



“Companies have operational responsibilities and citizenship opportunities”

Businesses have to manage their operational responsibilities well in order to be socially acceptable, obtain stakeholder’s consensus and, therefore, maintain their capability to operate on the market. For an international consumer-goods company like Henkel the key responsibilities are:

- ensuring that its products are safe for the consumer and the environment.
- not harming the environment. In Italy today there is a strong attention to the Global Warming issue.
- ensuring responsible behavior along the supply chain
- treating its employees fairly
- providing quality products at a fair price

Italian consumers are showing an ever-increasing attention towards to the environmental issues, such as air, water and soil pollution, and to the product safety. This attitude does not yet immediately translate into a consistent purchase pattern. Only a minority of the consumers are willing to pay more for environmentally friendly products.

However Henkel’s citizenship responsibilities provide the potential to itself and enhance its reputation. In Italy’s current socioeconomic situation these entail in particular:

- contributing to local and global economic stability, by ensuring the potential for continued value creation in Italy, e.g. through the development of innovative products, investments in its operations and its sourcing activities, while creating development opportunities for people in emerging economies,
- addressing human rights potential abuse. The Italian public opinion perceives this as a major issue companies like Henkel should address, although not related to their home country, but to the developing countries, especially with reference to South East Asia.
- give some contribution to solving social problems, such as demographic change and an ageing population, defense of the diversity, employment stability.

In order to fulfill these responsibilities, Henkel has to translate these into local activities. From an Italian perspective two factors appear to be particularly important in order to do this successfully:

- Involving the employees in the definition of the necessary measures will help to win the employees commitment to Henkel’s CSR policies and goals. Furthermore, by enabling its employees to participate in activities to solve

social problems in their communities, Henkel can deepen this commitment and mobilize additional resources as well as increasing loyalty and motivation.

- Taking an approach based on voluntary commitments and NGO partnerships, especially where common areas of interest can be defined, to solve problems is preferred as well as appreciated by the Italian public opinion.

The sustainability management for a Company like Henkel should apply the following guidelines:

- measurement and communication make sustainability commitment trusted
- provide not only indicators but also identify clear and specific objectives to make their commitment more credible and concrete
- fulfill the safety of products, the environment safeguarding, a responsible supply chain, the fairly treatment of employees, but also guarantee the same standards anywhere they operate
- to be a good citizen means to be well establish within the community and to be proactive investor in R&D, new technology evolution and to support the local development
- Voluntary commitment in developing products and process in a sustainable direction is what can give a strong value from consumers point of view
- as employer any company has the opportunity/duty to educate employees on how to be more socially and environmentally responsible. An high level of involvement in citizenship programs and sustainability initiatives may improve the retention of top talents and increase loyalty and motivation