

GENDER PAY GAP REPORTING 2022

Global market methodology



reckitt®

Global Methodology

Required Calculations	<p>The following are required for Overall Country in each country :</p> <ol style="list-style-type: none"> 1. Number of males and females 2. Mean/average hourly salary by gender 3. Mean/average gender pay gap (expressed as percentage) – calculated as: <i>(male mean hourly pay minus female mean hourly pay), divided by male mean hourly pay</i> 4. Median hourly salary by gender 5. Median gender pay gap (expressed as percentage) – calculated as <i>(male median hourly pay minus female median hourly pay), divided by male median hourly pay</i> 6. Mean/average target bonus by gender 7. Mean/average target bonus gender pay gap (expressed as percentage) – calculated as <i>(male mean bonus minus female mean bonus), divided by male mean bonus</i> 8. Median target bonus gender pay gap (expressed as percentage) – calculated as <i>(male median bonus minus female median bonus), divided by male median bonus</i> 9. Proportion of males and females eligible to a bonus payment – calculated as males/females eligible to bonus divided by total males/females 10. Proportion of males and females in each quartile pay band – determined by ranking all employees highest to lowest paid based on hourly rate. Pay rate is divided to quartiles and proportion of males and females reported by quartile
Report Grouping	<ul style="list-style-type: none"> • Total Country per country
Salary/Allowances Components	<ul style="list-style-type: none"> • Taken as a snapshot from payroll reports* • Consider all individuals in myRB at that moment, including those on maternity (except for in Poland), sick leave and unpaid (compensation still shows at target) • Data pulled from payroll reports to include; <ul style="list-style-type: none"> Basic pay, cash allowances paid through payroll (including car allowance), pay according to local legislation e.g. allowances in India • Exclude redundancy/termination/PILON • Salary expressed as hourly rate based on full time salary + allowances • Exclude retirement/pension, e.g. India superannuation, gratuity provident fund, NPS
Bonus	<ul style="list-style-type: none"> • Use target data stored in myRB • Include: annual bonus (APP), Sales Incentive Plan, and any other local bonus practices • Report in gross • Reckitt to report on only those eligible for bonuses – meaning any employee with a target bonus logged in myRB
LTI	<ul style="list-style-type: none"> • LTIs are logged as number of shares and options in HR system (myRB). For the purpose of reporting as part of bonus, a target value at grant is assigned. The target value illustrates the value of most recent grant assuming 50% vesting and using Black-Scholes to value options at 10% share price growth. Share price 63.32 GBP. • The GBP value is then converted to local currency using March Closing spot FX rate provided by Group Treasury, which is the basis for all of our FX information for financial reporting across the business.
Currency	<ul style="list-style-type: none"> • Each country to be reported consistently in their local currency: closing FX rate of previous month to 5 April 2022 applied, using same FX approach as above.

*Actual pay data has been used in the pay gap calculations, using payroll reports provided for the month in which the 5 April 2022 snapshot date falls (April 2022)

Considerations

Allowances per local legislation differ between regions – breakdown of allowances included in the calculations are outlined in appendix A.

Assumptions made on the working hours per region for calculation of hourly rate in accordance with local legislation–breakdown included in appendix C.

For ordinary pay data, 'actual' payroll data has been used for all non-UK market however certain additional information such as Gender, working hours and service dates have been captured by myRB (internal HRIS). In 2021 the majority of non-UK markets used solely myRB data for these calculations. As such, there has been some changes in the pay components from 2021 which are detailed in Appendix A.

For bonus data, target bonus percentage and/or amounts have been extracted from myRB as per 2021. In 2022 however, where a percentage is provided from the system this has been applied to an annualise payroll amount.

Myrb data was extracted from the system in June 2022. Where there have been any pay increases processed through the system and back-dated to snapshot date 5th April 2022, the updated backdated increase has been used in the calculation.

Appendix A

Allowances included in pay per region in line with local legislation	
USA	Base salary; Car Allowance
China	Base salary, Housing Allowance; Lump Sum; Position Allowance; Degree/Skills Allowance (logged as Qualification Allowance in 2021); Transport Allowance for Band A & Band 5 (this was logged as Car Allowance in 2021); Transport Allowance; Relocation Allowance (logged as Cost of Living Allowance or Hardship Allowance in 2021); Special Allowance (logged as Other Allowance in 2021)
India	Base Salary*, Consolidated Allowance; House Rent Allowance (this was covered by Housing Allowance & Housing Allowance (Base) in 2021); Special Allowance; Provident Fund; Gratuity; Medical Allowance; Transport Allowance; Special Pay (this was logged as lumpsum in 2021); NPS; Superannuation; Conveyance Allowance; Fixed Dearness Allowance; Washing Allowance; New Line Allowance/Ownst (these were covered by Other Allowance in 2021). <i>*In one factory, base salary is made up of basic pay, fixed dearness allowance, service weightage and variable dearness allowance.</i>
Mexico	Base Salary
Brazil	Base salary, Vacation Allowance* <i>*reported as annual value in line with local policy, apportioned over 52 working weeks in the year to obtain hourly rate</i>
Thailand	Base Salary; 13th Month salary; Car Allowance; Gasoline/Petrol Allowance; Housing Allowance; Lump Sum; Mobile Phone Allowance; Pharmacist Allowance; Position Allowance (logged as Special Allowance in 2021); Transport/Travelling Allowance; Upcountry Allowance (logged as Misc Allowance in 2021; Consolidated Allowance (logged as Supplemental Allowance in 2021)
Indonesia	Base Salary; Car Allowance; Consolidated Allowance; Transport Allowance; Grandfathered Allowance; Meal Allowance; Special Allowance; Lump Sum; Housing Allowance; Pension Allowance; Consolidated Allowance; Special Award; Position Allowance
Hungary	Base Salary
Poland	Base Salary; Internet Allowance

Appendix B

Allowances included in bonus per region in line with local legislation

USA	APP Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data; LTIP Target value at grant ; Sales Incentive Target , an annualised amount calculated as a percentage of annualised base salary in payroll data; Target Bonus (Local incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data.
China	APP Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data; Discretionary Bonus (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; LTIP Target value at grant ; Target Bonus (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; Target Bonus Amount (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; Target Bonus for Production (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; Target Bonus – Quarterly Performance (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; Sales Incentive Target , an annualised amount calculated as a percentage of annualised base salary in payroll data.
India	APP Target Bonus , an annualised amount calculated as a percentage of annualised base salary + House Rent Allowance + Consolidated Allowance in payroll data; LTIP Target value at grant ; Merit Bonus (Local Incentive) provided as an annual amount in system; Sales Incentive Target , provided as an annual amount in system; Target Bonus Amount (Local incentive) provided as an annual amount in system.
Mexico	APP Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data; LTIP Target value at grant
Brazil	APP Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data; LTIP Target value at grant ; Sales Incentive at Target , an annualised amount calculated as a percentage of annualised base salary in payroll data (not logged in 2021)
Thailand	APP Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data; LTIP Target value at grant ; Sales Incentive Target , provided as an annual amount in system; Target Bonus (Local incentive) an annualised amount calculated as a percentage of annualised base salary in payroll data
Indonesia	APP Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data; LTIP Target value at grant ; Performance Target Bonus (factory bonus scheme), provided as an annual amount in system; Sales Incentive Target , provided as an annual amount in system.
Hungary	APP Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data; LTIP Target value at grant ; Sales Incentive Target , an annualised amount calculated as a percentage of annualised base salary in payroll data; Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data.
Poland	APP Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data; LTIP Target value at grant ; Sales Incentive Target logged under both Sales Target or SIP , mixed: provided as an annual amount in system & in some cases an annualised amount calculated as a percentage of annualised base salary in payroll data; Target Bonus , an annualised amount calculated as a percentage of annualised base salary in payroll data.

Appendix C

Working hours per week used for hourly rate calculation	
USA	Parsippany-based employees: 35 hours per week All other US employees: 40 hours per week Other types of employment such as Intern: 20 hours per week
China	Employees are paid on 12 th month or 13 th month salary basis dependent on their role. All employees: 40 hours per week
India	48 hours per week for all Production site workers (Sites: Baddi, Chennai, Hosur, Mysore, Sitarganj) and Field Sales employees 40 hours per week for all office-based sites (East Region, Gugraon, Hyderabad, Jammu, Mumbai, North Region, South Region, West Region)
Mexico	All employees: 40 or 48 hours per week
Brazil	Office-based employees: typically 220 hours per month, this can range from 200-220 hours on agreement Interns: 150-160 hours per month
Thailand	Factory employees: 13 th month salary allowance included in base pay calculation 40 hours per week: Employees in RB (Thailand) Ltd., RB Healthcare Mnu. Thailand, RB Hygiene Home (Thailand) Limited, and non-production employees in SSL Manufacturing TH 48 hours per week: Production employees employed by SSL Manufacturing TH 37.5 and 45 hours per week in MJN Thailand: 7.5 hours per day, 5 working days per week for back office (37.5) and 6 working days per week for Production (45 hours). Employees may work either a 40 or 48 hour week in the Nutrition division dependent on their role.
Indonesia	13 th month salary: FTC employees in the Cileungsi site and Band N employees in the Semarang site. 14 th month salary: Permanent employees below Band D in the Cileungsi site and Band Z employees in Semarang site. All employees: 40 hours per week
Hungary	All employees: 40 hours per week
Poland	All employees: 40 hours per week