cash and cash equivalents.

Movements in the fair value of plan assets were as follows:

| | 2026 £m | 2025 £m |
|---|---|---|
| At 1 June | **—** | — |
| Employer contributions to the Unfunded plan | **0.6** | — |
| Benefits paid | **(0.2)** | — |
| **At 31 May** | **0.4** | — |

Movements in the present value of the plan defined benefit obligations were as follows:

| | 2026 £m | 2025 £m |
|---|---|---|
| At 1 June | **(8.9)** | (9.0) |
| Recognised in Consolidated Income Statement: | | |
| – administrative expenses | **(1.1)** | (1.2) |
| – finance expenses | **(0.6)** | (0.6) |
| Recognised in Consolidated Statement of Comprehensive Income: | | |
| – re-measurement (loss)/gain | **(0.1)** | 0.3 |
| Benefits paid | **1.1** | 0.9 |
| Exchange differences | **0.9** | 0.7 |
| **At 31 May** | **(8.7)** | (8.9) |

The scheme's obligations have been valued using a discount rate of 6.9% (2025: 7.0%) and a salary inflation rate of 8.0% (2025: 8.0%). The scheme's obligation included in the above table is £8.3 million (2025: £8.3 million).

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 7.6% |
| Salary rate | Increase of 1.0% | Increase of 7.7% |

### 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 £1.9 million (2025: £1.8 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 £0.3 million (2025: £0.2 million).

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 24. SHARE CAPITAL AND INVESTMENT IN TREASURY SHARES

### (a) Share capital

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | **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 (2025: 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 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 |
| Issued to satisfy options | **(793,146)** | **—** |
| Transfers | **(183,144)** | **183,144** |
| **At 31 May 2026** | **7,395,101** | **559,096** |

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 2026 was £29.1 million (2025: £32.0 million) and the market value was £7.0 million (2025: £7.6 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

The PZ Cussons Long-Term Incentive Plan (LTIP) was approved by shareholders and adopted at the 2020 Annual General Meeting with rules revised in November 2021.

The LTIP 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, 4,357,577 restricted share awards (2025: 4,033,454 awards) were granted equating to a total fair value of £3.5 million (2025: £3.8 million) which will be recognised over the vesting period. Under the LTIP 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 vested in September 2025. 22,171 (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 £2.9 million (2025: £2.4 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, 641,195 deferred bonus share awards (2025: 441,587 awards) were granted equating to a total fair value of £0.5 million (2025: £0.4 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 £0.3 million (2025: £0.1 million).

### Share Incentive Plan (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, 227,068 matched share awards (2025: 198,097 awards) were granted equating to a total fair value of £0.2 million (2025: £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 (2025: £0.1 million).

Awards/options under all schemes have a nil exercise cost (2025: nil). 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 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[1] | (91,733) | (466,782) | (129,173) | (519) | (688,207) |
| Options/awards lapsed/forfeited[2] | (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 |
| Options/awards issued | **22,171** | **4,357,577** | **641,195** | **227,068** | **5,248,011** |
| Options/awards exercised[1] | **(207,171)** | **(485,699)** | **(100,076)** | **(28,337)** | **(821,283)** |
| Options/awards lapsed/forfeited[2] | **(1,039,632)** | **(743,657)** | **(421,014)** | **(43,997)** | **(2,248,300)** |
| **Options/awards outstanding as at 31 May 2026** | **—** | **9,031,991** | **812,307** | **526,164** | **10,370,462** |

1 The weighted average share price at the date of exercise of options exercised during the year ended 31 May 2026 was 0.78p (2025: 0.82p).
2 Of the options and awards which lapsed/forfeited in the year ended 31 May 2026 for the performance shares and restricted shares, 983,623 (2025: 1,113,363) related to the previous scheme approved in 2014.

The vesting dates of the outstanding options and awards as at 31 May 2026 is:

| | Restricted shares number | Deferred bonus shares number | SIP number | Total number |
|---|---|---|---|---|
| 31 May 2026 and earlier[1] | — | — | 70,972 | 70,972 |
| 31 May 2027 | 1,667,029 | 397,836 | 89,607 | 2,154,472 |
| 31 May 2028 | 3,104,763 | 414,471 | 155,576 | 3,674,810 |
| 31 May 2029 | 4,260,199 | — | 210,009 | 4,470,208 |
| Total | 9,031,991 | 812,307 | 526,164 | 10,370,462 |

1 Note that outstanding SIP awards that vested in FY26 and earlier have vested but not been exercised.

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 26. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | Note | 2026 £m | 2025 £m |
|---|---|---|---|
| **Profit before taxation**[1] | | **77.4** | 6.5 |
| Net finance expense | | **9.4** | 14.1 |
| **Operating profit** | | **86.8** | 20.6 |
| Depreciation | 11,12,13 | **8.4** | 8.0 |
| Amortisation | 10 | **4.1** | 4.1 |
| Impairment of intangible assets | 10 | **13.0** | 35.3 |
| Impairment reversal of intangible assets | 10 | **(24.4)** | (16.5) |
| Impairment reversal of current asset investment | | **—** | (0.5) |
| Profit on disposal of joint venture undertakings | 29 | **(4.5)** | — |
| Add back transaction costs on disposal of joint venture undertakings | 29 | **(1.9)** | — |
| Profit on disposal of investment properties | 4 | **(12.6)** | (0.8) |
| Add back transaction costs on disposal of investment properties | | **(1.7)** | — |
| Profit on disposal of other assets | 4 | **—** | (0.3) |
| Difference between pension charge and cash contributions | | **1.2** | 1.1 |
| Share-based payments | | **3.3** | 2.6 |
| Rental income classified as investing cash flows | | **(1.2)** | (1.1) |
| Share of results of joint venture | | **—** | (5.6) |
| **Operating cash flows before movements in working capital** | | **70.5** | 46.9 |
| Movements in working capital: | | | |
| Inventories | | **(4.2)** | (5.6) |
| Trade and other receivables | | **(5.8)** | 1.6 |
| Trade and other payables | | **0.2** | 5.6 |
| Provisions | | **0.1** | 0.7 |
| Cash generated from operations | | **60.8** | 49.2 |

1 Wholly derived from continuing operations.

## 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:

| | 2026 £m | 2025 £m |
|---|---|---|
| Short-term employee benefits | **2.2** | 2.4 |
| Post-employment benefits | **0.1** | 0.1 |
| Share-based payments | **1.2** | 1.2 |
| | **3.5** | 3.7 |

### Transactions with joint ventures

In previous years, certain Group subsidiary undertakings entered 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. The sale of the Group's shares in PZ Wilmar Limited was completed on the 14 November 2025. Accordingly, the Group no longer holds any value relating to its equity investment in PZ Wilmar Limited on the balance sheet at 31 May 2026 and PZ Wilmar Limited is no longer a related party. Set out below are details of related party transactions during the year with PZ Wilmar Limited as well as balances as at 31 May 2026:

- At 31 May 2026, outstanding loans receivable from PZ Wilmar Limited amounted to £nil (2025: £26.4 million). During the year, PZ Wilmar Limited made repayments to the Group for the full loan balance at the book value of £26.6 million (2025: repayments totalling £2.5 million). These loans were denominated in USD, interest-free and repayable in part or in full on demand, subject to a 12-month notice period.
- At 31 May 2026, outstanding trade receivable balances due from PZ Wilmar Limited are not classified as related party transactions and balances (2025: trade receivable balance due from PZ Wilmar Limited of £0.7 million). All trading balances are settled in cash, and there were no provisions for doubtful related party receivables at 31 May 2026 (2025: £nil).

## 28. SUBSIDIARIES AND JOINT VENTURES

Details of the Company's subsidiaries as at 31 May 2026 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 | Provision of services to Group companies | 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 (Africa Holdings) Limited | Dormant | 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 LLP[1] | 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 |

# Notes to the Consolidated Financial Statements continued

Year ended 31 May 2026

## 28. SUBSIDIARIES AND JOINT VENTURES CONTINUED

| Company | Operation | Country of incorporation | Parent Company's interest | Proportion of voting interest | Registered office address |
|---|---|---|---|---|---|
| Thermocool Engineering Company Limited | Dormant | England | 100% | 100% | Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG |
| PZ Cussons Acquisition Co Limited | Holding company | England | 100% | 100% | Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG |
| Tadley Holdings Limited | Holding company | England | 100% | 100% | Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG |
| Childs Farm Ltd | Distribution | England | 100% | 100% | Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG |
| PZ Cussons Ghana PLC | Distribution | Ghana | 100% | 100% | Plot 27/3-27/7, Sanyo Road, Tema, P. O. Box 628 Community 1, Tema |
| 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 – Kondvita Road, Bhim Nagar, Andheri East, Mumbai 400093 |
| 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% | 100% | 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 Limited[2] | 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% | 413 East Lancaster Avenue, Wayne, PA 19087 |
| Childs Farm, Inc. | Distribution | USA | 100% | 100% | 413 East Lancaster Avenue, Wayne, PA 19087 |

1 PZ Cussons (Holdings) Limited has a 100 per cent 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.

In addition, the Paterson Zochonis Employee Trust (registered in Jersey) and the 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).

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 (45.04%) and PZ Cussons Nigeria PLC (26.73%). Total net assets held in these two material subsidiaries at 31 May 2026 were £0.6 million and £36.3 million respectively (2025: £4.9 million net liability and £4.5 million net liability respectively).

## 29. DISPOSALS

On 18 June 2025, as part of the strategic review of its Africa operations, the Group announced the sale of its 50% investment in a Nigerian palm oil joint venture undertaking, PZ Wilmar Limited to Wilmar Africa Resources Pte Ltd, the Group's joint venture partner. The investment in PZ Wilmar Limited was classified as an asset held for sale at 31 May 2025. Following its classification as an asset held for sale, the share of results of the joint venture that have been recognised in the year ended 31 May 2026 is £nil (2025: £5.6 million).

Cash receipts in respect of the sale include the sale of the Group's shareholding, sale of land interests and repayment of receivables due from PZ Wilmar Limited are further described below and total £51.2 million ($68.1 million). Cash proceeds have been received in both Naira and USD and converted to GBP to align with the Group's functional currency.

On 14 November 2025, the Group disposed of its 50% shareholding in PZ Wilmar Limited for gross proceeds of £11.8 million ($15.4 million) with cash received during the year ended 31 May 2026.

Following the sale of its 50% shareholding in PZ Wilmar Limited, the Group disposed of associated land interests for consideration of £12.8 million ($17.1 million). At 31 May 2026, cash of £9.4 million ($12.4 million) had been received with the remaining £3.4 million ($4.7 million) received during July 2026. The land, right-of-use asset and associated lease liability were all held at a book value of £nil.

As part of the disposal, a cumulative currency translation adjustment of £13.6 million was recycled from equity to the Consolidated Income Statement and recognised within the loss on disposal of joint venture undertakings.

Transaction costs totalling £3.3 million primarily relate to legal and advisory costs of which costs incurred in the year ended 31 May 2026 were £1.9 million (2025: £1.4 million).

The disposal of the shareholding and the assets resulted in a gain on disposal before tax of £4.5 million in the year ended 31 May 2026, recognised within adjusting items in the Consolidated Income Statement.

The breakdown of the gain before tax on disposal of PZ Wilmar Limited at 31 May 2026, is as follows:

| | £m |
|---|---|
| Total proceeds | 24.6 |
| Net assets disposed: | |
| Investment in joint venture undertaking | (4.6) |
| Cumulative currency translation adjustment | (13.6) |
| Transaction costs incurred in the year ended 31 May 2026 | (1.9) |
| Gain on disposal – recognised within adjusting items | 4.5 |
| Transaction costs incurred within the year ended 31 May 2025 | (1.4) |
| Overall gain on disposal | 3.1 |

Following the sale of its 50% shareholding in PZ Wilmar Limited, the Group received cash of £26.6 million ($35.6 million) in settlement of amounts owed by PZ Wilmar Limited at book value.

## 30. EVENTS AFTER THE REPORTING PERIOD

On 9 June 2026, the Group entered into a new £225.0 million Revolving Credit Facility maturing in June 2030 with substantially similar terms to the previous facilities as detailed in note 19.

# Company Balance Sheet

As at 31 May 2026

| | Note | 2026 £m | 2025 £m |
|---|---|---|---|
| **Non-current assets** | | | |
| Investments in subsidiaries | 4 | **36.8** | 36.8 |
| Deferred tax assets | 5 | **4.2** | 2.9 |
| | | **41.0** | 39.7 |
| **Current assets** | | | |
| Receivables | 5 | **49.5** | 69.8 |
| Cash and cash equivalents | | **1.2** | 1.2 |
| | | **50.7** | 71.0 |
| **Current liabilities** | | | |
| Payables | 6 | **4.5** | 6.9 |
| **Net current liabilities** | | **46.2** | 64.1 |
| **Total assets less current liabilities** | | **87.2** | 103.8 |
| **Net assets** | | **87.2** | 103.8 |
| **Equity** | | | |
| Share capital | 8 | **4.3** | 4.3 |
| Treasury shares | | **(29.1)** | (32.0) |
| Capital redemption reserve | | **0.7** | 0.7 |
| Other reserves | | **6.4** | 4.7 |
| Retained earnings | | **104.9** | 126.1 |
| **Total equity** | | **87.2** | 103.8 |

The attributable loss for the year in the accounts of the Company was £4.8 million (2025: profit of £115.5 million).

The financial statements from pages 172 to 179 were approved by the Board of Directors and authorised for issue on 5 August 2026.

They were signed on its behalf by:

**J Myers** **J Bramall**

5 August 2026

PZ Cussons plc
Registered number 00019457

# Company Statement of Changes in Equity

For the year ended 31 May 2026

| | Note | Share capital £m | Treasury shares £m | Capital redemption reserve £m | Other reserves £m | Retained earnings £m | Total £m |
|---|---|---|---|---|---|---|---|
| At 1 June 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 |
| Loss for the year | | **—** | **—** | **—** | **—** | **(4.8)** | **(4.8)** |
| Ordinary dividends | 3 | **—** | **—** | **—** | **—** | **(15.1)** | **(15.1)** |
| Share-based payment | | **—** | **—** | **—** | **1.7** | **1.6** | **3.3** |
| Shares issued from ESOT | | **—** | **2.9** | **—** | **—** | **(2.9)** | **—** |
| **At 31 May 2026** | | **4.3** | **(29.1)** | **0.7** | **6.4** | **104.9** | **87.2** |

# Notes to the Company Financial Statements

Year ended 31 May 2026

## 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 184.

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 financial statements have been prepared on a historical cost basis. The accounting policies have been applied consistently in the current and prior year, except for changes required by the adoption of new standards, amendments and interpretations.

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.

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 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 £nil (2025: £nil).

**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 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 2026, 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 Ltd | 7454284 |
| Milk Ventures (UK) Limited | 4787107 |
| PZ Cussons Acquisition Co Limited | 13977759 |
| PZ Cussons (Africa Holdings) Limited | 16804633 |
| PZ Cussons (Holdings) Limited | 313993 |
| PZ Cussons (International) Limited | 706511 |
| PZ Cussons (International Finance) Limited | 8589433 |
| PZ Cussons (UK) Limited | 748096 |
| PZ Cussons Beauty LLP | OC364213 |
| Seven Scent Limited | 662385 |
| St. Tropez Acquisition Co. Limited | 5707257 |
| St. Tropez Holdings Limited | 5706646 |
| St. Tropez Operations Limited | 15945031 |
| 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 profit 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 Consolidated Financial Statements 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).

# **Notes to the Company Financial Statements** continued

Year ended 31 May 2026

## 1. ACCOUNTING POLICIES

### **(a) Basis of preparation** continued

- 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

| | **2026 £m** | 2025 £m |
|---|---|---|
| Aggregate amount of Directors' emoluments | **3.5** | 3.7 |
| Emoluments of the highest paid Director | **2.4** | 2.0 |

Amounts above include share-based payment expenses. For the year ended 31 May 2026, the highest paid Director received Company pension contributions of £0.07 million (2025: £0.07 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 91 to 101.

The Company had no employees other than Directors during the year.

## 3. DIVIDENDS

| | **2026 £m** | 2025 £m |
|---|---|---|
| Amounts recognised as distributions to ordinary shareholders in the year comprise: | | |
| Final dividend for the year ended 31 May 2025 of 2.10p (2024: 2.10p) per ordinary share | **8.8** | 8.8 |
| Interim dividend for the year ended 31 May 2026 of 1.50p (2025: 1.50p) per ordinary share | **6.3** | 6.3 |
| | **15.1** | 15.1 |

After the balance sheet date, a final dividend for the year ended 31 May 2026 was proposed by the Directors of 2.20p per ordinary share. This results in a total proposed dividend of £15.6 million (2025: £15.1 million). Subject to approval by shareholders at the Annual General Meeting, the dividend will be paid on 8 October 2026 to the shareholders on the register on 11 September 2026. The proposed dividend has not been included as a liability in the Consolidated Financial Statements as at 31 May 2026.

## 4. INVESTMENTS IN SUBSIDIARIES

| | £m |
|---|---|
| **Cost** | |
| At 1 June 2024 | 94.2 |
| Additions | 2.6 |
| At 31 May 2025 | 96.8 |
| Additions | **3.3** |
| **At 31 May 2026** | **100.1** |
| **Accumulated impairment** | |
| At 1 June 2024 | (57.4) |
| Impairment charge | (2.6) |
| At 31 May 2025 | (60.0) |
| Impairment charge | **(3.3)** |
| **At 31 May 2026** | **(63.3)** |
| **Carrying value** | |
| **At 31 May 2026** | **36.8** |
| At 31 May 2025 | 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 2026 and is currently loss-making. The subsidiary principally operates to provide services to other Group companies and whilst the subsidiary is able to recharge a proportion of its costs, there is no certainty around cash inflows relating to these recharges exceeding total costs incurred. When considering the fair value less costs to sell, management has considered that the subsidiary holds the Group's UK defined benefit pension schemes, and therefore the fair value less costs to sell is similarly negligible. On this basis, an impairment of £3.3 million (2025: £2.6 million) has been recorded to reduce the investment's carrying value to £nil. Details of the Company's direct subsidiaries as at 31 May 2026 are shown below. For a full listing of all subsidiaries see note 28 in the 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% |

# Notes to the Company Financial Statements continued

Year ended 31 May 2026

## 5. RECEIVABLES

| | 2026 £m | 2025 £m |
|---|---|---|
| **Non-current** | | |
| Deferred tax assets | **4.2** | 2.9 |
| **Current** | | |
| Amounts owed by Group companies | **48.6** | 66.6 |
| Other receivables | **0.1** | 0.1 |
| Prepayments | **0.8** | 1.6 |
| Current taxation receivable | **—** | 1.5 |
| | **49.5** | 69.8 |

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 (2025: de minimis).

Amounts owed by Group companies accrue interest at 1.825% plus SONIA per annum until 5 December 2025 and 1.45% plus SONIA per annum thereafter. The balances are unsecured, have no fixed date of repayment and are repayable on demand.

Movements in deferred tax assets during the year were:

| | Other timing differences £m | Losses £m | Total £m |
|---|---|---|---|
| At 1 June 2024 | 0.2 | 1.4 | 1.6 |
| (Charge)/credit to income statement | (0.2) | 1.5 | 1.3 |
| At 31 May 2025 | — | 2.9 | 2.9 |
| Credit to income statement | **—** | **1.3** | **1.3** |
| **At 31 May 2026** | **—** | **4.2** | **4.2** |

## 6. PAYABLES

| | 2026 £m | 2025 £m |
|---|---|---|
| Amounts owed to Group companies | **3.9** | 6.6 |
| Accruals | **0.1** | 0.3 |
| Current taxation payable | **0.5** | — |
| | **4.5** | 6.9 |

Amounts owed to Group companies are non-interest-bearing, unsecured and have no fixed date of repayment.

## 7. BORROWINGS

At 31 May 2026, the Company is one of a number of Group companies who are guarantors to the £270.0 million (2025: £325.0 million) committed credit facility which is available for general corporate purposes. The credit facility incorporates both a GBP term loan, of up to £70.0 million, originally £125.0 million, with the balance as a multicurrency 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. Following this extension, the Term Loan reduced to £70.0 million and as at 31 May 2026, was due to mature on 8 November 2026. The amount borrowed by the Group under this agreement as at 31 May 2026 was £76.9 million (2025: £157.1 million), of which the Company's borrowing was £nil (2025: £nil).

Subsequent to 31 May 2026, on 9 June 2026, the Group entered into a new four-year £225.0 million Revolving Credit Facility maturing in June 2030, with substantially similar terms to the previous facilities including two, one-year extension options. Further details are provided in note 19 of the Consolidated Financial Statements.

## 8. SHARE CAPITAL AND INVESTMENT IN OWN SHARES

### (a) Share capital

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | 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) 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 were:

| | ESOT number | SIP trust number |
|---|---|---|
| As at 1 June 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 |
| Issued to satisfy options | **(793,146)** | **—** |
| Transfers | **(183,144)** | **183,144** |
| **As at 31 May 2026** | **7,395,101** | **559,096** |

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 2026 was £29.1 million (2025: £32.0 million) and the market value was £7.0 million (2025: £7.6 million).

## 9. CONTINGENT LIABILITIES AND GUARANTEES

The Company is one of a number of Group companies who are guarantors to the £270.0 million committed credit facility taken out by the Group in November 2022. The facility comprises a Term Loan of up to £70.0 million, with the balance as a RCF structure. Further details are provided in note 19 of the Consolidated Financial Statements. The amount borrowed by the Group under this agreement as at 31 May 2026 was £76.9 million (2025: £157.1 million), of which the Company's borrowing was £nil (2025: £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

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Business performance excluding adjusting items £m | Adjusting items £m | Statutory results £m | Business performance excluding adjusting items £m | Adjusting items £m | Statutory results £m |
| Revenue | 541.4 | — | 541.4 | 513.8 | — | 513.8 |
| Cost of sales | (322.0) | — | (322.0) | (307.0) | — | (307.0) |
| **Gross profit** | 219.4 | — | 219.4 | 206.8 | — | 206.8 |
| Selling and distribution expense | (92.0) | — | (92.0) | (85.4) | — | (85.4) |
| Administrative expense | (67.9) | 10.2 | (57.7) | (73.6) | (32.8) | (106.4) |
| Other operating income | — | 12.6 | 12.6 | — | — | — |
| Gain on disposal of joint venture undertakings | — | 4.5 | 4.5 | — | — | — |
| Share of results of joint venture | — | — | — | 7.1 | (1.5) | 5.6 |
| **Operating profit/(loss)** | 59.5 | 27.3 | 86.8 | 54.9 | (34.3) | 20.6 |
| Finance income | 3.4 | — | 3.4 | 3.9 | — | 3.9 |
| Finance expense | (12.8) | — | (12.8) | (17.7) | (0.3) | (18.0) |
| **Net finance expense** | (9.4) | — | (9.4) | (13.8) | (0.3) | (14.1) |
| **Profit/(loss) before taxation** | 50.1 | 27.3 | 77.4 | 41.1 | (34.6) | 6.5 |
| Taxation | (14.9) | (34.1) | (49.0) | (9.0) | (2.7) | (11.7) |
| **Profit/(loss) for the year** | 35.2 | (6.8) | 28.4 | 32.1 | (37.3) | (5.2) |
| **Attributable to:** | | | | | | |
| Owners of the Parent | 30.1 | (10.3) | 19.8 | 30.8 | (36.6) | (5.8) |
| Non-controlling interests | 5.1 | 3.5 | 8.6 | 1.3 | (0.7) | 0.6 |
| | 35.2 | (6.8) | 28.4 | 32.1 | (37.3) | (5.2) |

## Adjusted earnings per share

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | Business performance excluding adjusting items | Adjusting items | Statutory results | Business performance excluding adjusting items | Adjusting items | Statutory results |
| **Profit/(loss) for the year attributable to owners of the Parent (£m)** | 30.1 | (10.3) | 19.8 | 30.8 | (36.6) | (5.8) |
| Basic weighted average shares in issue during the year ('000) | 421,313 | 421,313 | 421,313 | 419,457 | 419,457 | 419,457 |
| **Basic Earnings per share (p)** | 7.14 | (2.44) | 4.70 | 7.34 | (8.72) | (1.38) |
| Diluted weighted average shares in issue during the year ('000)[1] | 423,856 | 423,856 | 423,856 | 420,751 | 420,751 | 420,751 |
| **Diluted earnings per share (p)** | 7.10 | (2.43) | 4.67 | 7.32 | (8.70) | (1.38) |

1 In 2025 the basic and diluted loss per share are equal as a result of the Group incurring a statutory loss for the year.

### Adjusted operating profit and adjusted operating margin

| | 2026<br>£m | 2025<br>£m |
|---|---|---|
| **Group** | | |
| Operating profit from continuing operations | **86.8** | 20.6 |
| Exclude: adjusting items | **(27.3)** | 34.3 |
| Adjusted operating profit | **59.5** | 54.9 |
| Revenue | **541.4** | 513.8 |
| Operating margin | **16.0%** | 4.0% |
| Adjusted operating margin | **11.0%** | 10.7% |
| **By segment** | | |
| **Europe & the Americas:** | | |
| Operating profit from continuing operations | **47.2** | 50.9 |
| Exclude: adjusting items | **(10.6)** | (14.1) |
| Adjusted operating profit | **36.6** | 36.8 |
| Revenue | **200.3** | 199.4 |
| Operating margin | **23.6%** | 25.5% |
| Adjusted operating margin | **18.3%** | 18.5% |
| **Asia Pacific:** | | |
| Operating profit from continuing operations | **27.1** | 25.1 |
| Exclude: adjusting items | **(3.2)** | 0.1 |
| Adjusted operating profit | **23.9** | 25.2 |
| Revenue | **173.1** | 173.5 |
| Operating margin | **15.7%** | 14.5% |
| Adjusted operating margin | **13.8%** | 14.5% |
| **Africa:** | | |
| Operating profit from continuing operations | **34.2** | 18.9 |
| Exclude: adjusting items | **(12.3)** | 4.5 |
| Adjusted operating profit | **21.9** | 23.4 |
| Exclude: adjusted share of results of joint venture | **—** | (7.1) |
| Adjusted operating profit excluding share of results of joint venture | **21.9** | 16.3 |
| Revenue | **168.0** | 140.9 |
| Operating margin | **20.4%** | 13.4% |
| Adjusted operating margin | **13.0%** | 16.6% |
| Adjusted operating margin excluding share of results of joint venture | **13.0%** | 11.6% |
| **Central:** | | |
| Operating loss from continuing operations | **(21.7)** | (74.3) |
| Exclude: adjusting items | **(1.2)** | 43.8 |
| Adjusted operating loss | **(22.9)** | (30.5) |

# Alternative Performance Measures continued

## Adjusted share of results of joint venture

| | 2026 £m | 2025 £m |
|---|---|---|
| Share of results of joint venture | — | 5.6 |
| Exclude: adjusting items | — | 1.5 |
| **Adjusted share of results of joint venture** | **—** | 7.1 |

## Adjusted profit before taxation

| | 2026 £m | 2025 £m |
|---|---|---|
| Profit before taxation from continuing operations | **77.4** | 6.5 |
| Exclude: adjusting items | **(27.3)** | 34.6 |
| **Adjusted profit before taxation** | **50.1** | 41.1 |

## Adjusted Earnings Before Interest Depreciation and Amortisation (Adjusted EBITDA)

| | 2026 £m | 2025 £m |
|---|---|---|
| Profit before taxation from continuing operations | **77.4** | 6.5 |
| Add back: net finance expense | **9.4** | 14.1 |
| Add back: depreciation | **8.4** | 8.0 |
| Add back: amortisation | **4.1** | 4.1 |
| Add back: impairment and impairment reversal | **(11.4)** | 18.3 |
| | **87.9** | 51.0 |
| Exclude: adjusting items[1] | **(15.9)** | 15.5 |
| **Adjusted EBITDA** | **72.0** | 66.5 |

1 Excludes adjusting items relating to impairment.

## Adjusted net debt

| | 2026 £m | 2025 £m |
|---|---|---|
| Cash at bank and in hand | **51.9** | 45.1 |
| Total borrowings | **(76.9)** | (157.1) |
| **Net debt** | **(25.0)** | (112.0) |
| Less: cash held in Nigeria | **(24.5)** | (20.2) |
| **Adjusted net debt** | **(49.5)** | (132.2) |
| **Adjusted net debt/adjusted EBITDA** | **0.7x** | 2.0x |

## Operating profit excluding share of results of joint venture

| | 2026 £m | 2025 £m |
|---|---|---|
| Operating profit | **86.8** | 20.6 |
| Exclude: share of results of joint venture | **—** | (5.6) |
| **Operating profit excluding share of results of joint venture** | **86.8** | 15.0 |

## Free cash flow

| | 2026 £m | 2025 £m |
|---|---|---|
| Cash generated from operations | **60.8** | 49.2 |
| Less capital expenditure | **(6.1)** | (6.9) |
| **Free cash flow** | **54.7** | 42.3 |

# 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 engagement | % score based upon a set of questions within our annual survey of employees |
| EPS | Earnings per share |
| ETR | Effective tax rate |
| 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 |
| Minority interest | Used interchangeably with Non-controlling interest |
| Net debt | Cash, short-term deposits and current asset investments, less bank overdrafts and borrowings. Excludes IFRS 16 lease liabilities |
| NPD | New Product Development |
| n.m. | Represents non-meaningful growth rates |
| 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 AGM will be held at 10.30am on 1 October 2026 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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## 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 macro-economic, 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.

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