

GENDER PAY GAP REPORTING 2021

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

Report Grouping

- Total Country per country

Salary/Allowances Components

- Taken as a snapshot from myRB* as at 5 April 2021
- 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 myRB to include;
 - 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

- Use target data stored in myRB
- Include: annual bonus (APP), Sales Incentive Plan, and any other local bonus practices
- Report in gross
- RB 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 (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 65.00 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

- Each country to be reported consistently in their local currency: 365day average FX rate to 5 April 2021 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 2021 snapshot date falls (April 2021) for two markets: Indonesia and Poland, see appendix c.

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 b.

Myrb data has been used for non-uk markets for centralised accessibility of data. Where there are payroll interface limitations between myrb and the payroll system, the actual payroll data report from snapshot month, April 2021, has been used in the calculations (Indonesia and Poland)*.

Myrb data was extracted from the system on 22 July 2021. Where there have been any pay increases processed through the system and back-dated to snapshot date 5th April 2021, the updated backdated increase has been used in the calculation.

*In Mexico, we have used payroll data for c.7% of this population

Appendix A

Allowances included in bonus per region in line with local legislation

USA	APP Target Bonus, LTIP Target value at grant, Sales Incentive Target, Target Bonus (Local incentive)
China	APP Target Bonus, Discretionary Bonus (Local Incentive), LTIP Target value at grant, Target Bonus (Local Incentive), Target Bonus for Production (Local Incentive), Target Bonus – Quarterly Performance (Local Incentive), Sales Incentive Target
India	APP Target Bonus, LTIP Target value at grant, Merit Bonus (Local Incentive), Sales Incentive Target, Target Bonus (Local incentive)
Mexico	APP Target Bonus, LTIP Target value at grant
Brazil	APP Target Bonus, LTIP Target value at grant
Thailand	APP Target Bonus, LTIP Target value at grant, Sales Incentive Target, Target Bonus (Local incentive)
Indonesia	APP Target Bonus, LTIP Target value at grant, Performance Target Bonus (Semarang site only), Sales Incentive Target
Russia	APP Target Bonus, LTIP Target value at grant, Sales Incentive Target
Poland	APP Target Bonus, LTIP Target value at grant, Sales Incentive Target

Appendix B

Allowances included in pay per region in line with local legislation

USA	Base salary, Car Allowance
China	Base salary, Car Allowance, Cost of Living Allowance, Housing Allowance, Hardship Allowance, Lump Sum, Other Allowance, Position Allowance, Qualification Allowance, Transport Allowance
India	<p>Base Salary, Additional Allowance, Annual Leave Allowance, Consolidated Allowance, Conveyance Allowance, Employee State Insurance Corp, Fixed Dearness Allowance, Gratuity Fund Contribution, Housing Allowance, Housing Allowance (Base), Leave Travel Allowance, Lump Sum, Medical Allowance, NPS, Other Allowance, Provident Fund Contribution, Special Additional Allowance 1, Special Allowance, Superannuation Fund Contribute, Supplemental Allowance, Transport Allowance, Washing Allowance, Workplace Allowance</p> <p>Production employees: Range of role-specific allowances included for this population</p> <p>Net Pay used</p>
Mexico	Base Salary
Brazil	<p>Base salary, Vacation Allowance*</p> <p><i>*reported as annual value in line with local policy, apportioned over 52 working weeks in the year to obtain hourly rate</i></p>
Thailand	Base Salary, 13th Month - APP Ineligible, Car Allowance, Gasoline Allowance, Housing Allowance, Lump Sum, Misc Allow, Mobile Phone Allowance, Other Allowance, Pay in Lieu of Pension, Pharmacist Allowance, Position Allowance, Provident Fund Contribution, Social Security, Special Allowance, Supplemental Allowance, Transport Allowance
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
Russia	Base Salary, Car Allowance, Housing Allowance
Poland	Base Salary, Internet Allowance

Appendix C

Working hours per week used for hourly rate calculation

USA	<p>Parsippany-based employees: 35 hours per week</p> <p>All other US employees: 40 hours per week</p> <p>Other types of employment such as Intern: 20 hours per week</p>
China	<p>Employees are paid on 12th month or 13th month salary basis dependent on their role.</p> <p>All employees: 40 hours per week</p>
India	<p>48 hours per week for all Production site workers (Sites: Baddi, Chennai, Hosur, Mysore, Sitarganj) and Field Sales employees</p> <p>40 hours per week for all office-based sites (East Region, Gurgaon, Hyderabad, Jammu, Mumbai, North Region, South Region, West Region)</p>
Mexico	<p>All employees: 48 hours per week</p>
Brazil	<p>Office-based employees: typically 44 hours per week, this can range from 40-44 hours on agreement</p> <p>Interns: 30 hours per week</p>
Thailand	<p>Factory employees: 13th month salary allowance included in base pay calculation</p> <p>40 hours per week: Employees in RB (Thailand) Ltd., RB Healthcare MnuF. Thailand, RB Hygiene Home (Thailand) Limited, and non-production employees in SSL Manufacturing TH</p> <p>48 hours per week: Production employees employed by SSL Manufacturing TH</p> <p>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).</p> <p>Employees may work either a 40 or 48 hour week in the Nutrition division dependent on their role.</p>
Indonesia	<p>13th month salary: FTC employees in the Cileungsi site and Band N employees in the Semarang site.</p> <p>14th month salary: Permanent employees below Band D in the Cileungsi site and Band Z employees in Semarang site.</p> <p>All employees: 40 hours per week</p>
Russia	<p>All employees: 40 hours per week</p>
Poland	<p>All employees: 40 hours per week</p>

Appendix D

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

Brazil

- Manual calculations for vacation allowance: Annual Base Salary/39

Indonesia

- All employees as of snapshot date.
- Actual pay data has been used in the pay gap calculations, using payroll reports provided for the month in which the 5 April 2021 snapshot date falls (April 2021).
- Base salary and regular cash allowances consolidated to give output of an hourly pay rate.

Poland

- All employees as of snapshot date excluding any employees with undisclosed gender or reduced pay (such as maternity etc.)
- Actual pay data has been used in the pay gap calculations, using payroll reports provided for the month in which the 5 April 2021 snapshot date falls (April 2021).
- Base salary and regular cash allowances consolidated to give output of an hourly pay rate.

Mexico

- Actual pay data has been used in the pay gap calculations for c.7% of the population, using payroll reports provided for the month in which the 5 April 2021 snapshot date falls (April 2021).