

# GENDER PAY GAP REPORTING 2023

Global market methodology



# Global Methodology

<b>Required Calculations</b>	<p>The following are required for Overall Country in each country :</p> <ol style="list-style-type: none"> <li>1. Number of men and women</li> <li>2. Mean/average hourly salary by gender</li> <li>3. Mean/average gender pay gap (expressed as percentage) – calculated as: <i>(male mean hourly pay minus female mean hourly pay), divided by men mean hourly pay</i></li> <li>4. Median hourly salary by gender</li> <li>5. Median gender pay gap (expressed as percentage) – calculated as <i>(men median hourly pay minus women median hourly pay), divided by men median hourly pay</i></li> <li>6. Mean/average target bonus by gender</li> <li>7. Mean/average target bonus gender pay gap (expressed as percentage) – calculated as <i>(men mean bonus minus women mean bonus), divided by men mean bonus</i></li> <li>8. Median target bonus gender pay gap (expressed as percentage) – calculated as <i>(men median bonus minus women median bonus), divided by men median bonus</i></li> <li>9. Proportion of men and women eligible to a bonus payment – calculated as men/women eligible to bonus divided by total males/females</li> <li>10. Proportion of men and women in each quartile pay band – determined by ranking all employees highest to lowest paid based on hourly rate. Pay rate is divided to quartiles and proportion of men and women reported by quartile</li> </ol>
<b>Report Grouping</b>	<ul style="list-style-type: none"> <li>• Total Country per country</li> </ul>
<b>Salary/Allowances Components</b>	<ul style="list-style-type: none"> <li>• Taken as a snapshot from payroll reports*</li> <li>• Consider all individuals in myRB at that moment. Those on leave of absence are included if they are fully paid.</li> <li>• Data pulled from payroll reports to include; <ul style="list-style-type: none"> <li>Basic pay, cash allowances paid through payroll (including car allowance), pay according to local legislation</li> </ul> </li> <li>• Exclude redundancy/termination</li> <li>• Salary expressed as hourly rate based on full time salary + allowances</li> <li>• Exclude retirement/pension contributions</li> </ul>
<b>Bonus</b>	<ul style="list-style-type: none"> <li>• Use target data stored in myRB</li> <li>• Include: annual bonus (APP), Sales Incentive Plan, and any other local bonus practices</li> <li>• Report in gross</li> <li>• Reckitt to report on only those eligible for bonuses – meaning any employee with a target bonus logged in myRB</li> </ul>
<b>LTI</b>	<ul style="list-style-type: none"> <li>• LTIs are logged as number of shares and options employees are granted per band. 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 62.00 GBP.</li> <li>• 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.</li> </ul>
<b>Currency</b>	<ul style="list-style-type: none"> <li>• Each country to be reported consistently in their local currency: closing FX rate of previous month to 5 April 2023 applied, using same FX approach as above.</li> </ul>

\*Actual pay data has been used in the pay gap calculations, using payroll reports provided for the month in which the 5 April 2023 snapshot date falls (April 2023)

## Considerations

Allowances per local legislation differ between regions – breakdown of allowances included in the calculations are outlined in appendix A.

For ordinary pay data, 'actual' payroll data has been used for all non-UK market however certain additional information such as Gender, working hours and service dates have been captured by myRB (internal HRIS).

The breakdown of working hours used is included in appendix C. In factory site in Hungary and for hourly paid employees in the USA, and Brazil, actual hours from payroll reports were used.

For bonus data, target bonus percentage and/or amounts have been extracted from myRB. Where a percentage is provided from the system this has been applied to an annualised payroll salary.

MyRB data with snapshot date 5<sup>th</sup> April 2023 was extracted from the system in July 2023. Where there have been any pay increases processed through the system and back-dated to snapshot date 5<sup>th</sup> April 2023, the updated backdated increase has been used in the calculation.

# Appendix A

Allowances included in pay per region in line with local legislation	
USA	Base salary; Car Allowance
China	Base salary, Housing Allowance; Lump Sum; Position Allowance; Degree/Skills Allowance; Transportation Allowance; Relocation Allowance; Special Allowance
India	Base Salary*, Consolidated Allowance; House Rent Allowance; Special Allowance; Provident Fund; Gratuity; Medical Allowance; Transport Allowance; Special Pay; NPS; Superannuation; Conveyance Allowance; Fixed Dearness Allowance; Washing Allowance; New Line Allowance; Service Weightage Allowance. <i>*In one factory, base salary is made up of basic pay, fixed dearness allowance, service weightage and variable dearness allowance.</i>
Mexico	Base Salary
Brazil	Base salary, Vacation Allowance* <i>*reported as annual value in line with local policy, apportioned over 13 months in the year to obtain hourly rate</i>
Thailand	Base Salary; 13th Month salary; Car Allowance; Gasoline/Petrol Allowance; Housing Allowance; Mobile Phone Allowance; Pharmacist Allowance; Special Allowance (logged as Position Allowance in 2022); Transport/Travelling Allowance; Upcountry Allowance; Consolidated 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
Hungary	Base Salary
Poland	Base Salary; Internet Allowance

## Appendix B

## Allowances included in bonus per region in line with local legislation

USA	<b>APP Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>LTIP Target value at grant</b> ; <b>Sales Incentive Target</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>Target Bonus</b> (Local incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data.
China	<b>APP Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>Discretionary Bonus</b> (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>LTIP Target value at grant</b> ; <b>Target Bonus</b> (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>Target Bonus Amount</b> (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>Target Bonus for Production</b> (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>Target Bonus – Quarterly Performance</b> (Local Incentive), an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>Sales Incentive Target</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data.
India	<b>APP Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary + House Rent Allowance + Consolidated Allowance in payroll data; <b>LTIP Target value at grant</b> ; <b>Merit Bonus</b> (Local Incentive) provided as an annual amount in system; <b>Sales Incentive Target</b> , provided as an annual amount in system; <b>Target Bonus Amount</b> (Local incentive) provided as an annual amount in system.
Mexico	<b>APP Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>Sales Incentive Target</b> , provided as an annual amount in system (not reported in 2022 as there was no eligible employee); <b>LTIP Target value at grant</b>
Brazil	<b>APP Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>LTIP Target value at grant</b> ; <b>Sales Incentive at Target</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data.
Thailand	<b>APP Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>LTIP Target value at grant</b> ; <b>Sales Incentive Target</b> , provided as an annual amount in system; <b>Target Bonus</b> (Local incentive) an annualised amount calculated as a percentage of annualised base salary in payroll data
Indonesia	<b>APP Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>LTIP Target value at grant</b> ; <b>Performance Target Bonus</b> (factory bonus scheme), provided as an annual amount in system; <b>Sales Incentive Target</b> , provided as an annual amount in system.
Hungary	<b>APP Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>LTIP Target value at grant</b> ; <b>Sales Incentive Target</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data.
Poland	<b>APP Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>LTIP Target value at grant</b> ; <b>Sales Incentive Target logged under both Sales Target or SIP</b> , mixed: provided as an annual amount in system & in some cases an annualised amount calculated as a percentage of annualised base salary in payroll data; <b>Target Bonus</b> , an annualised amount calculated as a percentage of annualised base salary in payroll data.

## Appendix C

Working hours per week used for hourly rate calculation	
<b>USA</b>	Parsippany-based employees: 35 hours per week All other US employees: 40 hours per week Other types of employment such as Intern: 20 hours per week
<b>China</b>	Employees are paid on 12 <sup>th</sup> month or 13 <sup>th</sup> month salary basis dependent on their role. All employees: 40 hours per week
<b>India</b>	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)
<b>Mexico</b>	All employees: 40 or 48 hours per week
<b>Brazil</b>	Office-based employees: typically 220 hours per month, this can range from 200-220 hours on agreement. Interns: 160 hours per month.
<b>Thailand</b>	Factory employees: 13 <sup>th</sup> month salary allowance included in base pay calculation where applicable 40 hours per week: Employees in RB (Thailand) Ltd., RB Healthcare Mnu. Thailand, RB 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). Employees may work either a 40 or 48 hour week in the Nutrition division dependent on their role.
<b>Indonesia</b>	13 <sup>th</sup> month salary: FTC employees in the Cileungsi site and Band N employees in the Semarang site. 14 <sup>th</sup> month salary: Permanent employees below Band D in the Cileungsi site and Band Z employees in Semarang site. All employees: 40 hours per week
<b>Hungary</b>	All employees: 40 hours per week
<b>Poland</b>	All employees: 40 hours per week