

Press Release

January 16, 2019

Joint commitment for a circular economy

Henkel is founding member of new global "Alliance to End Plastic Waste"

Düsseldorf – Global challenges need global solutions – this is why nearly 30 companies from the plastics and consumer goods value chain today launched the new "Alliance to End Plastic Waste" (AEPW). The Alliance will develop and bring to scale solutions that will minimize and manage plastic waste. It will also promote solutions for used plastics by helping to enable a circular economy. Building on its existing efforts for sustainability and its commitment for a circular economy, Henkel joined the Alliance as one of the founding members.

"As a global consumer goods and industrial company, we at Henkel want to contribute to ending plastic waste. Developing sustainable solutions for this challenge will only be possible if we engage and collaborate across the entire value chain – from suppliers, trade partners, consumers and organizations through to governments," says Hans Van Bylen, Henkel CEO and President of the German Chemical Association VCI.

Commitment across the plastic value chain

The Alliance has committed over 1.0 billion US dollars with the goal of investing 1.5 billion US dollars over the next five years to help end plastic waste in the environment. Members are chemical and plastic manufacturers, consumer goods companies, retailers, converters, and waste management companies – they represent the range of companies that make, use, sell, process, collect, and recycle plastics. The Alliance has been working with the World Business Council for Sustainable Development as a founding strategic partner.

The global Alliance has the mission to advance solutions to eliminate plastic waste in the environment, especially in the ocean. Therefore, it will develop and execute Alliance-sponsored projects along with individual, company-directed investments that drive progress in four key areas:



- Infrastructure development to collect and manage waste and increase recycling
- Innovation to advance and scale new technologies that make recycling and recovering plastics easier and create value from all post-use plastics
- Education and engagement of governments, businesses, and communities to mobilize action
- Clean up of concentrated areas of plastic waste already in the environment, particularly the major conduits of waste, like rivers, that carry land-based plastic waste to the sea

Reinforcing Henkel's efforts for sustainable packaging

"Our decision to become a founding member in the Alliance reinforces our commitment to promoting a circular value chain for plastics, as demonstrated by our strategy and ambitious targets for sustainable packaging," says Hans Van Bylen.

By 2025, **100 percent of Henkel's packaging will be recyclable, reusable or compostable***. At the same time, the company aims to use 35 percent recycled plastic for its consumer goods products in Europe. To drive progress toward a circular value chain for plastics, Henkel follows a comprehensive approach.

Henkel is engaged in several cross-industry initiatives to drive innovation in packaging development and to find effective solutions which can be implemented on a large scale. The company is **member of the New Plastics Economy (NPEC)**, an initiative led by the Ellen MacArthur Foundation that brings key stakeholders together to redesign the future of plastics. NPEC is aiming to build momentum toward a plastics system based on the "circular economy" principle.

When developing more sustainable solutions for its product packaging, Henkel closely collaborates with partners along the value chain. Alongside its own innovations, Henkel recently invested 5 million British pounds into an **impact fund from Circularity Capital** to further promote a circular economy.

Henkel also supports different organizations and initiatives which drive progress for the improvement of recycling infrastructure allowing for a circular economy. Since 2017, the **Plastic Bank** is an important strategic partner for Henkel. The social enterprise offers solutions to both the environmental problems of plastic waste and the social challenges posed by poverty and the lack of employment opportunities. The local communities can return collected plastic waste and exchange it for money, goods, or services. In this way, value is created from plastic and it does not end up in the waterways or oceans. Henkel has already successfully integrated this so-called Social Plastic into selected packaging.

*excluding adhesive products where residue may affect recyclability

Progress toward sustainability in packaging will only be possible if stakeholders from all stages in the packaging value chain work together. This is why Henkel also drives initiatives to raise customers' and consumers' awareness of the need to use resources like plastic responsibly, to enable them to help create a closed circle for plastics. Therefore, the company has set itself the goal to reach more than 1 billion consumers with targeted information on recycling.

More information on the "Alliance to End Plastic Waste" can be found at <u>www.endplasticwaste.org</u>.

More information on Henkel's packaging strategy and targets can be found at <u>www.henkel.com/sustainability/positions/packaging</u>.

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 <u>www.henkel.com</u>.

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

Contact Lars Witteck Phone +49 211 797-2606 Email lars.witteck@henkel.com Jennifer Ott +49 211 797-2756 jennifer.ott@henkel.com

Henkel AG & Co. KGaA