



GENDER PAY GAP REPORTING 2020

Global market methodology

Global Methodology

Required Calculations

The following are required for Overall Country in each country :

1. Number of males and females
2. Mean/average hourly salary by gender
3. Mean/average gender pay gap (expressed as percentage) – calculated as: *(male mean hourly pay minus female mean hourly pay), divided by male mean hourly pay*
4. Median hourly salary by gender
5. Median gender pay gap (expressed as percentage) – calculated as *(male median hourly pay minus female median hourly pay), divided by male median hourly pay*
6. Mean/average target bonus by gender
7. Mean/average target bonus gender pay gap (expressed as percentage) – calculated as *(male mean bonus minus female mean bonus), divided by male mean bonus*
8. Median target bonus gender pay gap (expressed as percentage) – calculated as *(male median bonus minus female median bonus), divided by male median bonus*
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 band – determined by ranking all employees highest to lowest paid based on hourly rate and then divided to quartiles and proportion of males and females reported by quartile

Report Grouping

- Total Country per country

Salary/Allowances Components

- Taken as a snapshot from myRB as at 5 April 2020
- Consider all individuals in myRB at that moment, including those on maternity, sick leave and unpaid (compensation still shows at target)
- Data pulled from myRB to include;
 - Basic pay, allowances (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

- Use target 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

- LTIs are logged as number of shares and options in HR system. 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 80% vesting and using black scholes to value options at 10% share price growth. Share price 65.2GBP.
- The GBP value is then converted to local currency using FX rate taken from our Deloitte Connect system, which is the basis for all of our FX information for Reward activities across the business.

Currency

- Each country to be reported consistently in their local currency: 365day average FX rate to 5 April 2020 applied, using same FX approach as above.

CONSIDERATIONS

- 1** Allowances per local legislation differ between regions – breakdown of allowances included in the calculations are outlined in Appendix A.

- 2** Assumptions made on the working hours per region for calculation of hourly rate in accordance with local legislation– breakdown included in Appendix B

- 3** MyRB data has been used for non-UK markets for centralised accessibility of data. Where there are payroll interface limitations between MyRB and payroll system the actual payroll data report from snapshot month April 2020 has been used in the calculations (Indonesia).

- 4** MyRB data was extracted from the system on 6 November 2020. Where there have been any pay increases processed through the system and back-dated to snapshot date 5th April 2020, the updated backdated increase has been used in the calculation.

APPENDIX A

Allowances included
per region in line with
local legislation

USA	Base salary, Car Allowance, Family Allowance
CHINA	Base salary, 13th Month Salary, Car Allowance, Cost of Living Allowance, Family Allowance, Hardship Allowance, Housing Allowance, Other Allowance, Position Allowance, Qualification Allowance, Transport Allowance
INDIA	Base Salary, Housing Allowance, Consolidated Allowance, Special Allowance, Attendance Allowance, Washing Allowance, Conveyance Allowance, Fixed Dearness Allowance, Other Allowance, Housing Allowance Production employees: Range of role-specific allowances included for this population
MEXICO	Base Salary, Car Allowance
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, Supplemental Allowance, Car Allowance, Mobile Phone Allowance, Lump Sum, Special Allowance, Pharmasist Allowance, 13th month salary, Gasoline Allowance, Social Security, Other Allowance, Transport Allowance, Housing Allowance, Misc Allowance, Position Allowance
INDONESIA	Base Salary, Transport Allowance, Shift Allowance, Situation Allowance, Relocation Allowance
RUSSIA	Base Salary, Car Allowance, Housing Allowance, Regional Coefficient Allowance
POLAND	Base Salary

APPENDIX B

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
CHINA	All employees: 44 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	Office-based employees: 48 hours per week Factory employees: daily rate based on 390 days in the year (13 th month)
BRAZIL	Office-based employees: typically 44 hours per week, this can range from 40-44hours on agreement Interns: 30 hours per week
THAILAND	Factory employees: 13 th month salary allowance included in base pay calculation 40 hours per week: Employees in Reckitt (Thailand) Ltd., Reckitt Healthcare Mnu. Thailand, Reckitt 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).
INDONESIA	All employees: 40 hours per week
RUSSIA	All employees: 40 hours per week
POLAND	All employees: 40 hours per week

APPENDIX C

System limitations in Reckitt markets

Payroll integration is a global project taking place in phases. In some markets the interface is not currently in place and therefore the data is not directly fed from myRB. In these cases we have taken an alternative approach to the median and mean pay rate calculations from the Global Methodology;

INDONESIA All employees:

Actual pay data has been used in the pay gap calculations, using payroll reports provided for the month in which the 5 April 2020 snapshot date falls (April 2020).

Base salary and regular cash allowances consolidated to give output of an hourly pay rate.

INDIA Manufacturing employees only:

Actual pay data has been used in the pay gap calculations, using payroll reports provided for the month in which the 5 April 2020 snapshot date falls (April 2020).

Base salary and regular cash allowances consolidated to give output of an hourly pay rate.

A range of role-specific allowances included for this population