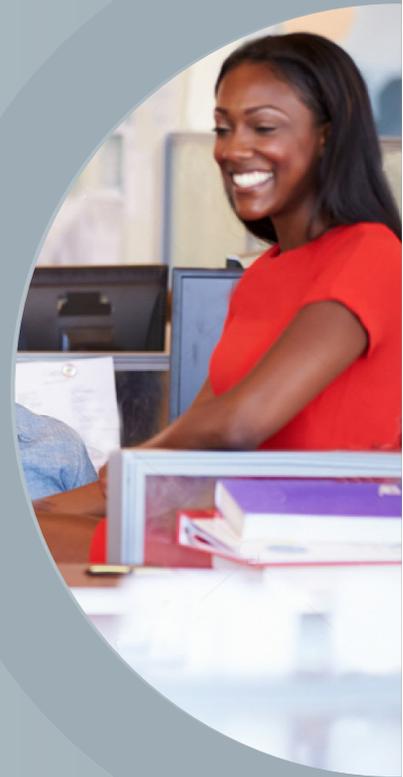




Henkel Ltd Gender Pay Gap Report 2017



Introduction

Under a new law that came into force in April 2017, UK companies with more than 250 employees must report annually on the gender pay gap.

This report gives the statistics for Henkel Ltd, together with detail on our commitment to address the causes that have been identified.



Why was the legislation introduced?

In 2017, the pay gap between men and women in the UK was 17.4% and for full-time employees it was 14.1% (based on mean hourly wages).¹

Legislation was introduced to drive efforts to reduce this gap. Annual reporting will create culture change and make sure that organisations address the specific causes they identify.

¹Office of National Statistics:
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults#gender-pay-differences>

What is a gender pay gap?

A gender pay gap is the difference between average earnings of men and women across an entire organisation.

By contrast, equal pay is about individual job roles; it deals with pay differences between men and women who carry out the same job or work of equal value.

250+
colleagues

UK companies must report annually



17.4%
**National gender
 pay gap 2017**

Henkel Ltd: figures and declaration

We confirm that Henkel Ltd's gender pay gap calculations are accurate and meet the requirements of The Equality Act 2010 (Gender Pay Gap Information).

Signed



Peter Budden
President, UK & Ireland

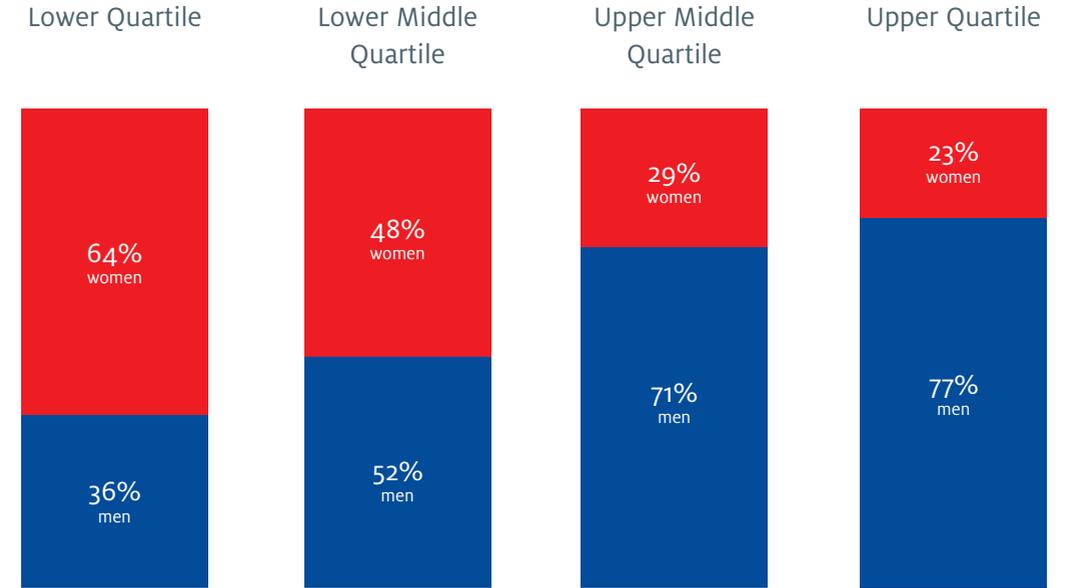
Signed



Robert Larsen
Head of Human Resources,
UK & Ireland, and Nordic Region

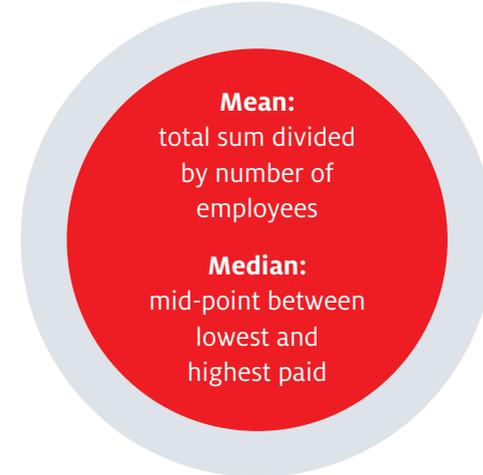
On 5 April 2017, the snapshot date for reporting, Henkel Ltd had 409 employees.

Percentage of men and women in each quartile



Mean hourly pay gap
29.85%

Median hourly pay gap
32.7%



Mean bonus pay gap
56.17%

Median bonus pay gap
75.08%

Henkel's gender pay gap

The statistics required by legislation tell only a basic story. In response, Henkel's Executive Committee established a working group, tasked with identifying the causes of Henkel's gender pay gap.

The analysis suggests that Henkel's gender pay gap stems from factors that are common with other large employers and not from equal pay issues. Henkel's track record in providing long, stable careers is a positive aspect of corporate life but has led to senior management comprising of many more men than women. This heavily influences the reported figures.

Henkel has a track record in providing long, stable careers.

Adhesive Technologies is Henkel's largest business division, accounting for approximately 210 employees (over 50%). This sector traditionally attracted male applicants to sales and technical roles and growth by acquisitions



More men in Senior Management

50% of staff work in Adhesive Technologies

has brought in more men than women. We need to work harder to reach and attract female interviewees.

We have no gender bias in promotions or performance reviews. Women achieve the same proportion of 'High Performing' assessments as men, and meet the same Framework of Orientation in terms of merit rewards as men.

No gender gap in promotions or performance reviews

Women are returning from maternity leave and staying with the company on return, which means we are not losing talented female staff at that point in their career. To support this, Henkel has a flexible working policy and the majority of requests are granted. However, few requests are made each year and more women than men leave citing 'personal reasons'. We need better to understand why.

Henkel's commitment to change

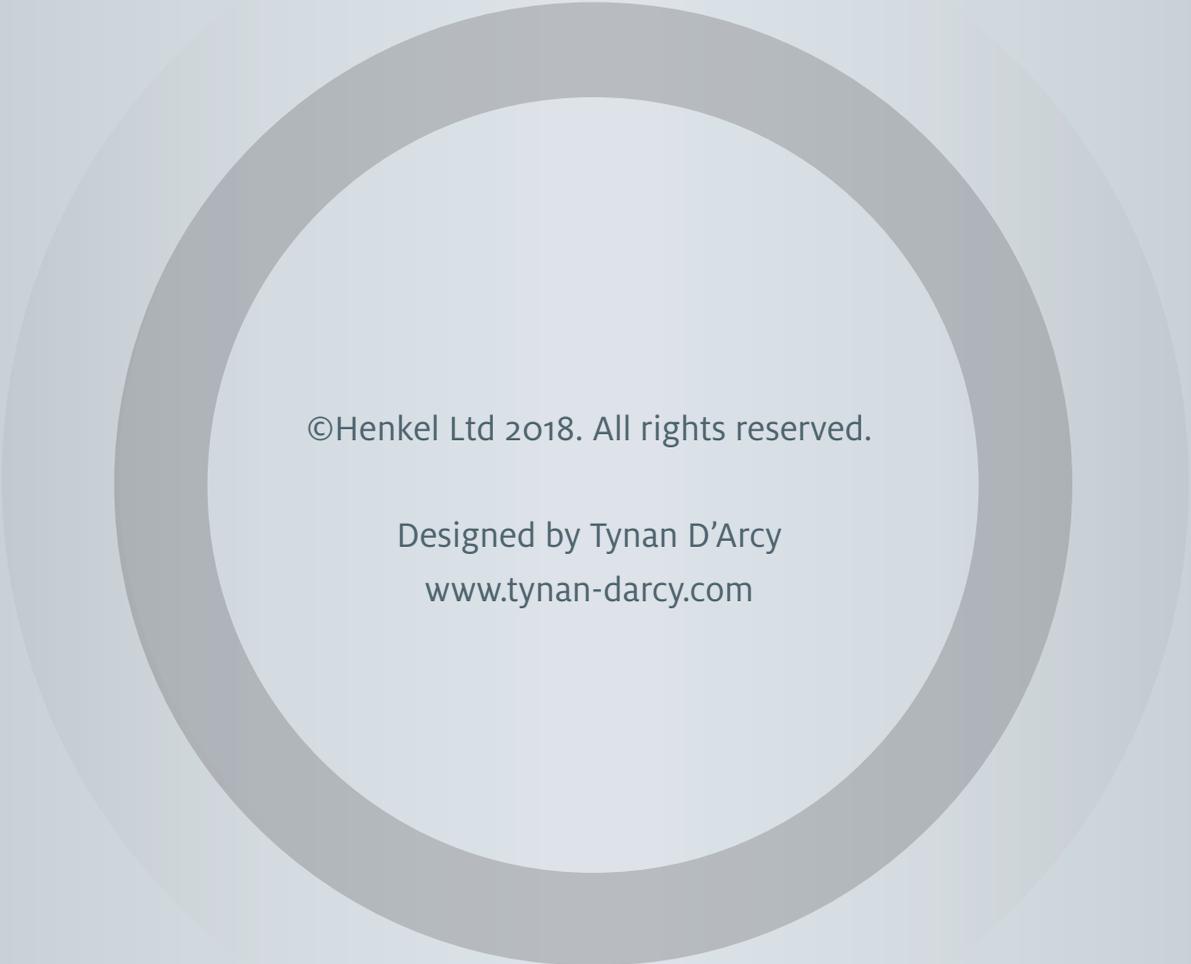
Henkel Ltd's Executive Committee has identified five key areas to focus efforts towards reducing the gender pay gap, which will be reviewed on a quarterly basis:

- Complete a gender pay gap self-assessment audit by business/function
- Capture recruitment pool data (where possible) and find new ways to widen recruitment pools, particularly for our Adhesive Technologies business
- Enhance the quality/detail of data from exit interviews and create a set of recommendations and actions based on the results
- Promote Henkel's existing flexible working policy more effectively
- Develop a local strategy to encourage women to seek higher level opportunities

The gender pay gap will not be eliminated quickly, as many of the changes will take time to show statistical results but Henkel Ltd is committed to reducing its gender pay gap.



5 Key areas



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