



Start

Gender Pay Gap report 2018





Henkel Ltd's Executive Committee is committed to closing the company's gender pay gap. Any meaningful change takes time and that is reflected in the figures published in this report.



A significant contribution has been made by a cross-functional team of impassioned staff, guided by our HR professionals. Many ideas have been generated by this group, some of which are at the stage of implementation; other proposals require further development.

There is no doubt that this is an excellent start on the road to closing the gap and I am convinced we will reap the long-term benefits of these initiatives, as we encourage, support and advance our talented staff.”

Peter Budden
President, UK & Ireland

Introduction

Under a law that came into force in April 2017, UK companies with 250 or more employees must report annually on the gender pay gap. Henkel is committed to transparency and equality and therefore fully supports this approach.

This second report gives the statistics for Henkel Ltd 2018, together with an overview of our commitment to change and measures to reduce the identified gender pay gap in our company.

What is the Gender Pay Gap?

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

Within the UK, the national median gender pay gap 2018 is 17.9% for all employed people and the mean is 17.1%.*

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.

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



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



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*Office of National Statistics, October 2018 <http://bit.ly/2Do42TD>

Gender Pay Gap results

398

On 5 April 2018, the snapshot date for reporting, Henkel Ltd had 398 employees.

Mean and Median Gender Pay Gap

Mean

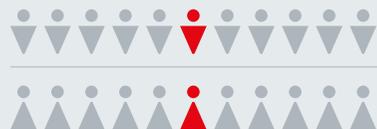
Total wage bill divided by number of employees.

Total pay



Median

Mid-point between the lowest and highest paid.



Mean hourly pay gap

27.5%

↓ 2.4% From 2017

Median hourly pay gap

32.6%

↓ 0.1% From 2017

Mean & Median Gender Bonus Pay Gap

100% of men and women at Henkel Ltd are entitled to be paid a bonus – the percentages below reflect the number of staff qualifying by the reporting date of 5 April 2018.



Mean bonus pay gap

57.3% ↑ 1.1% from 2017

Median bonus pay gap

74.7% ↓ 0.4% from 2017

Percentage of Men and Women in each quartile (2018)

Upper Quartile	↓ 79%	↑ 21%	↓ 2% from 2017
Upper Middle Quartile	↓ 63%	↑ 37%	↑ 8% from 2017
Lower Middle Quartile	↓ 58%	↑ 42%	↓ 6% from 2017
Lower Quartile	↓ 39%	↑ 61%	↓ 3% from 2017



An analysis of all roles in the company confirmed that Henkel Ltd pays women and men equally for the same or equivalent work.

Henkel's Strategy to Address the Gender Pay Gap

Following publication of the 2017 figures, Henkel's Executive Committee established a working group consisting of male and female representatives from all business units and central functions. Twenty-one staff took part in a focus group, which defined several actions within three categories: senior level initiatives; access to opportunities; and talent pipelines. The ideas were aligned with the Executive Committee and brought forward for implementation.

An analysis of all roles in the company confirmed that Henkel Ltd pays women and men equally for the same or equivalent work. The research also confirmed that the company has 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.

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The analysis highlighted that Henkel's track record in providing long, stable careers has led to senior management comprising more men than women. This heavily influences the reported figures. Between 2017 and 2018, we saw a slight drop in both the mean and median hourly wage gap. In addition, there was an increase of eight percentage points in the number of women in the Upper Middle Quartile, a decrease of six percentage points of women in the lower middle



quartile and a decrease of three percentage points of women in the lower quartile. These are small but welcome shifts but a better balance will take some years to achieve, due to the stability and longevity of careers in the company.

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Henkel's Strategy to Address the Gender Pay Gap

Henkel's Adhesive Technologies business division accounts for more than 50% of employees. This sector traditionally attracted male applicants to sales and technical roles and growth by acquisitions has brought in more men than women. Henkel is actively working to reach and attract more female interviewees for this business unit to address the imbalance. Colleagues have attended career fairs and are working together with schools and universities to attract more girls to careers in the fields of science, technology, engineering and maths (STEM).

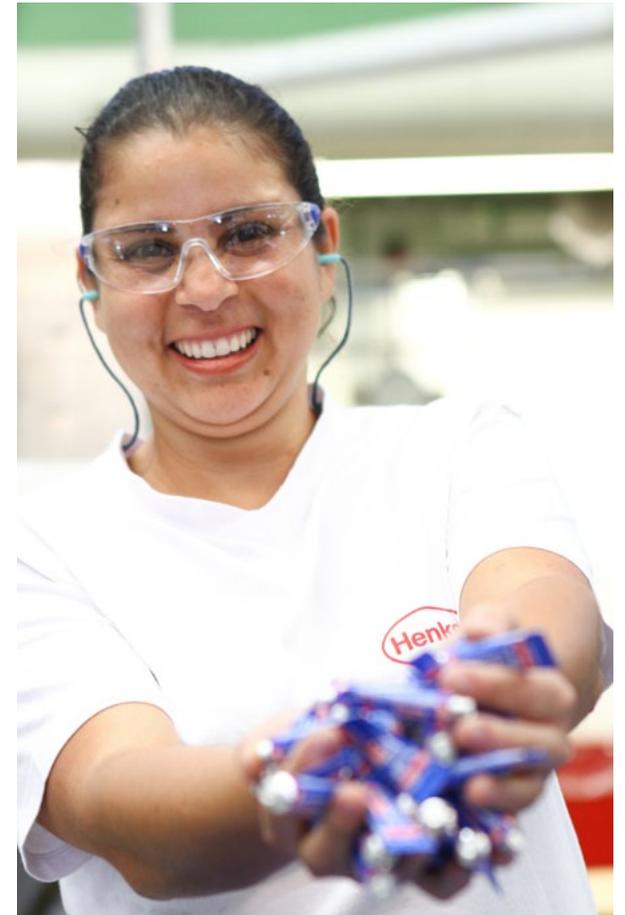
Henkel is actively working to reach and attract more female interviewees for this business unit to address the imbalance.

At the same time, we are working to promote our flexible working policy, and to develop a local strategy to encourage women to seek higher level opportunities. This includes engaging high-potential female employees in training and workshops, empowering them to optimise their professional



development and energising them through further educational opportunities at universities. This will help to identify and nurture a sustainable pipeline of talented women across all levels within the company.

We are working to promote our flexible working policy, and to develop a local strategy to encourage women to seek higher level opportunities.





Henkel remains resolute in its commitment to tackle the gender pay gap.



The response of our Executive Committee and employees is already producing positive and exciting changes. These changes not only support our ambition to close the gap but will also bring greater benefits to all our businesses in a challenging economic environment.”

Katy Shanks

HR Operations Manager, UK & Ireland



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