



OUR PEOPLE

OUR PEOPLE

Our culture starts with our people. We're all 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 purpose, fight and compass guide us



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

Empowering our colleagues to make a difference

Reckitt became a key strategic player in the global fight to stop the spread of COVID-19. This would never have been possible without the heroic efforts of our more than 43,000 diverse and talented individuals across the world. It was truly inspiring to see how our culture came to the fore this year, driving our people to do their best in very challenging circumstances.

We have all had to learn a lot, and fast! We managed an organisational and cultural change alongside dealing with issues from the pandemic, at home and at work. It has been a year when our global organisation had to unlearn many set ways of working and living and form new habits. But we stepped up to the challenge.

We offered a range of support for employees affected by the pandemic, conscious that their wellbeing is paramount. This included local assistance programmes, global webinars and learning resources, and podcasts with senior leaders sharing their top tips. Additionally in 2020, we paused our global operations twice so that our people could rest and recover in a stressful year.

Our priority was to keep our frontline people safe so they could continue to meet the needs of our consumers and safely produce essential supplies to fight the spread of COVID-19, such as our disinfectants, Dettol and Lysol.

But we didn't lose sight of the longer-term themes that are so important to our people. We believe a good business is one that 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 laid the foundations of placing inclusion at the heart of our culture. We established a new global Inclusion Board chaired by our Chief Executive, undertook a diagnostic of current practices, and gathered feedback from our people through global listening groups. (See our [Inclusion insight](#) for more details.)

2020 highlights

2020 was an extraordinary year for everybody. Aside from keeping our frontline operations running, our office-based staff had to switch almost overnight to working from home. In doing so we all formed new ways of working, learning to do all the things we'd usually do in person, online – onboarding new starters and leadership training, for example. Some of our highlights include:

- **Inclusion** – alongside a global listening exercise and diagnostic completed by our external partner, EY, we established a new Inclusion Board and launched a new inclusion strategy with six workstreams. We've also updated our gender balance target, aiming for an equal split of men and women across our business at all management levels by 2030. (See more in our [Inclusion insight](#).)
- **Stronger Together** – we launched our new global conversation series, a five-year commitment to discussing the inclusion issues that matter most to our people, hosted by our CEO, Laxman Narasimhan. (See more in case study below and our [Inclusion insight](#).)
- **Glint employee surveys** – we replaced our biennial employee survey Culture Pulse with more frequent Glint employee surveys. In 2020 we ran five surveys in total – two general ones for all employees and three specific, COVID-related responses. In June 2020, 82% of employees agreed they would 'recommend Reckitt as a great place to work.' (See more on the results below.)
- **Leadership behaviours** – we developed our new leadership behaviours with the Global Executive Committee, clearly setting out our expectations of leaders at Reckitt and reinforcing the culture shifts we are making.
- **Workforce Disclosure Initiative** – we were placed in the top quartile of 140+ Workforce Disclosure Initiative companies for transparency on sharing information on pay, contract types, diversity and supply chains with a score of 82%, compared with the 66% industry average.
- **Gender pay gap reporting** – we extended our statutory gender pay gap reporting, to include five key markets in 2020. We have since extended this to ten markets and will report on these in 2021.

2020 countries	2021 additional countries
UK	Poland
US	Thailand
India	Brazil
China	Russia
Mexico	Indonesia

Working through COVID

Our people step up and offer support in times of crisis. We saw this time and again during the COVID-19 pandemic, as our people responded to the global emergency in our relentless pursuit of a cleaner, healthier world. We ensured that our frontline colleagues in Reckitt manufacturing sites could safely continue to make essential products and meet the needs of our consumers – particularly for our disinfectants Dettol and Lysol, to fight the spread of COVID-19. (See case study, below.)

We also swiftly set up remote working for our people who were able to work from home. We shared advice including how to take care of your mental health, as well as ensuring the correct desk set-up to avoid injuries and take care of your physical health. We've since shared our Return to Work policies as opensource documents externally, so other organisations can benefit from our thinking and planning.

We put a number of tools in place to help our people navigate the changing workplace in COVID-19. Some of these tools were new, and some, like our Employee Assistance Programme, already existed, but were expanded and became more important during the pandemic. They included:

- **Frontline recognition and support**, including monetary bonuses, gift vouchers, free meals, care packages and additional days of annual leave.
- **Our 'Navigating our New Normal' book** shared guidelines to keep all our employees safe at work, whether on the frontline in our manufacturing sites or adjusting to the realities of home working. We followed five guiding principles – 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 [Health, safety and wellbeing insight](#).)
- **Employee Assistance Programme (EAP)** offers all Reckitt employees confidential, anonymous, impartial advice on topics from mental health to financial challenges. Help comes via multi-lingual web resources, as well as telephone support from a professional adviser. We now have EAPs across all countries (See [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 wellbeing, including practical advice, tools and education for all.

- **Financial support** for employees to enable them to work from home safely.

Internal communication

Internal communication and engagement was essential in 2020. And although we could not make many site visits or hold face-to-face meetings, many of these meetings were held virtually instead. For example, the leadership team and Board Directors held virtual focus groups and town halls to share key messages. All our colleagues were encouraged to connect directly with senior leaders through email and during live-streamed Q&A sessions.

Similarly, our Chief Executive, Laxman Narasimhan made virtual internal engagement across the company a priority. For example, his popular car pool conversation – informal chats with team members on their commute – had to stop during the pandemic. However, he continued to connect with colleagues through regular virtual 'sofa chats' and the Stronger Together series.





CASE STUDY

RESPONDING TO THE CRISIS IN CHINA AND THE PHILIPPINES

Jingzhou city in Hubei province is home to one of Reckitt's biggest manufacturing plants for Dettol. And it's close to Wuhan, where the COVID-19 epidemic began. When Hubei went into lockdown, the factory's products were desperately needed, but most of its 400 workers had left the city for their Chinese New Year celebrations. Nearly 300 colleagues returned to work, often making challenging journeys during the holiday period. Reckitt arranged for accommodation to be provided for employees, to avoid commuting during the time when the virus was particularly prevalent. We also made sure the factory working environment was safe from the virus, through additional hygiene precautions and temperature checks. Nobody at the factory contracted the virus. The factory was awarded Reckitt's highest accolade, the Sir James Reckitt Award, for its efforts. Similarly, in our Makiti infant formula factory in the Philippines, our people continued working under strict quarantine conditions to maintain production of vital children's supplies under curfew conditions. Portions of the office were converted into accommodation for workers willing to stay on site for this emergency period, and a shuttle service transported other employees from their homes to work.

Setting global standards

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

Our global workforce

Employment ratios by business unit

% at 31 December 2020 ¹	Business unit (excluding contingent workers)				
	CHQ (Reckitt Corporate)	Reckitt eRB & Greater China	Reckitt Health	Reckitt Hygiene	Reckitt Nutrition
Board	100%				
Executive Committee ²	75%	–	8%	8%	8%
Group leadership team	17%	9%	31%	26%	17%
Senior management team ²	11%	7%	32%	28%	21%
Global employees	3%	13%	29%	31%	24%

1 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.

2 Numbers do not equal 100% due to rounding.

Hires and employee turnover

	Business unit (excluding contingent workers)				Location (excluding contingent workers)					Age (excluding contingent workers)				Contract type		
	Total	Women	Men	Not recorded	Reckitt Corporate	Reckitt eRB & Greater China	Reckitt Health	Reckitt Hygiene	Reckitt Nutrition	<30 yrs	30–50 yrs	>50 yrs	Not disclosed	Permanent	Temporary	Third party contracts
Reckitt employees (total number)	39,577	17,482	22,061	34	1,142	5,253	11,630	12,131	9,421	8,037	26,624	4,913	3	38,219	1,358	7,022
New hires (total number)	8,157	3,772	4,342	43	264	786	2,742	3,011	1,354	3,577	4,156	423	1	6,701	1,456	5,854
New hires (rate) %	21%	22%	20%	126%	23%	15%	24%	25%	14%	45%	16%	9%	33%	18%	107%	83%
Total employee turnover (total number)	5,544	2,499	3,043	2	112	942	1,626	1,914	950	1,715	3,158	671	–	4,671	873	4,987
Total employee turnover (rate) %	14%	14%	14%	6%	10%	18%	14%	16%	10%	21%	12%	14%	–	12%	64%	71%
Voluntary leavers	3,419	1,586	1,831	2	85	589	1,036	1,118	591	954	2,075	390	–	3,202	217	NA
Percentage of voluntary leavers %	9%	9%	8%	6%	7%	11%	9%	9%	6%	12%	8%	8%	–	8%	16%	NA
Involuntary leavers	2,073	887	1,186	–	27	351	587	760	348	739	1,067	267	–	1,433	640	NA
Percentage of involuntary leavers %	5%	5%	5%	–	2%	7%	5%	6%	4%	9%	4%	5%	–	4%	47%	NA

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](#) available on [Reckitt.com](#). Reckitt fully complies with all applicable global and local laws regulating collective bargaining and recognises the right to freedom of association. This means that consistent with the law and with company policy, employees have the right to assemble, communicate and join associations of their choice, or not. As of 30 September 2020, 20% of our employees are represented by an independent trade union or covered by collective bargaining agreements.

Reward and recognition

Benefits

We offer a range of different benefits at Reckitt. 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 employee population. Others, such as salaries, bonuses and long-term incentives, are linked to performance. Our benefits vary depending on location and are reviewed regularly to ensure they're locally competitive. For example, our pension scheme is offered to more than 70% of our global employees. Exceptions might happen in local markets where pensions are provided by the state or where pensions are not commonly offered by employers. Reckitt's 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 and including adopting and surrogacy families.

Salary and bonus

We pay our employees based on performance and this is applied consistently throughout the organisation. 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. Employees are paid in relation to their role and location, with internal pay equity, pay ranges and external market benchmarks taken into account.

- Salary increases are determined by line managers based on factors such as individual performance ratings, talent ratings and local market practice. Country-specific conditions such as inflation are also taken into account.
- Our Annual Performance Plan ('APP') is operated consistently across the organisation and has more than 15,000 employees participating. In common with the Executive Directors, bonus payouts are based on Reckitt's financial performance, with all employees being incentivised on net revenue and a profit measure, which varies based on role. In addition some roles have a third measure related to market share, net working capital or innovation.

- We also operate local bonus plans, for example for employees in sales and factories.

For more details on how we pay our executives, please read the 2020 Annual Report. For details on gender pay, please read the [Inclusion insight](#) and our [Gender Pay](#) report.

Living wage (UK)

We have been paying the living wage in the UK for a number of years, but in 2019, we were formally recognised as a living wage employer by the Living Wage Foundation. Our commitment to employees and contractors is that they will receive a wage that exceeds the minimum and also recognises the actual cost of living in the UK.

Share ownership

Our award-winning, all-employee share plan fosters a culture of ownership among our people. It gives employees 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 55% of Reckitt employees globally take part in one of the three share plans on offer. Over the last three-year period (2018–2020), over 9,250 employees saved a total of £48 million to purchase Reckitt shares, making a gain of around 16% over the period (based on the average closing price in Q4 2020 of £68.45).

Developing talent

We need our people to have the right skills, capability and knowledge to perform at their best every day. All Reckitt employees have their performance reviewed each year against personal and business objectives. It's also a chance for them to talk to their managers about their career ambitions. We use these reviews to help identify people with the potential to take on leadership roles in the future.

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

Our digital learning platform, launched in 2018, played a key role during the pandemic. It meant that we could continue to develop our people as they accessed remote learning programmes. This included our global leadership capability programmes, as well as functional development programmes. In 2020, our employees also accessed training topics including unconscious bias, crisis management and health and safety. This saw them participating in 264,826 hours of training in total during the year, an average of 7.08 hours per employee.

Supporting young people to live our purpose

Now in its seventh year, the Reckitt Global Challenge has become an important graduate recruitment tool, growing from a university competition. University students are challenged to come up with a business idea based on a Reckitt product that shows performance, profitability and a social purpose. In 2020, the competition attracted hundreds of entries and participants came from 32 countries on three continents. The teams were asked for ideas that contribute to positive social change. The national winners had the chance to work at Reckitt, with their ideas going into our innovation pipeline and mentoring available to support their development.

We're also proud supporters of One Young World, a programme bringing together young people from around the globe to discuss and try to solve the big environmental, social and human problems we face. The One Young World summit was cancelled in 2020 due to COVID-19, but we're looking forward to its return in Munich in July 2021.

Promoting wellbeing

The wellbeing of our employees is vital if they are to thrive at home and work. And supporting our people's emotional wellbeing and mental health grew in importance during lockdown. Our company-wide wellbeing strategy is based around four categories: physical, emotional, financial and community. We partnered with two global wellbeing specialists to work alongside our Global Head of Wellbeing to support and share wellbeing resources. These include:

Wellbeing leadership training, to empower our leaders to support their own and their teams' wellbeing.

- A series of global education initiatives featuring external speakers to share wisdom and top tips on issues like sleep, nutrition, exercise and managing your energy.
- Pilot programmes including the launch of a social wellbeing platform in the US, Mexico, UK and India. We will measure and review the success of these programmes before rolling them out globally.
- Over 60 of our employees in the UK are trained mental health first aiders.



- During lockdown we moved our fitness, yoga and meditation classes online and launched new local activities from cook-alongs to stepathons and triathalons.
- We update our global employee wellbeing hub regularly with different resources and podcasts on mental health, with over 3,000 downloads to date. The hub also offers meditation from Headspace, the mindfulness app, and practical advice such as tips for coping with quarantine.

Listening to our people

In 2020 we replaced Culture Pulse with Glint, which asks employees for feedback more frequently. In June 2020, over 70% of our global employees responded, with 82% responding favourably to 'I would recommend Reckitt as a great place to work'. This generated a score of 81 (+7 compared to a global benchmark). In October 2020, 66% employees responded and 76% of these said they would recommend Reckitt as a great place to work, with a 78 score that was still four points higher than the global benchmark.

The highest scoring question in the October survey, cited by 86% of our employees was 'We act responsibly and with integrity'. Our surveys also identified opportunities where we could improve. While our colleagues were broadly positive about our equal opportunities policy, investment in people and our status as a smarter, leaner workplace, we were not seen as an industry leader in these areas. We have set up our global Inclusion Board and implemented more focus in this area to address this feedback.

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, so everyone can have their say.

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. (Read more about this in our [Ethical behaviour](#) insight.)

Looking ahead – focus for 2021 and beyond

In common with many other businesses, we found that the constraints from working through a pandemic also unearthed new possibilities. In July 2020, we launched Freedom Forum, a new crowdsourcing platform for employees to contribute to decisions in how we work in the future. We request ideas for a particular theme and the top five are proposed to leadership. Our first forum, workplace of the future, attracted over 600 ideas and 10,000 votes. Our next theme will be sustainability.

Highlighted by the pandemic, a desire for smarter, more flexible working practices was a common response. We are addressing all of these areas in a spirit of continual improvement. And we're interested in how flexible working might enhance wellbeing and our culture, as well as practical considerations.

As our people spend longer working from home, they also want to find ways to balance their workload more effectively. We're looking more broadly at how we can dedicate more time and resources to supporting their wellbeing and mental health. Although we've done some good work improving our provision for our people's wellbeing, there is more to do.

We've laid solid foundations to improve our progress in diversity and inclusion through initiatives such as our Employee Resource Groups and Stronger Together conversations. But we will continue to work hard to make our culture more inclusive and get better at measuring our progress, including the best way to manage our ethnicity reporting. 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 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.

Or write to:

The Sustainability team

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SL1 3UH
UK

CASE STUDY

STRONGER TOGETHER: ENCOURAGING DIVERSITY AND INCLUSION CONVERSATIONS

Our new Stronger Together conversation series creates a global platform for our people to share stories and experiences on the inclusion topics that matter most to them. During the first, in May 2020, in the context of the Black Lives Matter movement, employees shared their experiences of being black in America, sparking a global response. As our people come from a range of different backgrounds, we started a company-wide conversation to include everyone who feels impacted due to their ethnicity, sexuality or gender. Over 4,000 employees attended these live sessions, which subsequently featured conversations on LGBTQ+ and women in STEM. We also invited guests and leaders from outside Reckitt to share their thoughts and personal experiences on subjects such as the role diversity plays in leadership. (See more in [Inclusion insight](#).)

