## $\langle \rangle \cap$

# GLOBAL GENDER Pay 2023

We've been disclosing gender pay data since 2017 in the UK. For several years, we have also voluntarily reported in an additional nine markets - accounting for approximately 70% of our global workforce.

Reckitt's 2023 Gender Pay performance shows relative stability in the data when compared with last year, but also demonstrates the diversity of cultures in which we operate.

We can identify four different groupings with similar Gender Pay characteristics. See each market's data for an explanation.

For more information on our wider Inclusion programmes and our progress towards gender balance at all management levels, see our **Sustainability Report**.

### Top global markets





### **Poland, India, UK** Median pay and bonus gaps are in favour of women.

See pages 3-4



#### Hungary, Indonesia, Thailand Median pay and bonus gaps are in favour of men.

our of men.

See page 5

### 📀 🕒 🍧

Brazil, Mexico, USA

Median pay gap in favour of women and median bonus gap in favour of men.

See page 6



China

Median pay gap in favour of men and no bonus pay gap.

See page 7

Men

#### Gender pay performance continued



#### How we report gender pay data

Gender pay reporting is the most commonly required pay transparency measure across OECD\* countries, with 55% of member countries mandating large companies to disclose their gender pay gaps.

In the UK, businesses are required to disclose mean and median gender pay gaps, which show the difference between the pay of the median man and the median woman.

At Reckitt, we report on both the median and the mean pay gaps, providing a more holistic view of gender inclusivity in our businesses globally, at all levels.

For the third year we are reporting data from the UK and nine of our largest markets. This year they include Brazil, China, Hungary, India, Indonesia, Mexico, Poland, Thailand and the USA, covering around 70% of our workforce.

We have identified four different country pay groupings across these 10 markets, and over the following pages we highlight their shared characteristics and the structural reasons behind the data.

#### Understanding pay gap data

It is important to remember that the existence of a gender pay gap does not mean there is unequal pay between those of different genders. Gender pay gaps exist because of the different percentage of men and women in both manufacturing and senior management roles.

Corporate roles tend to be higher paid than manufacturing roles, so in markets where more men work in factories and more women are in administrative roles, the median gender pay gap will be in favour of women, because it is comparing the middle woman with the middle man.

Where there is a higher percentage of men in senior management roles, the mean gender pay gap will be in favour of men, because it is the average pay of all women and all men — so those earning more will carry more weight in the data.

The data we share includes:

- Median pay gaps
- Median bonus gaps
- Mean pay gaps
- Mean bonus gaps
- Proportion of employees eligible for a bonus
- Proportion of employees working in manufacturing

#### MEDIAN GAP Median is largely driven by the proportion of men

and women working in manufacturing

Women

## MEAN GAP

driven by gender demographics in senior roles.



To work out the **median gap**, we take everyone in the market and rank them from the lowest earner to the highest, and the median person is the one in the middle. So, the median gender pay gap is the difference between the hourly pay of the middle man and the hourly pay of the middle woman. The median bonus gap is the difference between the annual bonus of the middle man compared to the annual bonus of the middle woman. It does not include employees who do not receive a bonus.

To work out the **mean gap**, we add up the salaries of everyone employed in the business and divide that figure by the number of employees. The mean gender pay gap is the difference between the average hourly pay of all men and the average hourly pay of all women employed in each Reckitt market, and can be impacted and skewed by gender representation in senior roles. The mean bonus gap is the difference between the average annual bonus for men compared to the average annual bonus for women.

\*Organisation for Economic Co-operation and Development

Men

**26.4% Δ** 

Women

35.1%

#### Gender pay performance continued

United Kingdom

0

 $\bigcirc$ 

>

Brazil

**United States** 

India

Hungary

**UNITED KINGDOM** 

% in manufacturing

-10.6%

3.7%

26.4%

79%

19%

-75.1%

83%

LOCAL MANUFACTURING WORKFORCE

Total employees

HOURLY PAY GAP

4,821

Median

gender

pay gap ∆

pay gap ∆

Mean gender

**BONUS GAP** 

Median

Mean

bonus gap ∆

bonus gap ∆

Proportion

receiving

payment ∆

a bonus

Gender

variation in manufacturing

of employees

 UK comparison with 2022
 2022
 2023

 Median gender pay gap
 -10.8%
 -10.6% Δ

 Mean pay gap
 2.4%
 **3.7%** Δ

 Median bonus gap
 -17.4%
 -75.1% Δ

Median gender pay gap over the last five years



Our UK gender pay data is combined from our nine UK businesses. **A** The triangle icon indicates where the metrics have been assured (limited assurance) by our independent assurance provider, KPMG, and reflects the position as at April 2023. <u>View here</u>. In addition, as mandated by the UK Financial Conduct Authority, we report against target on the representation of women and ethnic minorities on our board and executive management. See our ESG Data Book on our <u>Reporting Hub</u>.

89%

Mean bonus gap

#### Gender pay performance continued



 $\rangle$ 







Gender pay in these markets is driven by the proportion of men and women employed in manufacturing. Men significantly outweigh women at lower job levels and therefore the median gender pay gap and bonus gap are in favour of women, as the middle woman holds a higher pay grade than the middle man. In the case of India, the lowest job grade is comprised almost totally (99.9%) of men, so the pay gap is much wider.

#### Gender pay performance continued



>







In these markets, there are more women than men in manufacturing roles (except in Indonesia: however women are still over-represented in manufacturing) which means the median pay is in favour of men. In Hungary and Indonesia, employees in manufacturing are not eligible for a bonus, so women remain slightly more represented at lower levels in the bonus-eligible population. In Thailand the bonus eligible population is almost the same as the total population, so the bonus gap also remains in favour of men.

### $\langle \rangle \cap$

#### Gender pay performance continued



>

Total employees 1,641	s % in manufacturing 28%
HOURLY PAY GAP	
Median gender pay gap	-18.0%
Mean gender pay gap	-1.5%
BONUS GAP	
Median bonus gap	3.8%
Mean bonus gap	17.2%
Eligible for bonus	35% 31%
LOCAL MANUFACT	URING WORKFORCE
LOCAL MANUFAC	TURING WORKFORCE

Gender

variation in

manufacturing

Total employees <b>1,886</b>	% in manufacturing <b>50%</b>	
HOURLY PAY GAP		
Median gender pay gap	-22.6%	
Mean gender pay gap	0.1%	
BONUS GAP Median bonus gap	6.7%	
Mean bonus gap	31.5%	



Women Men **UNITED STATES** Total employees % in manufacturing 30% 4,848 HOURLY PAY GAP Median gender pay gap Mean gender -5.0% pay gap **BONUS GAP** Median 5.3% bonus gap Mean 30.7% bonus gap 60%

72%

In these markets the manufacturing roles are largely occupied by men, so median pay gaps are in favour of women. A smaller proportion of the workforce is eligible for a bonus as manufacturing jobs (largely men) are usually ineligible. As a result, the bonus gap shifts in favour of men.

#### Gender pay performance continued



 $\langle \rangle$ 





China has a substantially higher representation (75%) of women in manufacturing jobs at the lowest job grade, so the median pay gap is in favour of men. Most manufacturing roles are excluded from eligibility for bonuses, and those eligible are split fairly evenly between men and women at most job levels, so there is no median bonus gap.

### Gender pay performance – Appendix

#### UK gender pay gap breakdown

The requirement to report on gender pay does not apply to some of our UK businesses – specifically, those that employ fewer than 250 colleagues. Even so, Reckitt chooses to include all employees in our UK reporting below regardless of where they work. That way, we can give the most representative picture of our gender pay and bonus gaps across the UK.

#### UK gender pay gap breakdown

	Hourly	pay gap		Во	nus gap		Hourly pay quartiles								
	Mean	Medlan	Mean	Median	Men recelving bonus	Women receiving bonus	Upper		Upper Middle		Lower Middle		Lower		
UK - Legal Entity Split	Mean Median	Median	Mean				Men	Women	Men	Women	Men	Women	Men	Women	
Reckitt Benckiser Corporate Services Limited $\Delta$	26.8%	17.7%	54.0%	24.4%	73%	65%	61.5%	38.5%	54.0%	46.0%	45.3%	54.7%	32.9%	67.1%	
RB Healthcare (UK) Ltd HQ 🛆	-3.3%	3.6%	-35.5%	13.1%	95%	89%	71.9%	28.1%	78.8%	21.2%	72.1%	27.9%	63.1%	36.9%	
RB Healthcare Manufacturing $\Delta$	1.4%	0.0%	-19.7%	-23.4%	93%	89%	72.3%	27.7%	76.4%	23.6%	78.1%	21.9%	63.5%	36.5%	
Reckitt Benckiser Health Limited $\Delta$	20.7%	23.4%	42.8%	26.7%	94%	94%	49.4%	50.6%	45.5%	54.5%	36.6%	63.4%	41.5%	58.5%	
RB UK Commercial Limited $\Delta$	7.6%	12.1%	23.5%	15.9%	88%	88%	48.4%	51.6%	48.4%	51.6%	36.8%	63.2%	36.8%	63.2%	
RB (UK) Ltd △	-4.0%	-6.9%	-38.0%	-5.1%	96%	97%	84.6%	15.4%	65.2%	34.8%	76.9%	23.1%	86.4%	13.6%	

	Hourly	pay gap		Bo	onus gap		Hourly pay quartiles								
	Maan	Medlen	Maan	Madlan	Men	Women receiving	Upper		Upper Middle		Lower Middle		Lower		
UK - Legal Entity Split	Mean	Medlan	Mean M	Median	recelving bonus	bonus	Men	Women	Men	Women	Men	Women	Men	Women	
Reckitt Benckiser Brands Ltd	12.9%	-1.2%	-10.7%	0.0%	91%	84%	have not been calculated as do not fall under assurance/UK regulatory scope.								
RB UK Hygiene Home Commercial Ltd	7.0%	3.5%	12.0%	35.5%	89%	92%	have not been calculated as do not fall under assurance/ok regulatory scope.								

Note: A negative percentage indicates a pay or bonus gap in favour of women. A positive percentage indicates a pay or bonus gap in favour of men.

**A** The triangle icon indicates where the metrics have been assured (limited assurance) by our independent assurance provider, KPMG, and reflects the position as at April 2023. <u>View here</u>.

Statutory disclosure: the UK data presented here in this report is accurate and meets the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.