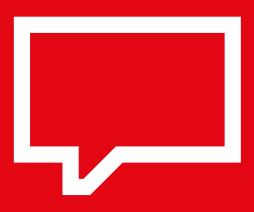


# **FOREWORD**

## **EMILY ROSS**

### Senior Trade Marketing Manager,

HCB Professional and Diversity, Equity and Inclusion (DEI) Council Chair, Henkel UK



"During my career, I have worked alongside many amazing women who have inspired me hugely. As a result, supporting women and championing successes is something I feel passionate about, and as Chair of the DEI Council, I want to drive progress on gender balance within our objectives for 2023.

"Ultimately, we want to create a level playing field across the business so that regardless of gender, ethnicity, sexual orientation, disability or age, everyone has the same career progression opportunities.

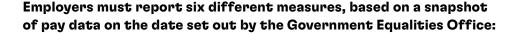
"This is an area which Henkel's senior executives are fully behind. Indeed, our President for the UK and Ireland founded the DEI Council and, along with the UKI Excom, is 100% committed to the work we do as a group."



# INTRODUCTION

Since 2017, UK companies with 250 or more employees must file annual statistics on the gender pay gap. Henkel is committed to transparency and equality, and fully supports this reporting structure.

Henkel UK's sixth Gender Pay Gap report gives figures for Henkel Ltd from April 2022, together with an overview of Henkel's approach to reducing the gap.



- median gender pay gap the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- mean gender pay gap the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- median bonus gap the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.

- mean bonus gap the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.
- bonus proportions the proportions of male and female relevant employees who were paid bonus pay during the relevant period.
- quartile pay bands the proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands.



# DEFINING THE GENDER PAY GAP

The gender pay gap is the difference between the average earnings of men and women across an entire organisation, typically caused by more men than women in senior roles and in higher-paying jobs.

By contrast, equal pay is the legal right of women and men in the same employment to be paid equally for performing the same role or work of equal value.

Within the UK, the national median gender pay gap for full-time employees in 2022 was 14.9%.

# REDUCING THE GENDER PAY GAP

Despite our ongoing commitment to reducing the gender pay gap in the UK, it continues be a challenge. As a result, we recognise it will take time for our initiatives to show results and therefore to achieve our ambition to reduce our gender pay gap.

Henkel's Adhesive Technologies business makes up 60% of employees in the UK and because of the challenges over many years of attracting women into industrial sectors within which we operate, it has compounded the structural gender imbalance in our Company. This imbalance is partly further reinforced by the long and stable careers across the business, but this is particularly the case in our Adhesives Technologies division.

The company is taking steps to encourage more women to apply for roles across the business at the recruitment stage; an area we discuss in more detail later in this report.



We recognise that currently Henkel's upper quartile of employees is under-represented by women and combined with a greater share of higher paid male employees in senior positions, this has a significant impact on our gender pay gap.

We are actively working to create more gender-balanced leadership teams. For example, following the recent merger of our beauty care and laundry teams, which was completed after the deadline for this year's report, the new senior management team of nine includes six women.



Our Diversity, Equity, and Inclusion (DEI) Council continues to introduce initiatives to promote greater inclusion across the business. Furthermore, our global aim for gender parity in management roles by 2025 further demonstrates our overall commitment to support and encourage our female employees, present and future.

# **HENKEL LTD FIGURES**

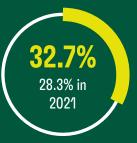
Henkel Ltd: 395 employees of whom

**51%** were male (202)

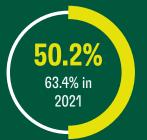
**49%** were female 193



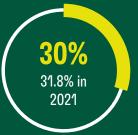
MEAN HOURLY PAY



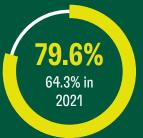
MEAN HOURLY BONUS



MEDIAN Hourly Pay



MEDIAN HOURLY BONUS



# PAID BONUS IN PRIOR 12 MONTHS



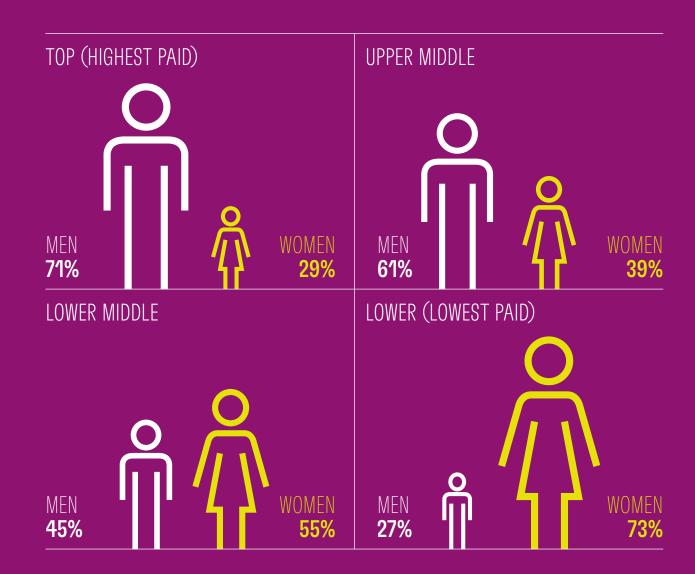
**89.6%**OF MEN HAD A BONUS (90.9% in 2021)

£

**86% OF WOMEN HAD A BONUS**(84.7% in 2021)

# **GENDER PAY GAP QUARTILES 2022**

We have seen a small increase in women within the top quartile with an increase of 4% on 2021 figures.



# **CLOSING THE GAP**

Henkel's business strategy builds on a strong foundation, a collaborative culture and empowering people. One of the indicators for future success is the diversity of our teams and we underline our commitment with our new global DEI aspiration:

'We foster a culture of belonging and strive for equity to release the full potential of our diversity.'

Our holistic approach to diversity is based on gender, ethnicity, sexual orientation, disability, and age, and within this we acknowledge that gender diversity plays a decisive role when it comes to our success.



# WHAT IS BEING DONE TO CLOSE THE GAP?

We have started laying the groundwork at the global, regional and local level, by enhancing existing efforts and introducing programmes, actions and measures to reduce our gender pay gap.







Henkel UK has introduced several initiatives into its recruitment process to encourage more female applicants, and this provides an inclusive foundation for the future.

#### These initiatives include:

- All job advertisements and descriptions are prepared to appeal to all genders. For example, it is recognised that men and women respond differently to job advertisements. When skills required for a role are listed in a job advertisement, women often believe they must have all the skills listed to apply, whereas men often apply if they have one or two of the skills listed. In addition, particular words, phrases and the tone of the job advert will appeal more to female traits, particularly in more male dominated business sectors/roles.
- We are actively working with our recruitment agencies to attract more diverse applicants, especially in our Adhesive Technologies division.
- Directors and managers across the business, led by the President UK and Ireland, are engaged in the drive to encourage female applicants.
- The opportunity for flexible working is mentioned in all job advertisements.
- Every role is advertised internally for at least a week to encourage career progression for existing employees.



She comments, "In the Henkel UK HR team we recognise that if we want to reduce the gender pay gap, we need to attract, retain and promote women at all levels in the business. Supporting the career progression of our female employees begins with recruitment. The initiatives that we have introduced have been developed to be more inclusive for external female applicants and also to encourage internal female applicants when career enhancing roles become available.

"We have already benefited from the improved diversity of external applicants, and we are hopeful that we will see a similar boost of female applicants, particularly for roles in our adhesive technologies division and manufacturing teams."



In addition, the following global initiatives reflect our corporate ambitions for gender parity.



### **Development**

We continue to leverage the mentoring programs that exist in our business units, functions, and regions, as well as seeking opportunities to expand mentoring opportunities.



#### Retention

We encourage equal access to opportunities and consider different and smart working, such as providing the opportunity for shared leadership roles and part-time leadership roles.



#### **Learning & Training**

Following the introduction of our new Inclusion Upskilling, we are placing a further focus on building appropriate behaviours for all employees and managers. As part of this programme, a global rollout is planned for a special inclusion upskilling for senior leaders during 2023.



### **Accountability**

We are strengthening accountability and transparency of our gender-specific targets. We have clearly defined targets for the individual business units and functions and our progress is reviewed on a regular basis.

We will continue to have a focus on female recruitment, career development and retention, and we are partnering with our diversity networks, such as the DEI Council in the UK, to identify and apply best practices and structural improvements throughout the business.



Rachael joined Henkel in 2013 as a Marketing Manager in the Beauty Care team but has risen through the ranks, via the position of Head of Marketing for Beauty Care, to a Global role as Head of Cultural Transformation and Diversity, Equity and Inclusion (DEI) in Henkel Consumer Brands.

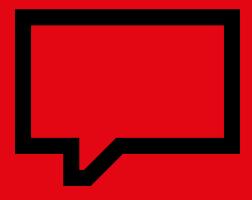
In the ten years since joining the business, Rachael and her husband started their family and now have two children. Rachael firmly believes that for a woman to succeed in her career ambitions and have a family, there needs to be a levelling of the playing field. Companies need a visible commitment to gender parity, a culture that recognizes the value that gender-balanced leadership can bring, equity measures throughout the employee lifecycle, and lastly, they need to acknowledge the extra demands on parents and give them the space and flexibility to succeed at both roles, at home and work.

She says: "My ability to progress my career alongside having a young family was only possible because I was treated with equity. My leaders recognized my potential and value to the business. After I had my first child, my flexible working request was approved and I was able to work reduced hours – this was critical to my ability to balance my career with having children, alongside maintaining my financial independence. Equally, the opportunity for my progression into a global role was only possible because I was able to do it based out of the UK and commuting to our Head Office in Dusseldorf for key meetings, as relocating my young family and a husband whose career is of equal importance wasn't possible. These are tangible examples of leadership supporting parents in the workforce – after all, the time when children are very young is fleeting when you look at it in the context of a 40-year career."

Rachael highlights the extremely high cost of childcare and the difficulties many women face without flexible working when children are young. She was fortunate that her husband was also able to work flexibly in the early years so they were able to keep their childcare costs at an affordable level, but "this should be the norm, not the exception".

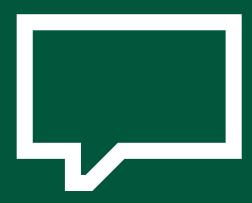
She concludes: "We want to see progress towards our Gender Parity ambition at Henkel. A large part of this is ensuring that starting a family doesn't hold ambitious and talented women back in their careers with us. Embracing flexible working and reframing the cultural norms around parenting, including seeing the importance that working dads play in our pursuit for gender equality, are fundamental to our progress."





## **RACHAEL ROWLAND**

Head of Cultural Transformation and DEI (Henkel Consumer Brands)



### **SUTINDER BHANDAL**

President UK & Ireland

"Henkel is committed to supporting career progression for all within our business regardless of gender, ethnicity, sexual orientation, disability or age. As part of this commitment and our gender parity target, we shall continue to make efforts to attract and retain women; to support and champion women to achieve their full potential and personal goals and to build on our inclusive culture to give everyone equal and fair opportunities. We recognise that there is more work to do here.

"Our global aim for gender parity in management roles by 2025 further demonstrates our overall commitment to support and encourage our female employees, present and future."





## **DECLARATION**

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



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# **SUTINDER BHANDAL**

President UK & Ireland

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## **ALENA NAGORNYAK**

Head of Human Resources UK, Ireland, and the Nordic Region



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