SUSTAINABILITY

Shaping the circular economy

Henkel Investor & Analyst Day 2019
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Consumers are demanding change today

Climate change is a big concern and it is already impacting us today

Our natural resources are limited and we need to think about future generations

Oceans are getting polluted by our waste
Brands owners are striving to change

**Renewables**
Increase use of bio-based and renewable materials

**Footprint**
Improve operational efficiency and reduce emissions

**Recycling**
Design for recyclability and increase use of recycled material
Focusing on sustainability pays off

“As sustainability leaders, we aim to pioneer new solutions for sustainable development while shaping our business responsibly and increasing our economic success.” [Henkel]

“Business goals for us also mean environmental goals. It’s one and the same.” [VP Danone North America]

“50% of growth in consumer packaged goods from 2013-18 came from sustainability marketed products.” [Harvard Business Review]

“50% of consumers in the UK are willing to pay premium to avoid plastic packaging.” [The Guardian]
The dilemma of plastic packaging

Valuable & versatile material to keep food fresh and safe

Leading concern for pollution as it ends up as waste

\(^1\) In practice, only ~14% of plastic packaging gets recycled
All stakeholders on board

Regulatory Bodies

Several countries (incl. Canada, EU, India) set milestones for single-use plastic bans

Industry Alliances

Harmonized industry wide guidelines and investments in infrastructure for waste management
Growing circular economy

- **Design** and produce for recycling
- Promote **reuse**, to leverage maximum value
- Increase **quality** of recycling material

Turning **waste into value**
We have a unique position

Global partner of choice
We have a unique position

Powerful ecosystem
We have a unique position

FACTOR 20+

High-impact solutions
Closing the loop for beverage bottles

>500 billion plastic bottles expected to be used globally in 2021

PET bottle recycling is spreading worldwide and can become a Circular Economy success story

**Henkel’s solution**
Certified removable labeling adhesives
- Ensure highest recycled plastic quality

**Capturing value through product innovation**
New alternatives to single-use plastic

420 billion plastic straws used globally every year

High visibility & sudden bans on plastic straws required swift reaction

**Henkel’s solution**
Enables degradable and recyclable paper straws
- 100% incremental business

Building ecosystems to drive growth
New designs that increase recyclability

>20 billion mailers
used in eCommerce packaging per year

Bubble wrap mailers not recyclable
demand for all-paper, paper packaging is on the rise

**Henkel’s solution**
New generation of padded mailer
- Collaboration with e-commerce key players

Designing innovative packaging solutions
Technology to turn waste into value

€150 million post-industrial scrap yearly from flexible packaging containing aluminum in Europe

Impossible to recover value due to lack of technology to separate different material layers

Henkel’s solution
Unique adhesives enabling separation of layers
- Designed in partnership with recycling startup & key flexible packaging manufacturers

Enabling breakthrough solutions
By shaping circular economy

We capture growth.
We create sustainable value.
We make the difference.