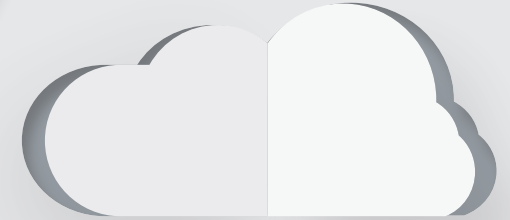




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Reckitt Benckiser Group plc (RB)  
Driving diversity and inclusion

# UK Gender Pay Report 2017



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Welcome to our first UK Gender Pay Report – prepared under the Equality Act 2010 (Gender Pay Information) Regulations 2017. To ensure the integrity of the information, all RB’s gender pay gap figures have been independently assured by Deloitte.



# A diverse business is a better business

The best ideas come from a rich variety of perspectives and backgrounds – it's how we innovate and it's integral to our culture and values.

➔ See more about our values on page 03

Women are an important part of RB's business. They represent almost 75% of our consumers, both online and in store. It is just one of the many reasons why we overwhelmingly support equality and diversity across the organisation.

RB believes our gender and inclusion policies deliver tangible results. They lead to a better workplace, better decision making and better execution because of the diversity of our people, their cultures and, more importantly, their unique perspectives.



“A diverse workplace goes to the heart of our passion to innovate and outperform.”

**Gurveen Singh**  
Chief Human Resources Officer, RB

## We recognise we need to do more to retain women in senior roles

When it comes to gender and gender pay, we believe in equality. We practise equal pay for equal work. This report focuses on our UK gender pay gap, setting out the difference in average hourly pay between men and women across the organisation, as at the snapshot date of 5th April 2017. It shows that RB has a median gender pay gap of 0.1%, lower than the UK national average of 18.4%.

However, we recognise there is a gap in the overall number of women in senior management, which leads to the gender pay gap, measured on a mean average basis, and also to RB's gender bonus gap. Simply stated, while men and women have the same bonus earning opportunity, we have more males than females in senior management roles. Clearly, we must focus on increasing the proportion of women in these positions. In this report we outline our actions to address such imbalances.

We want women and men to have equal opportunities in the workplace because we believe it is in society's interest. We want to be a business that puts women at the heart of its leadership and decision making. In this way, we serve not only our employees, but our consumers and shareholders, while also living up to our aspiration to be a truly inclusive organisation.



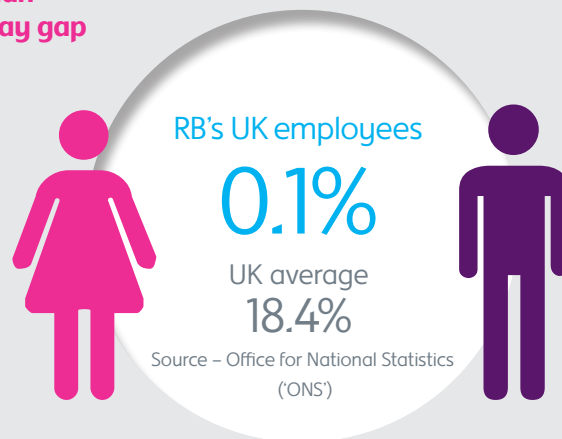
**Gurveen Singh**  
Chief Human Resources Officer, RB

### Statutory disclosure

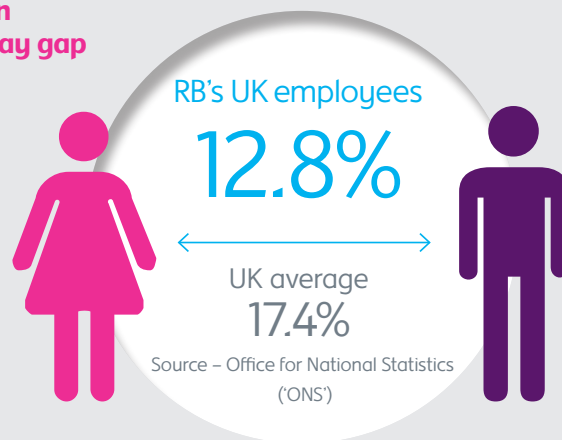
I confirm that the data presented here in this report are accurate and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Our **Median** and **Mean** gender pay gap is lower than the UK average.

### Our Median gender pay gap



### Our Mean gender pay gap



## Our culture and values

At RB our outperformance starts with our people. We empower and develop colleagues in line with our five core values below.

The unique culture at RB favours decision making at all levels. We are guided by our purpose and driven by a passion to outperform.



# Equal pay for equal work



## What is equal pay?

Equal pay is a legal requirement, set out in the Equality Act 2010, to ensure that men and women performing like work or work of equal value are treated the same. It is the law and all employers must observe it. Equal pay applies not just to salary, but to all contractual terms and conditions of employment. For example, holiday entitlements, contractual bonuses, pay and reward schemes, pension payments and other contractual benefits. Equal pay law does not require that everyone doing the same job or an equal value job must earn exactly the same. There are a number of legitimate, non-discriminatory reasons why individuals performing the same duties may be paid differently – for example, factors such as experience, performance and relative competency may all be relevant.



All UK companies with legal entities employing 250 or more people are required to report the gender pay and bonus gaps across their business. This reporting covers six measures:

1. Mean gender pay gap in hourly pay
2. Median gender pay gap in hourly pay
3. Mean bonus gender pay gap
4. Median bonus gender pay gap
5. Proportion of males and females receiving a bonus payment
6. Proportion of males and females in each pay quartile

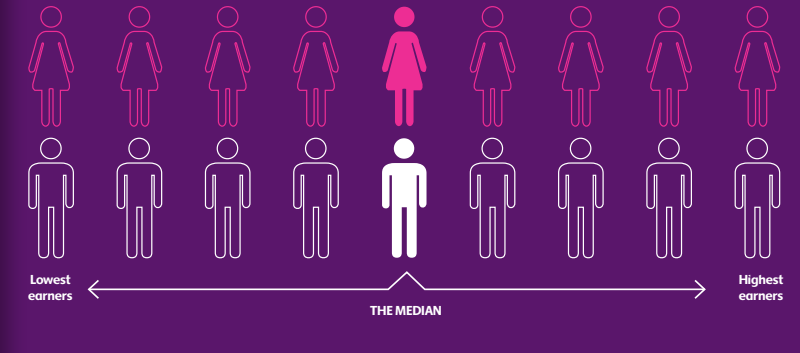
## How is the gender pay gap calculated?

### The MEDIAN gender pay gap

The median represents the mid-point or middle of a group/population.

**The median gender pay gap** is the difference between the hourly pay for the middle male compared with the middle female in a company.

Commentators consider the median to most closely represent the experience of the typical man and the typical woman when it comes to workplace pay.



### The MEAN gender pay gap

The mean represents the 'average' in a group/population.

**The mean gender pay gap** is the difference between the average hourly pay for men and average hourly pay for women in a company.



# UK Gender Pay picture

More RB women received a bonus than men in 2017



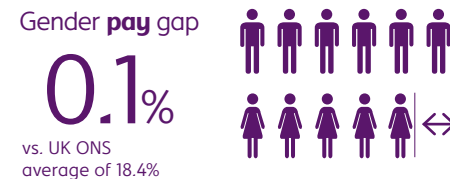
## RB overview

RB has several UK entities. To help our stakeholders understand RB's overall UK gender pay gap, we have aggregated all this data here. This provides a complete gender pay picture across our UK businesses.

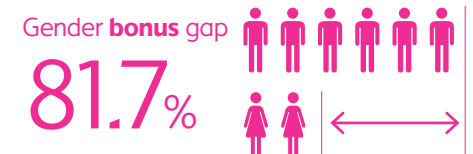
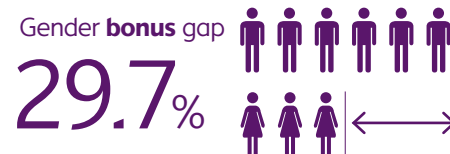
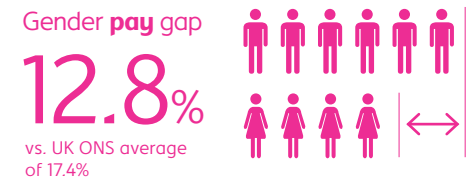
Our RB 2017 gender pay data has been independently assured by Deloitte. The individual UK entities' data are shown on page 7.

## Here is the overall gender pay gap performance across all our UK operations

### Median



### Mean



# UK Gender Pay picture continued

## Favourable comparison

According to the Office for National Statistics, in 2017 the UK's median gender pay gap for full and part-time staff combined was 18.4% in favour of men. Our overall UK median gender pay gap for the same period was lower than this at 0.1%. Our mean gender pay picture for 2017 was 12.8%, which compares with the ONS national average for the UK of 17.4%.

## Outperformance

As part of our approach to recognising and rewarding outperformance, senior RB leaders have access to both short and long-term incentive plans. This means we face a challenge with our gender bonus gap as we have more male than female senior managers.

Based on the average annual gross bonus paid, the RB 2017 bonus gap is 81.7% (mean) and 29.7% (median). While men and women have the same bonus earning opportunity at RB, we recognise the uncomfortable reality of this imbalance.

RB is committed to closing this gender balance gap and has already implemented several initiatives in this area.

To understand the gap, it is important to note that the bonus gap is made up of annual bonus (short term) and Long-Term Incentive Plan (LTIPs).

## Annual bonus

Our annual bonus scheme operates in the same way for all participants. It incentivises top line revenue growth and a bottom line measure of profit growth. This is important as it is gender neutral and objective. All those in the same roles are offered the same opportunities to receive bonuses, irrespective of gender.

RB supports part-time working, so that our employees can balance their personal and professional lives. Pay and bonuses are adjusted accordingly. However, this is not recognised in the calculation of the gender bonus gap and more than 90% of RB's part-time employees are women.

## Long-term incentives

LTIPs reward long-term performance and share price growth. At RB we have a strong pay for performance culture and alignment to shareholder value. An increase in share price leads to a corresponding value in terms of LTIP payout. LTIP allocation is gender neutral, which means that people at the same level in the organisation receive the same allocation of shares.

And yet there are more men than women in those roles that offer higher incentive opportunities, including eligibility for LTIPs.

Finally, it is worth noting that the LTIP rewards long-term performance, with three and a half years between an award being made and it potentially paying out. As we are required to include the payouts during the 12 months to April 2017, which in RB were paid in May 2016, this year's gender pay analysis reflects LTIPs awarded in 2012, when the number of women in senior roles was 24%. The proportion of females in such positions now stands at 28%.

## What are quartiles?

Quartiles refer to the division of data into four equal-sized groups. When calculating gender pay data, the quartiles are calculated by listing all employees' earnings in order (from highest to lowest), and splitting them into four even groups. This then allows you to calculate the proportion of men and women in each quartile.

## Proportion of RB males and females in each pay quartile

	Male	Female
Upper quartile	61	39
Upper middle quartile	60	40
Lower middle quartile	63	37
Lower quartile	58	42

The individual RB entity quartile breakdowns can be found on page 7.



# How our UK businesses stack up

In the spirit of transparency, we have detailed the overall gender pay picture for all RB employees in the UK, even if employed by an entity we are not required to report on. All RB's gender pay gap figures have been independently assured by Deloitte.

## Here is the combined gender pay gap data for our UK entities

	Gender Pay Gap		Gender Bonus Gap		Proportion receiving a bonus payment		Percentage of male and female employees in pay quartiles							
	Mean %	Median %	Mean %	Median %	Male %	Female %	Upper quartile		Upper middle quartile		Lower middle quartile		Lower quartile	
	Mean %	Median %	Mean %	Median %	Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %
<b>Corporate</b>														
<b>Reckitt Benckiser (Brands) Limited</b> Employees based in Slough and Hull within our R&D and Global Category functions	30.2	24.0	74.8	32.7	83.7	77.2	59	41	43	57	35	65	41	59
<b>Reckitt Benckiser Corporate Services Limited</b> Employees working in Head Office – majority based in Slough	33.8	26.1	79.3	39.7	84.5	74.9	79	21	66	34	53	47	32	68
<b>Manufacturing</b>														
<b>Reckitt Benckiser (UK) Ltd</b> Employees based at our manufacturing site in Derby	0.8	3.2	8.5	10.4	20.1	37.5	90	10	80	20	71	29	90	10
<b>Reckitt Benckiser Healthcare (UK)</b> Employees based at our manufacturing site in Hull	1.1	9.1	-15.8	-23.8	11.5	21.4	73	27	77	23	72	28	53	47
<b>Reckitt Benckiser Healthcare International Ltd</b> Employees based at our manufacturing site in Nottingham	4.7	8.2	-12.8	10.3	8.3	7.5	80	20	74	26	78	22	65	35
<b>RB UK Specific Operations</b>														
<b>RB UK Commercial Limited</b> Employees working in our UK commercial business, mainly in Supply Services, Sales and Marketing	16.5	6.6	70.6	22.6	90.9	87.0	50	50	42	58	46	54	35	65
<b>TOTAL* – all our RB employees in the UK</b>	<b>12.8</b>	<b>0.1</b>	<b>81.7</b>	<b>29.7</b>	<b>43.1</b>	<b>60.2</b>	<b>61</b>	<b>39</b>	<b>60</b>	<b>40</b>	<b>63</b>	<b>37</b>	<b>58</b>	<b>42</b>

\* Total includes all RB's employees in the UK, including those not employed by the six entities in the table above.



# Towards greater gender balance

Improving our gender balance is a strategic imperative. It starts with our hiring policies through to our leadership development and succession planning.

## A growing number of female leaders in the UK

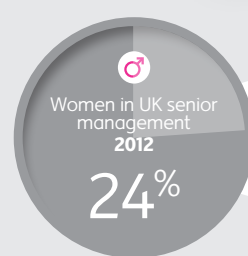
Our leadership pipeline is solid and our focus is on increasing our retention rate for women at middle and senior management levels.



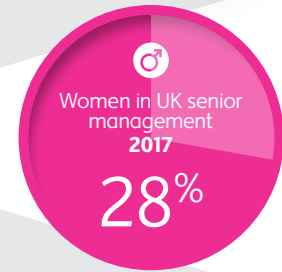
1



2



VS



3

Our business in the UK is improving in terms of gender balance, but it is still some way from our goal of doubling the numbers of women in senior management.

At RB we take gender and diversity very seriously. We are working hard on improving both metrics. A diverse workforce goes to the heart of our passion to outperform.

### DARE to be different

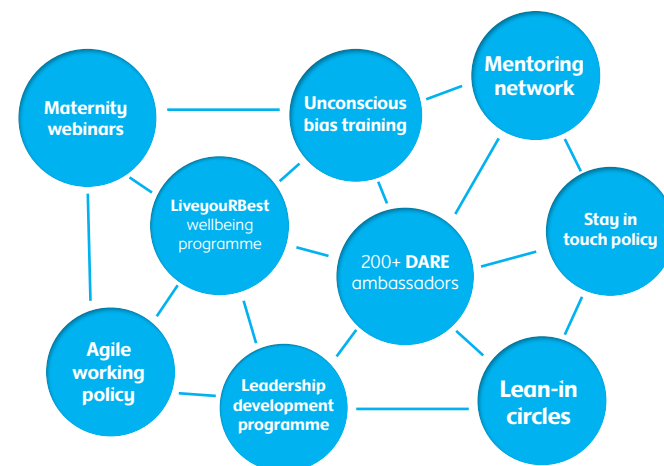
In 2015, we introduced our DARE initiative to Develop, Attract, Retain and Engage talented women.

DARE positively supports work-life balance, dual careers and international mobility. We provide a generous maternity policy and female colleagues benefit from access to mentoring and tailored leadership development programmes.

Male colleagues champion gender equality at RB. Leading by example, last year our CEO Rakesh Kapoor was ranked in the Top 10 Champions of Women in Business by the Financial Times and HERoes.

For more on DARE, see our Sustainability Report page 19

### Support programmes



For more on gender and diversity, see our Sustainability Report page 19

# Towards greater gender balance continued



We aim to achieve greater balance through these **3 actions**:

## 1 Driving better balance in senior management

- Recruitment and selection practices to ensure all open positions have a gender-balanced shortlist and we attract a broad range of applicants. This means we always focus on selecting the best person for the job.
- Provide mentoring and tailored development programmes for senior female leaders to improve retention rates.

## 2 Improving Work-Life Balance

- We encourage flexible working arrangements to suit the changing needs of our employees.
- Further embedding RB's LiveyouRBest wellbeing programme.

## 3 Nurturing Careers and Ensuring Career Progression

- Focus on career progression for women via specific leadership training and mentoring across the wider organisation, to help create a more equal distribution of gender at all levels.
- Undertake independent quantitative and qualitative research among female staff and our DARE\* network to assess and better understand their views about working at RB, professional development and career progression opportunities.

\* DARE is RB's initiative to Develop, Attract, Retain and Engage talented women.

## Conclusion

There is much we can be proud of in this, our first report on gender pay:

- Equal pay for equal work and all bonuses based on company performance.
- Gender balance at graduate level and improved representation at senior management level in the UK.
- Comprehensive global maternity/paternity policy.
- DARE programme focusing on improving our retention rate of female senior leaders.

And yet, as this report points out, there are still areas where we acknowledge we need to do more.

In line with our aspiration to be a truly inclusive organisation, we want more women at the heart of our leadership and decision making.

In true RB spirit, we will apply our uncompromising determination to minimise any disparities or gender and pay gaps which exist.

Comprehensive global maternity policy:

**16 weeks**

paid leave and up to 12 months off



For more on our people and culture, see our Sustainability Report page 18



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