

RE-SHAPING OUR TOTAL REWARDS STRATEGY

Shereen Alaa, Henkel | Total Rewards Praxis Forum | 24 June 2021







WHO WE ARE

LEADING POSITIONS IN INDUSTRIAL & CONSUMER BUSINESSES

Adhesive Technologies



LOCTITE **TECHNO MELT** **BONDERITE**

Beauty Care



Schwarzkopf **Dial** syoss

Laundry & Home Care



Persil **all** **Bref**



WHO WE ARE A GLOBAL PLAYER

**ROCKY HILL,
CONNECTICUT, USA**
REGIONAL HUB

**DÜSSELDORF,
GERMANY**
HEADQUARTERS

**SHANGHAI,
CHINA**
REGIONAL HUB

**VIENNA,
AUSTRIA**
REGIONAL HUB

**DUBAI, UNITED
ARAB EMIRATES**
REGIONAL HUB

**MEXICO CITY,
MEXICO**
REGIONAL HUB



SALES

€19.3 BN



MORE THAN

144 YEARS

SUCCESS WITH
BRANDS AND
TECHNOLOGIES



WE ARE ACTIVE IN

78

COUNTRIES

THREE BUSINESS UNITS

ADHESIVE TECHNOLOGIES
BEAUTY CARE
LAUNDRY & HOME CARE

€2.6 BN

ADJUSTED
OPERATING PROFIT
(EBIT)



LEADING IN
SUSTAINABILITY

+64%

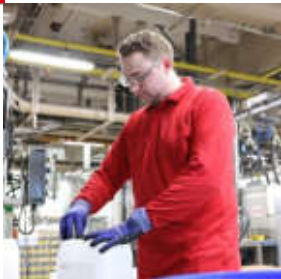
RESOURCE
EFFICIENCY



AROUND

2,700

SOCIAL PROJECTS
SUPPORTED



WE EMPLOY
MORE THAN

52,950

PEOPLE
WORLDWIDE FROM
125 NATIONALITIES



AROUND

37%

WOMEN IN
MANAGEMENT

WIN THE 20s THROUGH
**PURPOSEFUL
GROWTH**

Create superior
Customer & Consumer Value

Reinforce our leadership in
Sustainability

Enable our **People** to grow
with a sense of belonging



HUMAN RESOURCES VISION

Ensure successful business through the power of people, while developing a strong sense of belonging

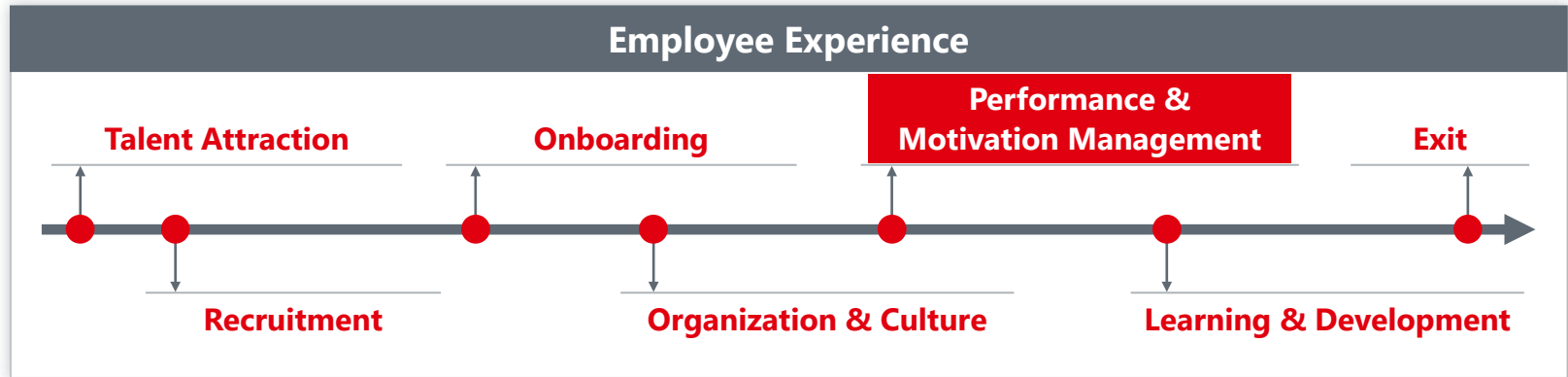


WHAT GUIDES US

A STRONG GLOBAL TEAM

- **Leading in diversity:**
Employees from **125 nations**,
37% of our managers are women
- **Attractive employer:**
Exciting career opportunities worldwide
- **Strong performance culture:**
We encourage and reward excellent performance
- **Developing strong leaders:**
Clear Leadership Commitments,
more than 15,000 online courses offered
to employees

▶ SHAPING A SUPERIOR EMPLOYEE EXPERIENCE THE CORE OF OUR PEOPLE AND CULTURE INITIATIVES



> **Total Rewards as part of Performance & Motivation Management strongly contributes to Henkel's overall Employee Experience**

▶ TOTAL REWARDS STRATEGY

WHY REVIEW NOW?

- New **Henkel Strategy** and **Purpose**
- **Diverse global workforce** expect personalized packages – **more flexibility** needed
- **Changing expectations** and needs of workforce
- **Increasing competition** in labor markets

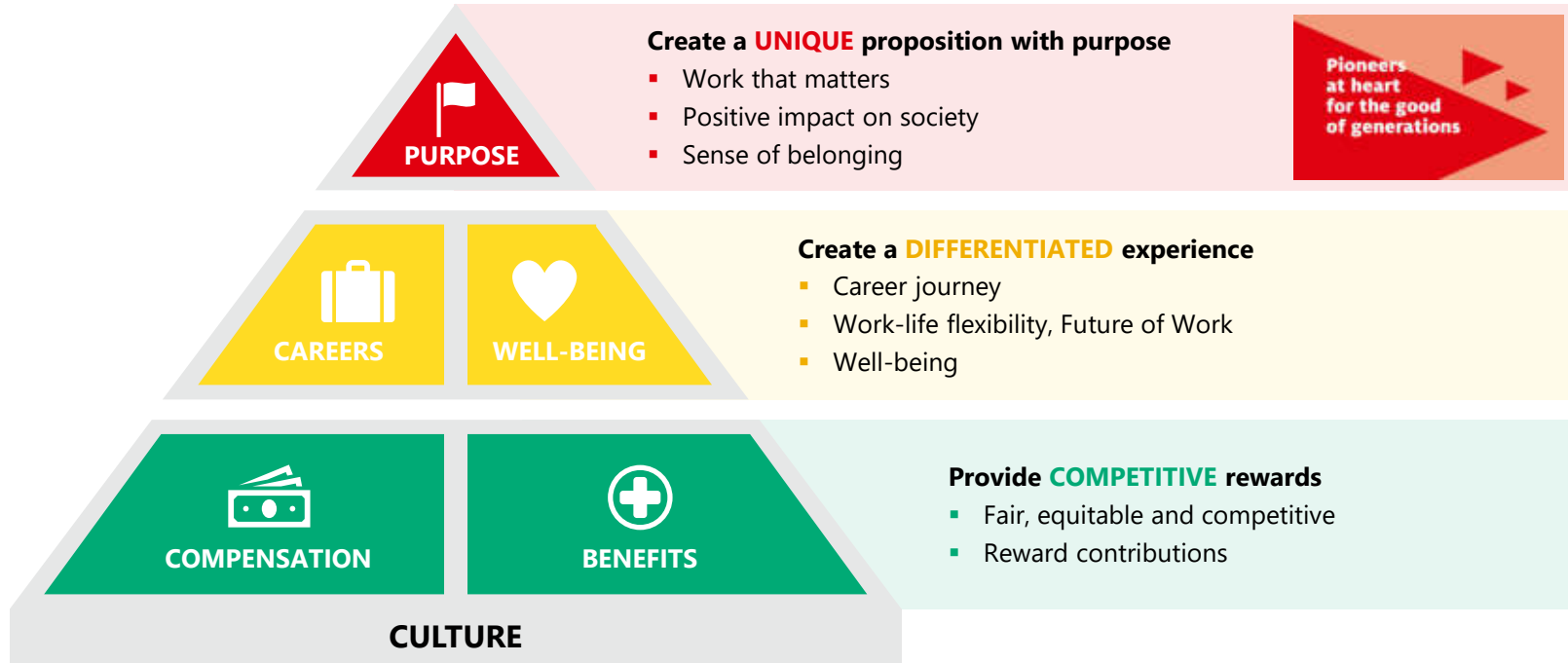


▶ OUR TOTAL REWARDS AMBITION STRENGTHENING HENKEL'S POSITION AS "EMPLOYER OF CHOICE"

- Offer **equitable & competitive** rewards
- Provide **attractive** packages to meet the **expectations of our diverse teams**
- **Reflect sustainability** in our Total Rewards concepts



▶ TO BE EMPLOYER OF CHOICE WE NEED TO... ...CONSIDER THE EMPLOYEE PERSPECTIVE



► COMPREHENSIVE REVIEW

CONSIDERING EXTERNAL & INTERNAL PERSPECTIVES

LISTEN

Employee listening and co-creation sessions

REFLECT

Re-defined Total Rewards Strategy and concepts

BENCHMARK

Comprehensive global market benchmarking

CONSULT

Exchange with external consultants & cross BU/F Sounding Board

ADAPT & COMMUNICATE

New Total Rewards Strategy and enhanced concepts

▶ OUR STRATEGIC GUIDING PRINCIPLES

STRONG LINK TO OUR STRATEGY & PURPOSE

- Provide **solid competitive** base
- Reward based on **company's success** and incentivize **individual performance**
- **Motivate & retain** our top leaders
- **Integrate sustainability** in our offerings and performance management
- Promote our **recognition culture**

*"We care for
and reward
our people"*



TOTAL REWARDS PILLARS

CONSIDER INTERDEPENDENCY BETWEEN ELEMENTS

Structure & Base



- Organizational level landscape
- Base salary
- Compensation mix

Variable Rewards



- Short-term Incentives (STI)
- Long-term Incentives (LTI)
- Recognition programs
- Sales incentives

Benefits



- Employee Share Plan
- Flexible benefits
- Pension
- Health care
- Co. cars/mobility

Supplements



- Well-being programs
- Additional time-off

▶ WAY FORWARD

CONTINUOUS REVIEW AND COMMUNICATION



THANK YOU

