

## **Press Release**

March 15, 2021

Recognition for Industry 4.0 Leadership

# World Economic Forum recognizes Henkel as frontrunner in the 4<sup>th</sup> Industrial Revolution for the second time

Montornès / Spain - Henkel has been awarded as an "Advanced 4th Industrial Revolution <u>Lighthouse</u>" by the World Economic Forum and McKinsey & Company for the second time. An independent expert panel has recognized Henkel's Laundry & Home Care production in Montornès del Vallès, Spain (Barcelona), as a global lighthouse and frontrunner in Industry 4.0. The company has already become a member of WEF's Global Lighthouse Network beginning of 2020 with its production site in Düsseldorf, Germany.

Every year, the World Economic Forum and McKinsey & Company identify and honor leaders of advanced manufacturers that become members of the Global Lighthouse Network. The community's joint aim: fostering leadership in using Industry 4.0 technologies to transform factories, value chains and business models. Henkel has again prevailed over 1,000 assessed production sites and was recognized as a leader in the category "4-wall factory lighthouse" with its Montornès del Vallès Laundry & Home Care facility – the first World Economic Forum Global Lighthouse on the Iberian Peninsula. By deploying multiple advanced 4<sup>th</sup> Industrial Revolution (4IR) use cases at scale, Henkel is represented with two 4IR Lighthouses in the international Global Lighthouse Network.

"Digitalization is a key element of our agenda for purposeful growth. And Industry 4.0 is an important pillar of our digital transformation journey, enabling us to leverage sustainability along the entire value chain and helping us to accomplish our ambitious target to become a climate-positive company by 2040," says Henkel CEO Carsten Knobel. "We are very proud that our site in Spain has been recognized as a state-of-the-art best practice, proving that advanced technologies do not only drive sustainable production processes, but also agility and digital collaboration."

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"The second recognition by the World Economic Forum highlights our pioneering role in implementing Industry 4.0 in Laundry & Home Care productions worldwide. It is a great achievement for all teams involved and marks an important milestone on our digital transformation journey," says Bruno Piacenza, Executive Vice President Henkel Laundry & Home Care.

### At the forefront of Industry 4.0

Once again, Henkel has proven its ability to expand digital connectivity in the production through 4IR technologies. "We have been driving digital transformation at Henkel Laundry & Home Care consistently since many years. In 2013, we developed a unique cloud-based data platform called <u>Digital Backbone</u> to digitize our supply chain," says Dr. Dirk Holbach, Chief Supply Chain Officer at Henkel Laundry & Home Care. "Today, this platform connects more than 30 production sites and six distribution centers around the world in real time." The digital ecosystem helps to enhance the growing customer and consumer expectations on service and sustainability, while achieving double-digit cost as well as inventory reductions and represented a key role for <u>last year's Global Lighthouse recognition</u>.

To further strengthen the digital ecosystem, Henkel Laundry & Home Care started to implement AI-algorithms in the Montornès del Vallès plant, which aim to prescribing actions to assure breakdown-free line operations using historic data. By connecting the Digital Backbone with IT-systems, the business unit is driving line efficiency through predictive maintenance and advanced technologies. Additionally, the company has successfully replaced forklifts with automated guided vehicles (AGVs) to enable a complete touchless and safe product flow in the facility. The fully automated vehicles improve occupational safety while at the same time maintain optimum stock levels for raw materials and products. In addition, a technology has been established based on the digital platform that allows for smart product serialization, facilitating full track-and-trace capability from cradle to consumers.

#### **Driving Sustainability through Digitalization**

Digitalization is a crucial factor to drive environmental impact in manufacturing. In order to become <u>climate-positive</u> and make an active contribution to climate protection, Henkel starts with a strong focus on its production sites: To reduce its carbon footprint by 65% by 2025, Henkel has implemented Industry 4.0 technologies across its production sites worldwide.

Building on scalable digital ecosystems, Henkel has been driving progress on its long-term strategic digital transformation journey. By digitizing energy-intensive laundry processes, such as the spray drying of powder detergents, Henkel is increasing energy efficiency in the

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production. Such processes are incorporated into a so-called "Digital Twin" – a cloud-based 3D replica of the facility – which simulates operations and prescribes optimal process parameters to operators as well as sustainability and safety actions. Thereby, not only the amount of total waste in Henkel's state-of-the-art production site Montornès del Vallès was reduced by 35%, also the energy as well as water consumption could be improved in double digit ranges since 2017. Scaling such Industry 4.0 applications, the company will further improve the sustainability performance of its 17 spray-tower sites.

Furthermore, the digital ecosystem supports front line workers in day-to-day operations by providing real-time data access and standardized workflows. This enables monitoring and benchmarking across production sites to identify the most effective and sustainable practices. One example is the implementation of a mobile app-based platform, which simplifies and digitizes shop floor processes. Thereby, around 70% of paper has been eliminated in the Montornès del Vallès production since 2018. Additionally, the shop floor connectivity and digitalization enable monitoring at distance and foster digital collaboration among teams.

#### **About Henkel**

Henkel operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market – across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Founded in 1876, Henkel looks back on more than 140 years of success. In 2020, Henkel reported sales of more than 19 billion euros and adjusted operating profit of about 2.6 billion euros. Henkel employs about 53,000 people globally – a passionate and highly diverse team, united by a strong company culture, a common purpose to create sustainable value, and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel's preferred shares are listed in the German stock index DAX. For more information, please visit www.henkel.com.

#### Photo material is available at <a href="https://www.henkel.com/press">www.henkel.com/press</a>

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