



OUR PEOPLE

Reckitt Sustainability Insights 2021



OUR PEOPLE



Our business is all about people. We're united in our purpose to protect, heal and nurture in the relentless pursuit of a cleaner, healthier world. We aim to create the space and the opportunities to help our people make a difference, and do the right thing, always.

OUR COMPASS



EMPOWERING OUR COLLEAGUES TO MAKE A DIFFERENCE

Our people represent all ages, backgrounds, identities and beliefs. We come from more than 120 nations. This diversity is a tremendous source of strength, enriching our thinking and our actions. We embrace this strength by promoting an inclusive culture where everyone is heard, every voice matters and everyone contributes.

We speak directly, but with respect, and foster transparent conversations between colleagues. And we actively try to find out what people are thinking, whether through in-depth conversations or group-wide surveys. Most importantly, we act on what we hear.

We continue to offer support to employees affected by the pandemic, including local assistance programmes, global webinars and learning resources, and podcasts with senior leaders sharing their advice. We again briefly paused our global operations in December with an extra day's holiday so that our people could rest and recover after another stressful year.

We've continued to play an important strategic role in the fight to stop the spread of COVID-19. This wouldn't have been possible without the inspirational efforts of our nearly 40,000 diverse and talented people across the world, doing their best in the most challenging circumstances.

Our priority has been to keep our frontline people safe so they could meet consumers' needs and safely produce essential supplies to fight the spread of COVID-19, such as our disinfectants, Dettol and Lysol. But we've never lost sight of the values that are so important to our business and our people. We believe a good business reflects not simply the world we live in, but the best version of the world we live in, in all its diversity.

This year, we built on our 2020 work to place inclusion at the heart of our culture. We established grassroots networks of underrepresented people with shared characteristics or life experiences in our Employee Resource Groups, helping people support each other and share the challenges they face with the wider business. We included extra diversity questions in our all-employee survey and held a number of global Stronger Together sessions to raise awareness of and discuss key issues.

2021 HIGHLIGHTS

In 2021, our people again faced challenges as the pandemic endured. While we kept our frontline operations running, and focused on growing the business, we also strengthened and supported our teams across the world.

- **Employee Resource Groups (ERGs)** – our global ERGs all made progress in their respective areas with a focus on gender balance, the LGBTQ+ community, and race and ethnicity. We also created a Global Disability Working Group in 2021, which will become our fourth global ERG. See more in our [Inclusion](#) insight
- **Board listening sessions** – in September 2021, the Board conducted formal listening sessions with a range of employees to discuss topics such as inclusion, consumer focus, innovation and R&D, business transformation and sustainability. See our [Inclusion](#) insight for more details
- **Leadership behaviours** – we rolled out our new leadership behaviours with the Global Executive Committee, clearly setting out our expectations of leaders at Reckitt and reinforcing our culture shifts. More than 600 leaders took part in our programme to embed and embody the behaviours of Own, Create, Deliver and Care
- **Engagement surveys** – in our annual all-employee engagement survey in June 2021, 73% of our people agreed they would 'recommend Reckitt as a great place to work'. 75% described feeling a positive impact through our strengthened leadership behaviours. See more on the results below
- **Workforce Disclosure Initiative** – we were placed in the top quartile of more than 170 Workforce Disclosure Initiative companies for transparency on sharing information on pay, contract types, diversity and supply chains with a score of 85%, compared with the 74% industry average
- **Gender pay gap reporting** – our extended gender pay gap reporting included 10 markets in 2021 that covered almost 70% of our global employees

Our leadership behaviours

OWN

- Live our purpose, fight and compass
- Know our business cold
- Make decisions

CARE

- Actively listen, learn and include
- Speak direct with respect
- Act to unleash potential

CREATE

- Spot opportunities
- Innovate, iterate and scale
- Relentlessly build better

DELIVER

- Focus on what matters
- Move boldly and at pace
- Join forces to win bigger

Leadership behaviours

Leadership is crucial to realising our cultural ambitions and achieving strong and sustainable performance. We've defined leadership behaviours that capture the uniqueness of Reckitt, capitalise on our strengths and challenge us to do better. At Reckitt we Own, Create, Deliver and Care. These behaviours are for everyone and are a key part of our annual performance reviews for all employees.

We grow leaders who know their business and own their decisions, while living our purpose. 'Create' reminds us to relentlessly look for better results and seek out new opportunities that put people and consumers first. 'Care' is having concern for our colleagues and the world around us. We speak directly with respect, actively involving, including and listening to other voices, and being ready to learn from others.

'Deliver' encapsulates our commitment to getting things done. At Reckitt we act boldly and fast. Getting results and joining forces to achieve goals is more important than personal kudos.

We're reinforcing these behaviours through our leadership development curriculum, all-employee survey and personal development tools. In the first half of 2021, all our senior leaders worldwide took part in the leadership behaviours roll-out programme. With feedback from their teams, they are evaluated against these measures in their annual performance reviews.

We'll keep focusing on behaviours as we work to embed authentic, purposeful, inclusive and high-performing leadership at all levels of the business.

WORKING DURING COVID

We've all had to adapt our ways of working in the last two years. While we've made progress, we know we need to remain thoughtful and vigilant with COVID-19. Supporting our teams and their wellbeing remains a priority. Our people have started to return to the office, and we're being flexible to support them to do so safely and keep abreast of emerging local issues.

We helped our people navigate the changing workplace in several ways. They included:

- **Our updated 'Navigating our New Normal' book** shared guidelines to keep all our employees safe, whether in the factory, office or home working. We've stuck with the five guiding principles that we established in 2020 – putting our people first; locally led decisions to reopen; a phased and gradual return to the workplace; mutual accountability through involving our employees in the decision to return; and protecting our frontline. See more in our [Health, safety and wellbeing](#) insight
- **Employee Assistance Programmes (EAP)** in each country offer all employees confidential, anonymous, impartial advice on topics from mental health to financial challenges via web resources, as well as telephone support from professional advisors. See our [Health, safety and wellbeing](#) insight for more
- **Remote working hub**, offering comprehensive support on working from home, sharing resources on team engagement, team meetings and time management
- **Wellbeing hub**, bringing together our resources to support our people's physical and mental wellbeing, including practical advice, tools and education for all



Communication

Internal communication and engagement are always essential, but the challenging working environment of the last two years emphasised their importance. Our senior leaders encourage communication as a way to help build connections among our people, and to help them understand our strategy and direction. It also helped us understand our people's concerns.

Our CEO sets the tone. Virtual global Town Halls include a Q&A section live-streamed to more than 9,000 employees each time. He posts regular updates on strategy and progress, and hosts multi-level groups, virtual chats and focus groups. Our Stronger Together conversation series involves team members from all over the world.

We also communicate with our people through Rubi, our intranet, and publish a fortnightly internal newsletter. We have more than 970,000 followers on LinkedIn, an important platform for sharing news and topics of interest – and recruiting people. We're also active on Facebook, where we have 97,000 followers, with 20,000 on Twitter and 11,500 on Instagram.

RECOGNISING EXCEPTIONAL WORK

We acknowledge and recognise the achievements of our people through our global awards programmes. The Compass awards consider achievements at a team or department level and also company-wide. They reward work that exemplifies our purpose and values, every day.

The Global Compass Awards winners this year included the SICO condom brand team in Mexico, the country with the world's highest rate of teenage pregnancy. SICO's

'Protect Mexico' campaign, launched with a local NGO that works with vulnerable communities, created an educational programme for teenagers across the country. With its retail partners, the team also donated more than 1 million condoms. The Productivity team in Marketing won the Strive for Excellence category for delivering nearly £150m in savings by bringing in new agencies and marketing tools. Our Chief Executive Officer also chose the winners of two special CEO awards: the Corporate Brand team, for managing our rebranding to Reckitt, and the Global Inclusion team and Employee Resource Group leads, for their work on inclusion.

In 2020 we launched the Sir James Reckitt award to celebrate the work of truly exceptional teams. This year's winner was the Corporate Affairs & Sustainability team, for embedding sustainability across the company. The team also successfully applied for Reckitt to be the official hygiene partner of the 2021 United Nations Climate Change Conference (COP26) in Glasgow, and helped deliver a safe and hygienic event.



CASE STUDY

SETTING GLOBAL STANDARDS

We give our people the freedom to succeed and we celebrate our entrepreneurial culture, but always within a clear framework. We have expectations and policies that set global standards across our organisation. You can read more about these in our Code of Conduct, and in our [Health, safety and wellbeing](#), and [Inclusion](#) insights.

Our commitment to respecting the right to freedom of association is embodied in our global [Code of Business Conduct](#), and [Policy on Human Rights and Responsible Business](#). We comply with all global and local laws regulating collective bargaining and we recognise the right to freedom of association. This means that, in line with the law and company policy, employees have the right to assemble, communicate and join associations of their choice, or not. As of 31 December 2021, 23% of our employees were represented by an independent trade union or covered by collective bargaining agreements.

Our global workforce

Employment ratios (excluding contingent workers)
% at 31 December 2021¹

	Corporate	eRB & Greater China	Health	Hygiene	Nutrition
Board	100%				
Executive Committee	73%	0	9%	9%	9%
Group leadership team ²	22%	8%	30%	27%	14%
Senior management team ²	15%	5%	30%	30%	21%
Global employees ²	4%	7%	28%	35%	27%

1 2021 global employed data for women and nationalities is based on data for 37,321 global Group employees, which is 44% of the average number of people employed by the Group during 2021. Data excludes our prior Infant Formula and Child Nutrition (IFCN) China business.

2 Numbers do not equal to 100% due to rounding.

Hires and employee turnover¹

	Gender (excluding contingent workers)				Business Area (excluding contingent workers)					Age (excluding contingent workers)				Contract type		
	Total	Women	Men	Not recorded	Corporate	eRB & Greater China	Health	Hygiene	Nutrition	<30 yrs	30-50 yrs	>50 yrs	Not disclosed	Permanent	Temporary	Contingent workers
Reckitt employees (total number)	37,321	16,364	20,944	13	1,458	2,451	10,480	12,968	9,964	8,026	23,990	5,300	5	35,977	1,344	7,235
New hires (total number)	6,339	2,998	3,330	11	297	473	1,650	2,293	1,626	2,900	3,093	341	5	5,339	1,000	3,822
New hires (rate) %	17%	18%	16%	85%	20%	19%	16%	18%	16%	36%	13%	6%	100%	15%	74%	53%
Total employee turnover (total number)	6,962	3,169	3,781	12	198	518	1,872	2,424	1,950	2,427	3,751	778	6	5,872	1,090	4,594
Total employee turnover (rate) %	19%	19%	18%	92%	14%	21%	18%	19%	20%	30%	16%	15%	120%	16%	81%	63%
Voluntary leavers	4,132	1,885	2,237	10	131	391	1,144	1,363	1,103	1,388	2,309	432	3	3,877	255	0
Percentage of voluntary leavers %	11%	12%	11%	77%	9%	16%	11%	11%	11%	17%	10%	8%	60%	11%	19%	NA
Involuntary leavers	1,794	840	954	0	42	75	490	689	498	698	911	183	2	1,147	647	0
Percentage of involuntary leavers %	5%	5%	5%	0%	3%	3%	5%	5%	5%	9%	4%	3%	40%	3%	48%	NA

REWARD AND RECOGNITION

Benefits

We offer a range of benefits. Some, such as pension and medical care plans, annual health checks, and health, accident and disability insurance, provide important stability for employees and their families. We also offer life insurance for all our global employees. Other benefits, such as bonuses and long-term incentives, are linked to performance, as are salaries. Benefits vary depending on location and we review them regularly to make sure they're locally competitive. For example, we offer a pension scheme to more than 80% of our global employees. Exceptions might happen in local markets where there's a state pension or where employers don't commonly offer pensions. Our global parental leave policy provides 26 weeks' paid and 26 weeks' unpaid maternity leave, and four weeks' paid and four weeks' unpaid paternity leave. The policy recognises that today's families come in all shapes and sizes, so the same principles apply to all LGBTQ+ employees, as well as adopting and surrogacy families.

We cascade our rewards and benefits consistently throughout the organisation, aligning incentives and rewards with developing our culture. This year, our Board also reviewed our salary structures, incentives and benefits, taking into account the views of our management and other employees. We also communicated to the wider workforce details of how executive pay is set, giving employees the opportunity to ask any questions on these topics.

In March 2021 we launched our global wellbeing programmes for leaders at all levels in partnership with Hints and Tignum, global leaders in this field. We have also provided a rich bank of resources for all employees to access including global wellbeing sessions, focusing on balance, burnout and the importance of mental energy. These attracted over 3,000 participants each time.

Salary and bonus

Throughout the organisation, we pay our employees based on performance. We reward on-target performance with total cash (i.e. salary plus bonus), but offer a high proportion of variable pay to encourage outstanding performance and creation of shareholder value. We pay employees in relation to their role and location, taking

account of internal pay equity, pay ranges and external market benchmarks.

- Line managers decide salary increases based on factors like individual performance and local market practice. We also consider local factors such as inflation
- We operate our Annual Performance Plan across the organisation, covering more than 16,000 employees. Bonus payouts are based on our financial performance, with all employees incentivised on net revenue and a profit measure, which varies based on role. Also, some roles have a third measure related to net working capital or innovation
- We also have local bonus plans, for example for employees in sales and factories

For more details on how we pay our executives, see the 2021 Annual Report. For details on gender pay, see the [Inclusion](#) insight and our [Gender Pay](#) report.

Living wage (UK)

We've been paying the living wage in the UK for a number of years and have been formally recognised as a living wage employer by the Living Wage Foundation since 2020. We commit to pay employees and contractors a wage that's over the minimum wage and also recognises the actual cost of living in the UK.

Sustainable livelihoods

We are also developing activity on sustainable livelihoods within our supply network, considering how rates of pay compare to the local costs of living. We are focusing first on places where there is perhaps greatest risk of workers not receiving a sustainable livelihood for the work they do. While typically this is not the case for our own Reckitt teams, in some countries where we may also use local contractors for temporary work, we wanted to check this wasn't the case. We assessed pay for contractors in manufacturing sites in India and Thailand, comparing pay with the local cost of living and internationally recognised living wage frameworks. Reassuringly, people were paid above the local cost of living. We'll assess other countries in the same way but are also looking at how we can strengthen the opportunities for contracted workers

as well, for example where jobs become more routine, bringing them into our Reckitt team. In some cases, automation will change the nature of our workforce, too.

Share ownership

Our award-winning, all-employee share plan fosters a culture of ownership among our people. It gives them the chance to save over a three-year period to buy Reckitt shares at a 20% discount to the share price at the start of this period. They can save anything from £10 to £500 and the scheme is risk-free, as people can take back the amount they've saved at any time. Around 50% of Reckitt employees globally take part in one of the three share plans on offer. Over the last three-year period (2019–2021), more than 6,900 employees saved a total of £36 million to buy Reckitt shares, making a gain of around 10% (based on the average closing price in Q4 2021 of £59.84).

Developing our people

We need our people to have the right skills, capability and knowledge to perform at their best every day. Continuous development and coaching conversations happen throughout the year, with all employees having a formal annual performance review of personal and business objectives. It's also a chance to talk to their managers about their career ambitions. We use these reviews to help identify future leaders and fill around 52% of open positions internally.

We believe in helping our people grow and develop through experience, moving colleagues to new roles and markets. With global mobility more restricted during lockdowns, we make sure people moving with Reckitt's international transfer policy travel only when it's safe. To support their moves, we offer benefits like international healthcare, international pension, school fees, tax return support and home leave.

Our digital learning platform, launched in 2018, continued to play an important role enabling our people to access remote learning programmes, including the global supply, sales and marketing academies that we launched in 2021. Employees also accessed training on topics including unconscious bias, crisis management, digital skills and health and safety. Our people took part in 403,675 hours of training during the year, an average of 6.28 hours each.



Supporting young people to live our purpose

Established eight years ago, the Reckitt Global Challenge has become an important graduate engagement tool, especially in markets such as India. It challenges university students to come up with a business idea, based on a Reckitt product, that shows performance, profitability and is rooted in a social purpose. In 2020, the competition attracted hundreds of entries from 32 countries. In 2021, due to COVID-19, it was limited to India. More than 3,000 students from 13 of the country's top universities and business schools participated. Teams of students were mentored by our brand managers and asked to present ideas that contribute to positive social change.

Since 2014, we've supported One Young World (OYW), where 18,000 young leaders from across the globe discuss big social, environmental and human challenges. This year, 24 of our people from 13 markets took part in the virtual summit, learning from top speakers and experts, and exchanging solutions to the world's most pressing issues. Three Reckitt delegates also took part in the OYW Action Accelerator, a programme that supports delegates to harness the power of the private sector for social impact.

Supporting and enhancing our colleagues' wellbeing

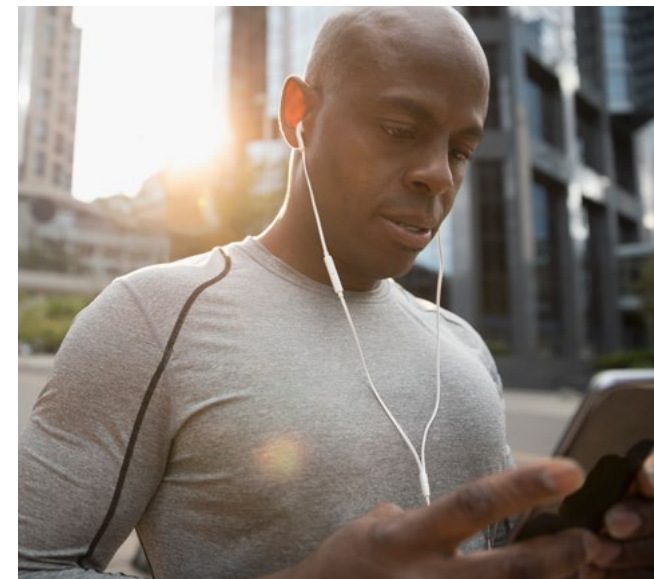
With COVID-19 putting unprecedented strain on people's mental health, our employees' wellbeing is more important than ever. This year, we focused on two main goals. We wanted to give all our people the mental and physical resources to thrive, by building awareness and resilience through self-care and education. We also sought to make our leaders as resilient as possible, to help them sustain performance, individually and collectively.

To help achieve this, we teamed up with Tignum and Hints, global leaders in wellbeing and high-performance coaching, and Heart on My Sleeve, a not-for-profit organisation that focuses on mental health. Together, we delivered bespoke wellbeing resources, including 1:1 and group performance coaching, training, social learning events and access to help through digital apps. We also hosted a series of global conversations on mental health, attended by more than 10,000 colleagues. For more details, see our [Health, safety and wellbeing](#) insight.

Listening to our people

We conducted an all-employee survey in June 2021 using the LinkedIn survey tool, Glint. We included the same questions as in 2020, to enable year-on-year comparisons, and added some new ones, for example on whether our leaders are living our leadership behaviours (see 'Moving forward together' on pages 46 to 49 in our [Annual Report](#) for more). We also asked for optional demographic information in seven key markets to inform our inclusion strategy.

Nearly three quarters of our employees responded to the survey, leaving 25,000 comments. Around 73% of our people agreed they would 'recommend Reckitt as a great place to work'. More than eight in 10 people said they're personally committed to making access to the highest quality hygiene, wellness and nourishment a right, not a privilege. Overall, our people are proud to work for us, identify strongly with our culture of achievement, and appreciate our investments in wellbeing and sustainable high performance. Our leaders are seen to be performing well, especially when it comes to decisiveness, purpose and speaking directly with respect.



The survey also highlighted areas for improvement. For example, while our people support our push for inclusivity, they want more equal opportunities for development and better recognition of their efforts.

We also regularly check in with our employees through town hall meetings and our intranet. And we hold forums, focus groups and listening sessions with leaders. Through our Freedom Forum, our internal platform for ideas that launched in 2020, we asked for ideas to help us achieve our 2030 sustainability ambitions, and received nearly 300 suggestions.

Our confidential online and freephone service, Speak Up!, is a safe, trusted channel for employees to raise concerns about violations of our policies and any unethical behaviour. For more information, see our [Ethical behaviour](#) insight.

SUPPORTING OUR PEOPLE DURING INDIA'S SECOND COVID WAVE

CASE STUDY

In April 2021, the second wave of COVID-19 swept through India, putting immense strain on our 2,916 employees and their families. Our India team acted quickly to provide support, including:

- Granting emergency leave to COVID-19 caregivers
- More than 150 employees joined Emergency Response Groups managed by human resources staff. These groups worked relentlessly to provide accurate and potentially life-saving information about the availability of hospital beds, emergency medical supplies and equipment
- Providing more than 10,000 vaccinations for our people and their families
- Offering mental health sessions to all employees

LOOKING AHEAD – FOCUS FOR 2022 AND BEYOND

The pandemic has highlighted the desire for smarter, more flexible working. With our Future of Work programme, we're continuously making improvements, and building hybrid working practices where we work effectively. This means using our offices optimally, so that in face-to-face meetings we create ideas and activity, collaborate to be more effective, coach people to strengthen performance and development, and connect with others to build and maintain the relationships that help us deliver our goals. As we balance these hybrid ways of working, we're always trying to make sure that any new methods enhance our wellbeing and culture. We've done good work, but there's much more to do.

Our Employee Resource Groups and Stronger Together conversations are solid foundations to improve our diversity and inclusion. We'll keep striving to make our culture more inclusive, and to measure our progress better. Becoming a more diverse and inclusive organisation is central to our goal of doing the right thing, always.

LISTENING TO OUR STAKEHOLDERS

Reporting effectively across our many sustainability issues and giving regular updates on our programmes and activities is always a work in progress. So we appreciate your feedback. What should we keep doing? And where can we do better?

Email us at sustainability@reckitt.com

Or write to:

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