



## **Independent assurance statement by Deloitte LLP to Reckitt Benckiser plc regarding the 2019 Gender Pay Gap disclosures for RB Mexico**

### **What we looked at: scope of our work**

Reckitt Benckiser plc ('RB') engaged us to provide limited assurance on the voluntary Gender Pay Gap ("GPG") disclosures ("the subject matter") for RB Mexico, for the reporting period ended 5 April 2019. These have been calculated using RB's internal GPG global methodology, which has been established to calculate and voluntarily report a range of international pay gaps (see Appendix 2).

The assured indicators are outlined in detail within Appendix 1, and comprise:

1. Mean gender pay gap (%)
2. Median gender pay gap (%)
3. Mean bonus gender pay gap (%)
4. Median bonus gender pay gap (%)
5. Proportion of men and women eligible for a bonus payment (%)<sup>2</sup>
6. Proportion of men and women in each quartile band (%)

**What we found: our assurance opinion** Based on the scope of our work and the assurance procedures we performed, nothing has come to our attention that causes us to believe that the subject matter, as listed above, is not prepared, in all material respects, in accordance with the applicable criteria.

### **What standards we used: basis of our work and level of assurance**

We carried out limited assurance on the selected indicators in accordance with the International Standard on Assurance Engagements 3000 (Revised) (ISAE 3000 (Revised)). To achieve limited assurance ISAE 3000 (Revised) requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls. This provides less assurance and is substantially less in scope than a reasonable assurance<sup>1</sup> engagement.

The evaluation criteria used for our review was the RB Internal GPG Methodology.

### **What we did: our key assurance procedures**

To form our conclusions, we undertook the following procedures:

- Interviewed management and those with operational responsibility for consolidating, calculating and reporting the assured GPG disclosures listed above;
- Reviewed and evaluated the approach for measurement, calculation and reporting for each indicator as set out in the reporting criteria;
- Reviewed the completeness (including assumptions around inclusions and exclusions) and classification (including how relevant definitions have been used within the calculations) of the GPG data;

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<sup>1</sup> The levels of assurance engagement are defined in ISAE 3000 (Revised). A reasonable level of assurance is similar to the audit of financial statements; a limited level of assurance is similar to the review of a half-year financial report.

<sup>2</sup> Includes Annual Performance Plan (bonus) at target, Sales Incentive Plan, Factory Incentive and Valuation of Long Term Incentive Plan at target. Additional bonuses that are awarded locally in the market were also included as part of the total bonus earnings.

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- Understood, analysed and tested on a sample basis the key structures, systems, processes, procedures, and controls relating to the aggregation, validation, and reporting of the mandatory GPG indicators set out above; and
- Reviewed the content of the draft disclosure against the findings of our work and made recommendations for improvement where necessary.

## Limitations

In relation to our work performed on the subject matter, we note that our scope of work did not include examinations of the underlying data systems or the accuracy of the underlying data in systems operated by RB.

## Responsibilities of Directors and independent assurance provider

### RB's responsibilities

The Directors are responsible for the preparation of the subject matter and statements contained within any voluntary narrative disclosure. They are responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived and for calculation of the indicators.

### Deloitte's responsibilities, independence and team competencies

Our responsibility is to independently express conclusions on the subject matters as defined within the scope of work above to RB in accordance with our letter of engagement. Our work has been undertaken so that we might state to RB those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than RB for our work, for this report, or for the conclusions, we have formed.

The maintenance and integrity of RB's websites is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported subject matter when presented on RB's website.

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Federation of Accountants' Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the subject matter. The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our team consisted of a combination of Chartered Accountants with professional assurance qualifications and professionals with a combination of responsible business experience, including many years' experience in providing non-financial assurance.

We have confirmed to RB that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

*Deloitte LLP.*

### Deloitte LLP

London, United Kingdom  
18 March 2020



**Appendix 1: Gender Pay Gap calculations**

No.	KPI	Assured value
<b>RB Mexico</b>	Mean gender pay gap (%)	4.8%
	Median gender pay gap (%)	-32.0%
	Mean bonus gender pay gap (%)	-68.6%
	Median bonus gender pay gap (%)	17.8%
	Proportion of men and women eligible for a bonus payment (%)	Males: 37.6% Females: 47.3%
	Proportion of men and women in each quartile band	(M / F)
	<ul style="list-style-type: none"> <li>• Lower</li> </ul>	M: 53% / 256 F: 47% / 227
	<ul style="list-style-type: none"> <li>• Lower middle</li> </ul>	M: 76% / 368 F: 24% / 116
	<ul style="list-style-type: none"> <li>• Upper Middle</li> </ul>	M: 52% / 251 F: 48% / 233
	<ul style="list-style-type: none"> <li>• Upper</li> </ul>	M: 58% / 279 F: 42% / 204



## **Appendix 2: Global GPG Methodology**

Reckitt Benckiser plc ('RB') engaged us to provide limited assurance over the voluntary Gender Pay Gap ("GPG") disclosures ("the subject matter") for four of its markets in addition to the UK. These markets were the USA, India, China, and Mexico. Combined with the UK, these markets represent approximately 50% of RB's total global workforce.

The pay calculation for these markets consisted of taking snapshot data of all active RB employees in the relevant market from the HR system effective 5 April 2019. The key elements of April compensation were summed to then calculate the hourly rate per individual; Basic pay, allowances (including car allowance), pay according to local legislation e.g. allowances in India. For bonus differential calculations the data was pulled from the same data set, comprising Annual Performance Plan (bonus) at target, Sales Incentive Plan, factory incentive and valuation of Long Term Incentive Plan at target. Any additional bonuses that are awarded locally in the market were also included as part of the total bonus earnings.

This calculation methodology was chosen as it aligns with the UK legislative guidelines on what should be included for hourly pay calculations and which elements to include for total bonus earnings. This provides a level of consistency in reporting across the four markets.