



Press Release

January 08, 2019

Venture Capital investment with a focus on circular economy

Henkel invests into specialist circular economy fund

Düsseldorf – Supporting Henkel’s progress in sustainability, the company closed the investment into Circularity European Growth Fund I LP, an impact fund managed by Circularity Capital. With the investment of 5 million pounds, Henkel is taking another step in expanding the company’s venture capital activities while further promoting a circular economy.

Henkel has outlined an ambitious circular economy strategy including a target for 100 percent of its packaging to be recyclable, reusable or compostable* by 2025. Within the same timeframe, Henkel aims to use 35 percent recycled plastic for its consumer goods products in Europe.

Circularity Capital invests into companies from different development stages with a proven revenue model and a strong circular economy value creation potential. As such, the fund will generate value for all three business units of Henkel - for the Beauty Care and Laundry & Home Care consumer businesses as well as for the Adhesive Technologies advanced materials business. It provides access to a powerful network and significant European pipeline of small and medium enterprises enabling the circular economy. “We are committed to further drive progress towards a sustainable future. By joining the fund managed by Circularity Capital, we are complementing our current deal-flow and will gain further insights into the latest technologies that enable a circular economy,” says Paolo Bavaj, Head of Corporate Venturing at Henkel Adhesive Technologies. “The fund offers access to high growth



companies with strong expertise in fields which are highly relevant for us: from circular packaging, business models, materials and products to enabling data solutions and recycling technologies.”

“We are delighted to welcome Henkel, a recognized leader in sustainability who has recently stepped up its commitment for sustainable packaging, as a Limited Partner to Circularity European Growth Fund I LP,” says Jamie Butterworth at Circularity Capital. “We look forward to partnering with Henkel making a positive impact toward a circular economy.”

Henkel’s corporate venture capital engagement

Henkel Ventures is Henkel's corporate venture capital engagement with a total volume of up to 150 million euros. The dedicated team actively evaluates and manages equity investments and joint development projects with start-up companies. Building on existing successful collaborations between Henkel’s three business units and start-ups, Henkel Ventures focuses on a variety of business-related search fields. The investment into the Circularity European Growth Fund I follows further direct and fund investments from Henkel. Last year, the company among others announced its investment into a fund from China Materialia, enabling Henkel’s Adhesive Technologies business unit to access the growing scene of advanced materials start-ups in China and adjacent Asian markets. For more information on Henkel Ventures please visit www.henkel-ventures.com.

**Excluding adhesive products where residual amounts interfere with the recyclability or pollute the recycling stream.*

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 2017, Henkel reported sales of 20 billion euros and adjusted operating profit of around 3.5 billion euros. Combined sales of the respective top brands of the three business units – Loctite, Schwarzkopf and Persil – amounted to 6.4 billion euros. Henkel employs more than 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.

About Circularity Capital

Circularity Capital launched its inaugural fund, Circularity European Growth Fund I LP, in 2017 to deliver value for investors by supporting SME growth and innovation in the circular economy. Circularity Capital's investment strategy specifically addresses the increasing challenges faced by traditional linear, 'take-make-dispose' models of production and consumption. Circularity Capital seeks out businesses that can out-perform the market and their linear competitors by applying the circular economy framework. Circularity Capital targets investments in fast growing European SMEs operating across the circular economy. Circularity Capital's investors include financial institutions, corporations, family offices and leading global impact investors. www.circularitycapital.com

Photo material is available at www.henkel.com/press

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