

Chapter 9

Henkel:

Radical Transparency and Sustainability

ABSTRACT

This chapter analyzes how Henkel aims to create sustainable value with everything they do – together with employees, partners and stakeholders. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel also takes responsibility for the safety and health of its employees, customers and consumers, the protection of the environment and the quality of life in the communities in which it operates. In conducting its business, Henkel wants to create sustainable value through innovative solutions. The findings reveal that Henkel creates more value for its customers and consumers, for the communities it operates in, and for the company – at a reduced environmental footprint. Henkel's 20-year goal for 2030 is to triple the value it creates for the footprint made by its operations, products and services - this is an ambition to become three times more efficient. Looking ahead, Henkel intends to continue developing innovations that combine performance, environmental compatibility and social responsibility in equal measure.

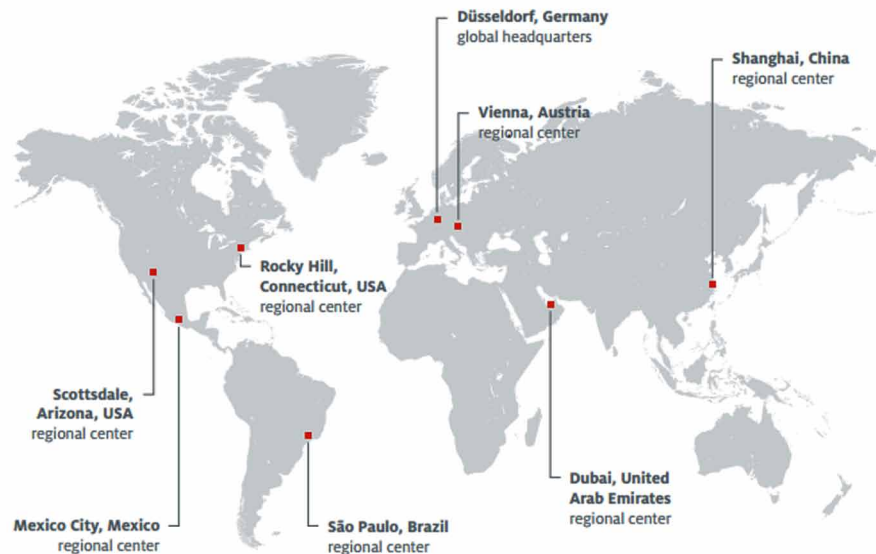
INTRODUCTION

Henkel at a glance 2015 –Highlights:

- 139 years of brand and technology success
- 49.450 employees
- €18.1 billion sales
- 125 nations represented by Henkel people
- 43% of sales generated in emerging markets
- 33% of managers are women
- 61% of sales generated by top 10 brands
- More than 3.400 social projects supported
- 38% increase in overall efficiency from 2011 to 2015

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Figure 1. Henkel around the world: regional centers



Henkel operates worldwide with leading brands and technologies in three business units: Laundry & Home Care, Beauty Care and Adhesive Technologies. Founded in 1876, the company is headquartered in Düsseldorf, Germany. With production sites in 55 countries, Henkel promotes economic development as a local employer, purchaser and investor.

The value-added statement shows that most of the generated sales flow back into the global economy. The largest share of the value added – 52.8 percent – went to the employees in the form of salary and pension benefits. Central and local government received 11.8 percent in the form of taxes; lenders received 1.3 percent as interest payments. Henkel paid 11.1 percent of the value added as dividends to shareholders. The value added remaining in the company is available for investments in future growth.

HENKEL SUSTAINABILITY STRATEGY

Which are Henkel sustainability aspirations? Henkel is committed to leadership in sustainability – this is one of its core corporate values. As pioneers in this field, Henkel wants to drive new solutions while developing its business responsibly and in an economically successful manner. Which strategy is Henkel pursuing? Henkel ambition is to achieve more with less. This means Henkel creates more value for its customers and consumers, for the communities it operate in, and for the company – at a reduced environmental footprint. Which targets has Henkel set? Henkel 20-year goal for 2030 is to triple the value Henkel creates for the footprint made by its operations, products and services. Henkel summarizes this ambition to become three times more efficient as factor 3. In pursuing this goal, Henkel concentrates its activities along the value chain on six focal areas that reflect the challenges of sustainable development as they relate to our operations.

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