



# INCLUSION

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Reckitt Sustainability Insights 2021



# INCLUSION



We believe in always doing the right thing, for everyone – our people, our consumers, our partners, and the wider global community. Diversity and inclusion are integral to the way we think and act, and core to who we are.



## A DIVERSE, INCLUSIVE CULTURE

We are nearly 40,000 people with over 120 different nationalities. We operate in 60 countries in six continents. By embracing our diversity, we help build a more inclusive world.

We're creating an environment where all our people feel able to be themselves, learn, grow and realise their potential. We have a more positive impact in the world when we represent and reflect the diversity of our consumers and communities.

We're making progress on our cultural transformation to support our pursuit of a cleaner, healthier planet. Our focus on, and investments in, inclusion, wellbeing and leadership are inspiring and equipping our people to do this.

Our inclusion strategy focuses on six areas. The work we're doing on leadership, people and policy helps make sure we're building an inclusive culture internally. Externally, by putting inclusion at the heart of our approach to procurement, brands and partnerships, we align what we do with who we are.

## OUR PERFORMANCE IN 2021

| Aim  | 2021  |
|--|---|
| Gender balance at all management levels <sup>1</sup> by 2030 | <b>49%</b><br>(29%* female senior managers in our global workforce) |

- <sup>1</sup> 'All management levels' are Manager level roles and above (excluding Board members).
- \* Assured by ERM CVS as part of their limited assurance scope; for details, see our [Sustainability governance, reporting and assurance](#) insight.

## EVOLVING OUR CULTURE

We're evolving our culture to reflect our purpose and customer focus. At the same time, we're assessing how best to enable and deliver exceptional business performance and adapting to the changing social priorities caused by COVID-19.

The cultural change underway at Reckitt builds on our best qualities. We've always been known for our dynamic culture, united by a shared sense of ownership and a drive for action and achievement. People take responsibility for making things happen. Our focus on delivery and innovation is combined with a strong sense of purpose and responsibility – we're making a real difference in the world.

We take care of each other and recognise we all have a part to play in making access to the highest quality hygiene, wellness and nutrition a right, not a privilege. An inclusive, dynamic and collaborative culture is at the heart of our strategic transformation.



## 2021 HIGHLIGHTS

- Reckitt scored 95 out of 100 on the Human Rights Campaign Foundation's Corporate Equality Index (CEI) 2022 in the US. A 30 point increase on the previous year. The CEI measures corporate policies and practices related to LGBTQ+ workplace equality
- Almost 90% of our most senior leaders undertook conscious inclusion learning

## CONSCIOUS INCLUSION

In 2021, we launched an ambitious programme to promote the benefits of conscious inclusion, which we define as being aware of unconscious bias and consciously choosing to include others.

We started with our leaders, highlighting to them the importance of leading inclusively, and their role in creating a more inclusive culture. Almost 90% of our senior leaders have attended these sessions, which included tips and tools for more conscious behaviour.

We then extended the programme across the company, using online learning and team discussions, to encourage all our people to recognise their responsibility for creating an 'everyone' culture. In 2022, we'll continue the programme and embed this philosophy in our leadership curriculum.

### CASE STUDY

- More than 120 women participated in Accelerate, our tailored leadership development programme for future women leaders, in 2021. Since 2016, over 570 women have benefited from the programme

## THE GLOBAL INCLUSION BOARD

Leaders have a powerful role in changing culture. In 2020, we launched the Global Inclusion Board, a cross-functional team of global senior leaders chaired by our CEO, Laxman Narasimhan. Our global Employee Resource Groups (ERGs) cover Women, the LGBTQ+ community, Race & Ethnicity and Disability. These four ERGs are represented on the Inclusion Board, along with all functions and regions. This enables the Board to make inclusive, informed decisions based on our people's needs.

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

- Strategic delivery
- Governance
- Monitoring, reporting and communicating progress

## LISTENING AND LEARNING

Our inclusion strategy focuses on six areas – leadership, people, policies, brands, procurement and partnerships.

### Senior-level focus and sponsorship

We want all our leaders to be confident and accountable in their support of our inclusion aims – leading change, developing trust, building capability and taking action locally. We support this through our Conscious Inclusion learning sessions and leadership behaviours. We expect leaders in each market to establish and run a Local Inclusion Board.

### Building an inclusive culture

We want everyone at Reckitt to feel included. To achieve this, we engage and interact on the issues that matter to our people, using tools such as our Stronger Together conversations, which drive awareness and better understanding, and our Conscious Inclusion learning programme, and by promoting our Employee Resource Groups (ERGs).

## Continuous improvement of our policies to improve Inclusion

Our policies define our approach, so it's essential they always take diversity and inclusion into account. From recruitment, learning and promotion opportunities, to celebrating religious holidays and parental leave, our policies must work for everyone. We review them regularly and have built an 'inclusive-by-design' approach into all new and refreshed policies. Our Global ERGs are actively involved in this.

## Using our brands to encourage a more inclusive world

Our iconic brands, such as Durex, Dettol and Finish have served billions of people around the world for generations. Through these and other brands we are committed to making sure under-represented communities have access to the highest quality nutrition, health and cleaning products.

## Supporting suppliers from diverse and minority communities

We seek to promote small businesses, and those with owners from diverse and minority communities. We also want to buy from suppliers that share our commitment to a fairer, more inclusive society.

In 2021, we established a task force to define what supplier diversity means to us, and how to achieve it. We are focusing on three areas: reviewing our spend with certified diverse and/or minority businesses; building partnerships with diverse suppliers; and collaborating with our peers to advocate for systemic change to enable a fairer, more inclusive society across global supply chains.

## Building selective partnerships

We want to form partnerships with organisations who share our beliefs and principles, to learn from them and improve our thinking and actions around inclusion. We also want to use the partnerships to raise global awareness of our commitment to these issues.

## ADVANCING INCLUSION IN LATIN AMERICA



In Latin America, our journey towards diversity and inclusion gathered pace in 2021. Around 250 of our leaders and teams joined in discussions and workshops about bias and micro-messaging, and we hosted more than 10 Stronger Together talks.

In Mexico, we were recognised as the best workplace for LGBTQ+ employees. Our Employee Resource Groups were drivers of change. Also in Mexico, Women@Reckitt held talks on maternity, empowerment and masculinity, while in Brazil it partnered with Mulher 360, a leading women's group promoting economic empowerment. Our Race & Ethnicity group raised awareness of the vast inequalities still suffered by afro-Brazilians, while the LGBTQ+ group promoted Pride Month, with activities including a drag show in Brazil.

We're also proud of how we advanced inclusion through our launch of the graduate programme in Brazil and Mexico. More than 17,000 professionals took part, with 15 graduates hired. Of these, 60% were black, around half women, and a quarter LGBTQ+. Most came from outside the consumer goods industry. These graduates will be the future pipeline of talent for Reckitt in Latin America, and they should provide more diversity to our leadership.

### CASE STUDY

## STRONGER TOGETHER

Since its launch in 2020, our global Stronger Together conversation series has created opportunities to share inspiring and challenging stories from our colleagues across the world. Sometimes tough to hear, they allow us to understand each other better, increase awareness and foster inclusivity.

We ran seven live global events in 2021, reaching almost 30,000 people, with more watching later on demand. Invited guests and colleagues shared their experiences, often deeply personal. Many more people told their stories, with vulnerability and courage, in local Stronger Together conversations.

These conversations have helped build trust at all levels of the company, and form part of our strategy to drive a more inclusive culture through storytelling and education. They help us all consider how different experiences affect people's life chances.

Opening up the conversation to all employees also helps raise awareness of our work on inclusion, helping embed it in our workplace culture.

## EMPLOYEE RESOURCE GROUPS

### Women@Reckitt

This group focuses on advancing women and promoting gender balance at Reckitt. It provides opportunities for women to meet, collaborate and discuss the key issues that affect them, as well as providing expertise and insight. During the COVID-19 pandemic, the group made sure our women felt supported.

### LGBTQ+@Reckitt

This group provides a space to connect and offers support and resources for Reckitt's LGBTQ+ community to express their true selves at work. It holds forums to discuss relevant topics, such as what needs to change in society and at work to empower this community. In February 2021, the group launched LGBTQ+ History Month, including an educational session 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+.

### Race&Ethnicity@Reckitt

This group encourages conversations about race and ethnicity, based on authentic experiences. It promotes corporate actions that create a healthy environment where employees of all races and ethnicities can thrive, and maximise their contributions to, and value within, the organisation. It also seeks to make sure that we celebrate diversity, achieve equity for underrepresented groups, and weave inclusion into our corporate DNA.

### Disability@Reckitt

In 2021, we created a Reckitt Global Disability Working Group made up of people who have a disability or care for someone who has a disability and their allies. The group organised educational and awareness events for the International Day of Persons with Disabilities, and is being launched as a fourth global ERG in 2022.

## DIVERSITY ACROSS RECKITT EMPLOYEES: NATIONALITY AND GENDER

|  | 2020 | 2021            |
|--|------|-----------------|
| Nationalities in management – Executive Committee    | 8    | 7               |
| Nationalities in management – Group leadership team  | 17   | 14              |
| Nationalities in management – senior management team | 50   | 49 <sup>1</sup> |
| Nationalities of global employees                    | 129  | 124             |
| Nationalities – Group Board                          | 5    | 6               |
| Women – Group Board                                  | 42%  | 42%             |
| Women employed – all management levels               | n/a  | 49%             |
| Women employed – Executive Committee                 | 17%  | 9%*             |
| Women employed – Group leadership team               | 19%  | 19%*            |
| Women employed – senior management team              | 30%  | 29%*            |
| Women employed – global employees                    | 44%  | 44%*            |
| Women in junior management positions                 | 53%  | 54%             |
| Women in revenue generating positions                | 49%  | 42%             |
| Women in STEM-related positions                      | 35%  | 53%             |

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

All management levels are Manager level roles and above, excluding Board members.

2021 global employed data for women and nationalities is based on data for 37,321 global Group employees (excluding contingent workers), which is 44% of the number of people employed by the Group as of 31 December 2021.

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

<sup>1</sup> Within our senior management team, our main 3 nationalities are British 25%, American 13% and Indian 12%.

## Nationality across Reckitt employees 2021



## PROGRESS ON GENDER BALANCE IN 2021

Improving gender balance at all levels is critical for us. To achieve this, we're building inclusion into the core of our hiring process, leadership development and succession planning. We also offer access to mentoring, and targeted leadership programmes for women at early and mid-career stages.

Nearly half of our employees are women, but they're under-represented at higher levels. Though we're making progress in this area, we still have some way to go. Currently, 29% of global senior management team roles are held by women. This has increased significantly from 19% in 2015. By 2030 we want this to be 50% at all levels of management. Our Group Board consists of five women and seven men, so women make up 42% of our Board, the same as in 2020.

### Closing the gender pay gap

Gender balance and equality are crucial for us as an organisation, and society as a whole. As a UK-based group, we're required by law to publish information relating to the gender pay gap. Through more transparency, and voluntarily reporting gender pay for more markets, we'll encourage others to do the same. We now report in 10 of our main markets, covering almost 70% of our people.

A summary of our gender pay statistics:

- The gender pay gap in the UK for the year to April 2021 is -7.4% at median and 5.0% at mean
- This compares to the year to April 2020, when the gender pay gap in the UK was -6.1% at median and 5.1% at mean

The table below sets out our additional voluntary disclosure for our other largest markets (data as of April 2021):

|                    | 2021 Gender pay gap <sup>1</sup> |                    |
|--------------------|----------------------------------|--------------------|
|                    | Mean difference                  | Median difference  |
| Brazil             | -4.1%                            | -28.9%             |
| China              | 13.3%                            | 10.1% <sup>2</sup> |
| India <sup>3</sup> | -68.3%                           | -186.1%            |
| Indonesia          | 14.2%                            | 9.2%               |
| Mexico             | -4.8%                            | -43.0%             |
| Poland             | 1.5%                             | -0.6%              |
| Russia             | 12.9%                            | 5.7%               |
| Thailand           | 29.9%                            | 15.6%              |
| US                 | -2.3%                            | -15.2%             |

1 A negative number represents a gender pay gap in favour of women.  
 2 Includes Infant Formula and Child Nutrition (IFCN) Greater China business. The median difference excluding IFCN Greater China is 5.2% as of April 2021.  
 3 In India, 99% of our employees in manufacturing are male. This has resulted in a significant median pay gap in favour of females.

For more data and information on our diversity and inclusion initiatives, see our [gender pay gap report](#).

### GLOBAL PARENTAL LEAVE AND BENEFITS

We want our people to be excited about starting or extending their families without worrying about their role at work, or uncertainty about parental leave. In 2015, we were one of the pioneers of a global 16-week fully paid maternity leave policy. In 2019 we increased this to 26 weeks. We also offer four weeks of fully paid paternal leave with the option of four more weeks of unpaid leave. Parental leave arrangements apply to everyone, including those having a child through adoption or surrogacy. For returning parents, we encourage everyone (subject to local law) to join a Stay in Touch programme. We also encourage them and their line managers to join learning sessions to support their return.

### LOOKING AHEAD – 2022 AND BEYOND

Three important actions will help improve our progress in diversity and inclusion in the future:

- We'll continue to listen to all our people through channels like our Employee Resource Groups, Local Inclusion Boards and global employee engagement surveys. This will help us better understand what matters to our people, as well as providing a focus on inclusion. We continue to use these global insights to frame what we think and do
- We'll keep communicating our thoughts, concerns and progress on diversity and inclusion regularly with our people, through our senior leaders and global initiatives like Stronger Together
- We'll continue to ask more questions and collect data so we can measure our progress on inclusion. We're launching a global workforce data collation programme in 2022 in some of our larger markets to help understand better how our people identify, and what their lived experiences are. We'll also keep tracking progress on our goal of gender balance at all management levels by 2030

### LISTENING TO OUR STAKEHOLDERS

Reporting effectively across our many sustainability issues and giving 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?

## SUPPORTING WORKING MOTHERS IN PAKISTAN

In Pakistan, the Local Inclusion Board and Women@Reckitt employee resource group have worked hard to promote changes that support working mothers.

Women employees are allowed to employ childcare, or use daycare facilities, at the company's expense, until their children turn three. They also benefit from flexible working patterns when they return to work, and have access to a 'mom mentor' and nursing rooms – mostly novel concepts in Pakistan.

We plan to open a daycare facility in the office in 2022. We've also held regular surveys and training sessions about what women need to succeed at Reckitt. These initiatives have had a clear impact: in the last three years, twice as many mothers have returned to work after childbirth than previously. To further encourage gender equality, we also launched an all-gender bathroom in the office, a first in the corporate world in Pakistan.

CASE STUDY

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