



# INCLUSION



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**We believe in doing the right thing, for everyone, always – whether they're our people, our customers, partners, or the wider global community. Being diverse and inclusive is not an additional principle for us. We want it to be integral to the way we think and act.**

## Embracing our diversity to build a more inclusive world

We focus on inclusion because it's the right thing to do – not just for our company, but for society.

We are over 43,500 people of 120 different nationalities, operating in 60 countries across six continents. It is our collective responsibility to build Inclusion into everything we do, while ensuring to represent the people we are and the global community we serve.

Our purpose – 'to protect, heal and nurture in the relentless pursuit of a cleaner and healthier world'; and our fight – 'to make access to the highest quality hygiene, wellness and nourishment a right, not a privilege' are ambitious and inclusive by design. Only through every one of us playing our part in a united and inclusive culture will we achieve our purpose and our fight.

Across the globe we have an interconnected vision that all our people have the Freedom To Succeed. For us, that starts with an inclusive environment where everyone feels able to participate and realise their full potential. Our company's DNA is steeped in a rich, 200-year history of working collaboratively across the globe. The innovative, entrepreneurial spirit of our people is at its best when diverse teams unite, share ideas and create pioneering solutions.

There is more to do. The world is changing at a faster pace than ever and as it does, so do the needs of our people and the consumers we serve.

That's why we are focusing on inclusion its broadest sense, working to collectively shape our company and the broader society to be a place where everyone feels included and treated fairly and equitably; whether as consumers, partners or colleagues.

## Progress against aim

Our aim is to have gender balance at all management levels by 2030. Currently, 30% of global senior management team roles are held by women and we want this to be 50% by 2030. This extends our previous target of 40% of our senior management team being women by 2022.

## The Reckitt Inclusion Board

Leaders have a powerful influence in changing culture. In 2020, we launched the Reckitt Inclusion Board, a cross-functional team of 13 global senior leaders chaired by our CEO, Laxman Narasimhan. Our global Employee Resource Groups – women@reckitt and LGBTQ+ – are represented on the Inclusion Board, along with all functions and parts of the world. This enables the Board to make inclusive, informed decisions based on the needs of our people.

Our Inclusion Board drives our inclusion agenda and is accountable for:

- Strategic delivery
- Governance
- Monitoring, reporting and communication.



## CASE STUDY

# PARTNERING FOR PROGRESS

In 2020, Reckitt established a partnership with the United Negro College Fund (UNCF) in the US. This followed feedback from our people who said we could do more in this area. UNCF wants all Americans to have equal access to a college education. Our partnership will provide 100 scholarships for public health, nutrition or other STEM-related fields and we've committed to supporting our scholars throughout their four-year studies.

### Listening and learning

We want to be better at inclusion. Our first step comes from listening to our people, assessing where we are and developing our understanding of how we can improve. In 2020, Reckitt partnered with EY to undertake an independent diagnostic to assess our progress and performance in terms of inclusion. This involved a review of our current practices and processes, and a global listening exercise in which more than 2,000 people shared their opinions and ideas on a range of inclusion topics. We also ran 121 interviews with key stakeholders including the Inclusion Board, Global Executive Committee (GEC) and other Reckitt leaders.

This insight, alongside the assessment of our current state, identified our strengths and highlighted opportunities for improvement. It's helped us expand our existing strategic roadmap for key areas to prioritise this year and beyond.

Our inclusion strategy focuses on six key pillars which we believe will make a major contribution in our progress at Reckitt – people, policies, partnerships, brands, procurement and leadership.

### Building an inclusive culture for our people

We want to make sure everyone at Reckitt feels included. We will make this happen through ongoing engagement and interaction on the topics that matter to our people, using tools such as our Stronger Together conversations, training, and Employee Resource Groups (ERGs). (See page 3 for more information on these initiatives.)

### Continuous improvement of our policies to raise the bar on Inclusion

Our policies define our approach, so it's essential they are framed through a diversity and inclusion lens. From recruitment, learning and promotion opportunities, to celebrating religious holidays and parental leave, we want our policies to work for everyone. We review them regularly with this in mind. For example, our global parental leave policy is open to all new families, including LGBTQ+ employees, as well as adopting and surrogacy families.

### Building selective partnerships

Beyond Reckitt, it's important for us to set the right tone with our partners. We want to form partnerships with organisations who share our beliefs and principles. We want to learn from our partners, to improve our thinking and actions around inclusion. We also want to drive external awareness of our commitment to these issues through our partnerships.

### Using our brands to encourage a more inclusive world

All around the world, our iconic brands like Durex and Dettol have served billions of people for generations. We know our brands are powerful messengers, helping to encourage healthier habits and change

behaviour. For example, Durex's sexual health educational work in Thailand saved the government £122 million per annum by preventing, among other things, sexually transmitted diseases, which can have a disproportionate impact on women and school-aged girls.

### Supporting suppliers from diverse and minority communities

We want to buy from suppliers that demonstrate the same clear commitment to diversity and inclusion as we do. This is a new area of consideration, but we are proud to work with some suppliers who already have these policies in place. For example, one of our suppliers, BCI Packaging, offers vocational training for people with disabilities. We also welcome suppliers who create opportunities for women or disadvantaged young people.

### Senior level focus and sponsorship

We want all our leaders to be confident in their support of driving inclusion – leading change, developing trust, building our capability in this area and making things happen locally. We support this through our inclusive leadership training.

### Stronger Together conversations

In 2020, our Chief Executive, Laxman Narasimhan hosted regular 'Stronger Together' conversations – virtual town halls for all employees to talk openly about their concerns. This is a five-year commitment to shine a light on the inclusion topics that matter most to our people. We aim to host global Stronger Together conversations every few months, with an invitation sent to all those with a Reckitt email address. All sessions are also available to watch on demand.

In the first of these conversations in May 2020, in the context of the Black Lives Matter movement, Reckitt people spoke about the realities of being black in America. We also had a company-wide conversation to include everyone regardless of background, who feels impacted due to their ethnicity, sexuality, or gender. Since then, our conversations have also focused on LGBTQ+ and women in STEM, as well as our broader inclusion agenda.



Our Stronger Together conversations act as a platform for the Reckitt community to share their own experiences. For example, volunteers from the Reckitt community shared their stories of identifying as an underrepresented person, and the discrimination they faced. We also invite guests and leaders from outside Reckitt to share their thoughts on subjects such as the role diversity plays in leadership, and their own personal experiences. These stories help us all consider how different experiences affect people's life chances.

As well as listening and learning, we hope that by opening up the conversation to all employees we can also raise awareness around our work on inclusion – to help embed it within our workplace culture and foster a more inclusive environment.

We also encourage Stronger Together conversations at a local level. In Malaysia in 2020, around 150 employees took part in a virtual Stronger Together conversation run over two sessions. They discussed individual experiences of discrimination and concluded with a series of commitments. Similarly, in August 2020, Greater China held a Stronger Together Lunch and Learn session from its Guangzhou head office. The UK and the US ran Black History Month, and both markets plus others ran LGBTQ+ Month.

### Employee Resource Groups

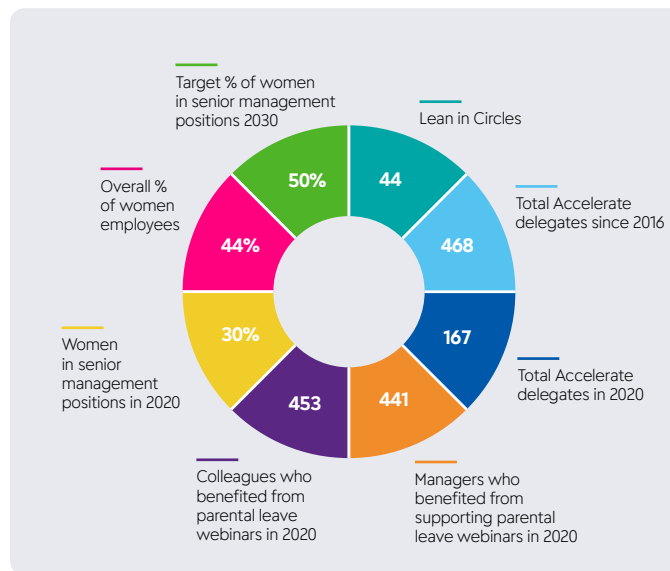
Our new Employee Resource Groups (ERGs) offer a network and safe space for our employees to share experiences, concerns and ideas. We will listen and learn from these groups, and want them to help inform Reckitt's progress on building better inclusion. To date, we have two global ERGs – Women@Reckitt and LGBTQ+.

We also encourage the creation of local ERG groups to address specific needs and serve underrepresented or disadvantaged groups within their community. In the US, for example, we have five local ERGs – LEAP (focusing on Leadership education for Asian Pacific); BOLD (Black organisation focusing on leadership development); HOLA (Hispanic/Latinx network); LGBTQ+; and Women@Reckitt.

### Women@Reckitt

This group focuses on advancing women in the Reckitt workplace and is an evolution from our original D.A.R.E. (Develop. Attract. Retain. Engage) programme set up in 2015. The group provides opportunities for people to meet, collaborate and discuss the key issues that affect them. During the COVID-19 pandemic, of course, the group meets virtually. We have 'lean-in' circles for networking across our global business, offering Reckitt women the chance to informally connect, and share stories and insights to help one another.

## Women at Reckitt today



### LGBTQ+

This group is for the LGBTQ+ community and their allies. The network provides a safe space, support and resources for Reckitt's LGBTQ+ community to express their true selves at work. It holds forums for people to come together and discuss key topics, including what needs to change in society and at work to empower this community. For example, in February 2021 we launched our LGBTQ+ History Month, including a Lunch and Learn with members of the transgender community. This helped the wider Reckitt community understand why the use of pronouns is important, and explained some of the terms and language associated with LGBTQ+.

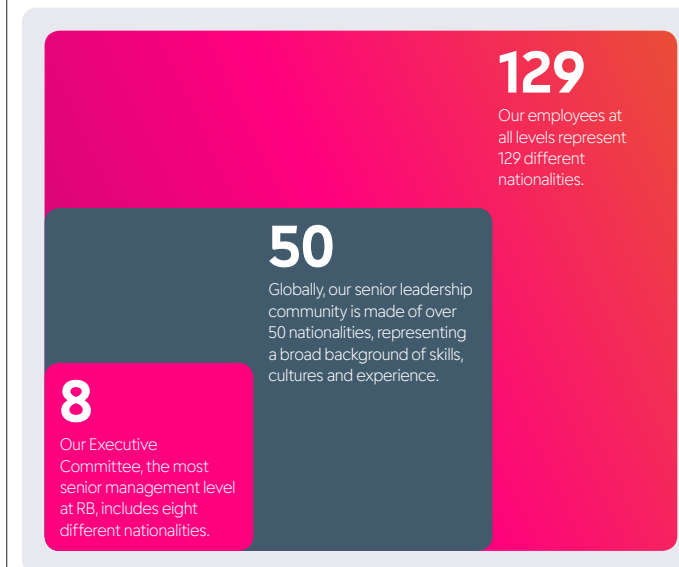
### Our progress in 2020

Improving our gender balance is critical for us – from our hiring policies, through to our leadership development and succession planning. We also offer access to mentoring, global parental webinars and tailored leadership development programmes for women.

Although just under half of our employees are women, we are less balanced at senior leadership level. Currently, 30% of global senior management team roles are held by women. We want this to be 50% by 2030. While we have made progress, we still have a way to go before we achieve better female representation within senior management. While we have made progress, we still have a way to go before we achieve better female representation within senior management.

Our Group Board consists of five women and seven men, meaning women make up 42% of our Board, up from 36% in 2019.

## Diversity across Reckitt employees



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As of 31 December 2020

	2019	2020
Nationalities in management – Executive Committee	5	8
Nationalities in management – Group leadership team	14	17
Nationalities in management – senior management team	55	50
Nationalities of global employees	120	129
Women employed – Executive Committee*	11%	17%
Women employed – Group leadership team*	11%	19%
Women employed – senior management team*	26%	30%
Women employed – global employees*	45%	44%

The Senior management team includes the Group leadership team (GLT), which itself includes the Executive Committee.

2020 global employed data for women and nationalities is based on data for 39,577 global Group employees, which is 44% of the average number of people employed by the Group during 2020.

\* Assured by ERM CVS as part of their limited assurance scope; for details, see our Sustainability governance, reporting and assurance insight.

### CASE STUDY

## INCLUSION IN ACTION IN THAILAND

In Thailand, we're working hard to ensure our female and LGBTQ+ communities are well represented at work. Initiatives included executive talks, in which Reckitt leaders share their thoughts on diversity; and new development programmes to better equip women for senior positions. Our Bangpalong site was recognised by the UN's Office of Women's Affairs and Family Development as one of the top 30 organisations in Thailand offering inspirational models that support gender equality and diversity.



## 2020 highlights

- Reckitt celebrated Pride month in June 2020. This was an opportunity for everyone to listen, learn and understand more from and about the LGBTQ+ community.
- In Pakistan, 'Veet X Women on Wheels' helped to train 1000 girls to ride a bike, in partnership with the Salman Sufi Foundation and Women on Wheels.
- The proportion of women we employ in Greater China is 62%, up from 59% in 2019, as the country focuses on improving its retention rate of women in middle and senior level managerial roles. The number of women in senior management has risen from 35% to 44% since last year, and 47% to 59% in the Nutrition China department.
- Accelerate, our tailored leadership development programme for women, benefited 167 women in 2020, bringing the total since 2016 to 468.
- Parental transition programmes – 453 colleagues and 441 managers benefited from these virtual group sessions in 2020.

## Closing the gender pay gap

As a UK-based group, we are required by law to produce a gender pay report which highlights any difference between average male and female hourly earnings. We're a business committed to doing the right thing, and gender equality is crucial for us as an organisation as well as society as a whole. By being more transparent and reporting gender pay for more markets, we will encourage others to do the same. So we've extended our reporting to ten of our main markets, covering 70% of our people.

A summary of our gender pay statistics:

- The median gender pay gap in the UK for the year to April 2020 is -6.1% at median and 5.1% at mean.
- This compares to the year to April 2019, when the gender pay gap was -3.8% at median and 6.8% at mean.

The table below sets out our additional voluntary disclosure for our other largest markets:

	Gender pay gap <sup>1</sup>	
	Mean difference	Median difference
Brazil	-7.0%	-22.7%
China	11.6%	11.7%
India <sup>2</sup>	-167.8%	-148.5%
Indonesia	20.5%	10.7%
Mexico	-0.8%	-41.6%
Poland	9.1%	0.4%
Russia	18.6%	5.2%
Thailand	30.2%	18.6%
US	0.7%	-11.4%

1. A negative number represents a gender pay gap in favour of women.

2. In India, 99% of our employees in manufacturing are male. The impact of these demographics has resulted in a significant median pay gap in favour of females.

Further data and information on the initiatives Reckitt is taking on diversity and inclusion are set out in our gender pay gap report.

## Global parental leave and benefits

We want our people to be excited about starting or extending their families without having to worry about their role at work, or be uncertain about parental leave. In 2015, we were one of the pioneers of a global maternity leave policy. We enhanced this policy in 2019 by increasing fully paid maternity leave from 16 to 26 weeks, for anyone who has been with us for one year. Similarly, we offer four weeks of fully paid paternal leave with the option of four more weeks of unpaid leave. The same maternity and paternity arrangements apply to everyone, including those having a child through adoption or surrogacy, and for LGBTQ+ employees becoming parents. For returning mums, everyone (subject to local law) can join a Stay in Touch programme and ask for a return-to-work mentor who has also recently come back from maternity leave.

## Embracing diversity

Whilst we've made progress in improving our gender balance and developing talented women, we recognise that fostering a more diverse and inclusive culture at Reckitt is about much more than gender alone. Here are some of our highlights in 2020:

- In March, Reckitt Spain set up a diversity and inclusion committee. It has since collaborated with the NGO, Down Catalunya Foundation, to create a new sex education manual to empower young women with Down Syndrome.
- Reckitt Pakistan organised gender neutral restrooms.
- Reckitt Philippines included LGBTQ+ partners as dependents under its healthcare policy, as well as including HIV (and STDs) in the list of issues covered.
- Reckitt India won the Diversity, Equity and Inclusion award at the Global DEI (Diversity, Equity and Inclusion) Summit. This followed efforts including revised policies for paternity leave and creche support, management training on unconscious bias and a new Rediscover programme to invite women on career breaks back to work.
- More than 1,200 of our senior managers went through inclusive leadership training in 2020.

## Looking ahead – 2021 and beyond

There are three other important actions which will help improve our progress in diversity and inclusion in the future.

- First, we will continue to listen to all of our people through our channels such as the employee Glint survey. This will help us better understand what's important to them in terms of diversity and inclusion. We will use these insights to frame what we think and do in the future. For example, in February 2021 we celebrated LGBTQ+ History Month, following feedback from our people that we could do more to support our LGBTQ+ colleagues. The dedicated focus across the month helped increase knowledge and empathy among our wider employee base.
- Second, we will continue to communicate our thoughts, concerns and progress in this area regularly with our people, through our senior leaders and global initiatives like Stronger Together.
- And third, we will continue to ask more questions so we can measure our progress in inclusion. We've been focusing on how we should report our ethnicity data in the right way and we'll be putting this into action this year. We'll also begin to track progress on our new target of gender balance at all management levels by 2030, aiming for an equal split of men and women across our business.

## Listening to our stakeholders

Reporting effectively across our many sustainability issues and providing 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](mailto:sustainability@reckitt.com).

Or write to:

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