

Experience with Sustainability Reporting at Henkel

Henkel

RESEARCH
TECHNOLOGY

Symposium: Perspectives of Sustainability Reporting

Workshop 1:

**Achieving optimum results:
Company-specific design vs. Standardization**

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Reporting Background

The Henkel logo, consisting of the word "Henkel" in a white sans-serif font inside a black oval.The Research Technology logo, featuring the words "RESEARCH" and "TECHNOLOGY" in a stylized font inside a black oval with a white border.

- 1992** Start of yearly voluntary reporting to stakeholders
- 1994** Corporate Policy: Eco-Leadership as competitive advantage
- 1996** Integrated management systems for Safety, Health, Environment, Quality (SHEQ) and world-wide auditing
- 1997** CEFIC Guidelines for HSE-Reporting
- 1999** GRI-Pilot-Test company
- 2000** Code of Conduct for all employees
- 2001** Henkel part of FTSE4Good-Index and leading company in the Dow-Jones-Sustainability Index

Gradual Development of Reporting

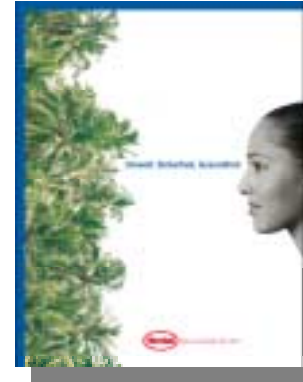
Main steps and issues



Environment



Safety, Health & Environment (SHE)



SHE +
Citizenship



Sustainability

Germany only

31 International Sites

Group Targets

Stakeholder Review

Internet Extension

???

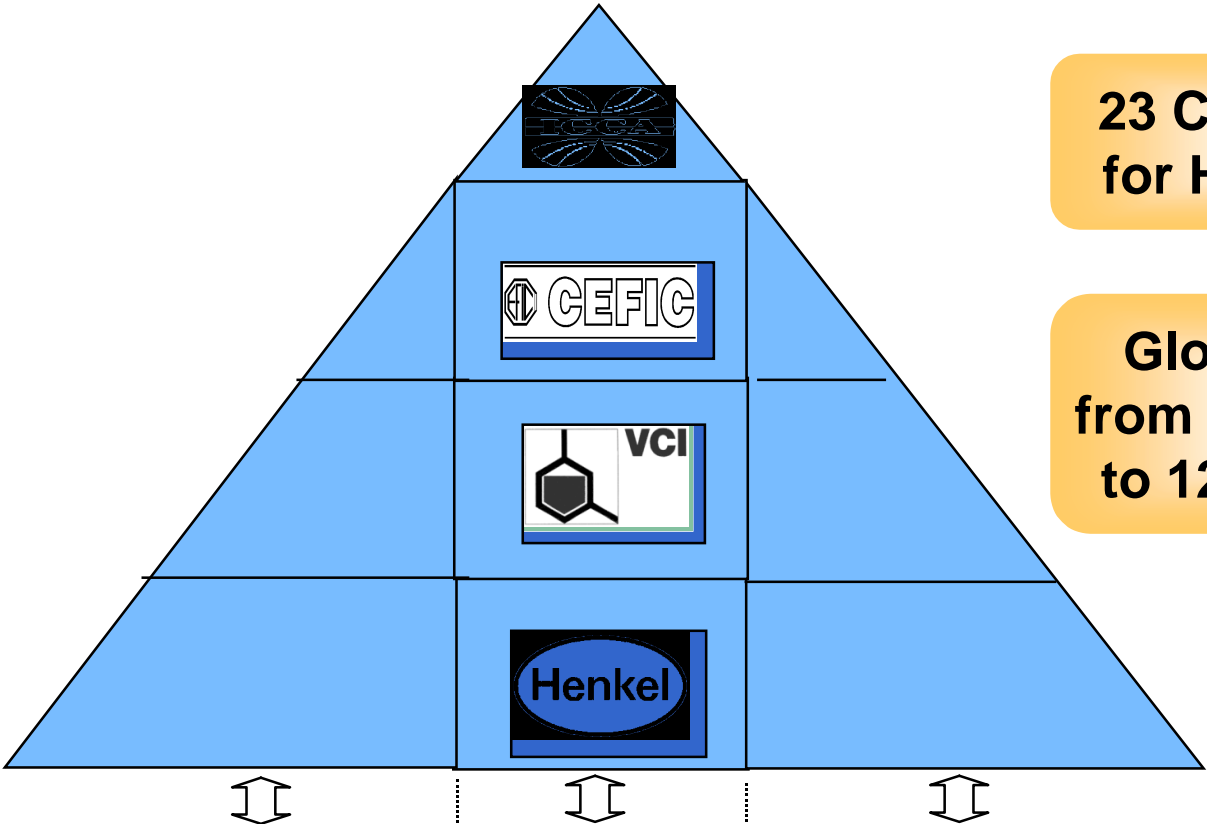
1992

1995

1998

2001

International Coverage and Core Performance Indicators



23 Core indicators for Henkel in 2001

Global coverage from 31 sites (1995) to 127 sites (2001)



Global Reporting Initiative and Sustainability Rating Institutes

Stakeholder Review: Focusing on needs of target groups

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- **Printed report as core information for all stakeholders (employees, media, NGO's, rating bodies, authorities)**
- **Readability and group overview: ~40 pages max. for report**
- **Additional information through internet links, site reports and on request**
- **Balanced reporting and openness:
Success stories as well as critical issues and gaps**

Internet Reporting

www.henkel.com/sustainability

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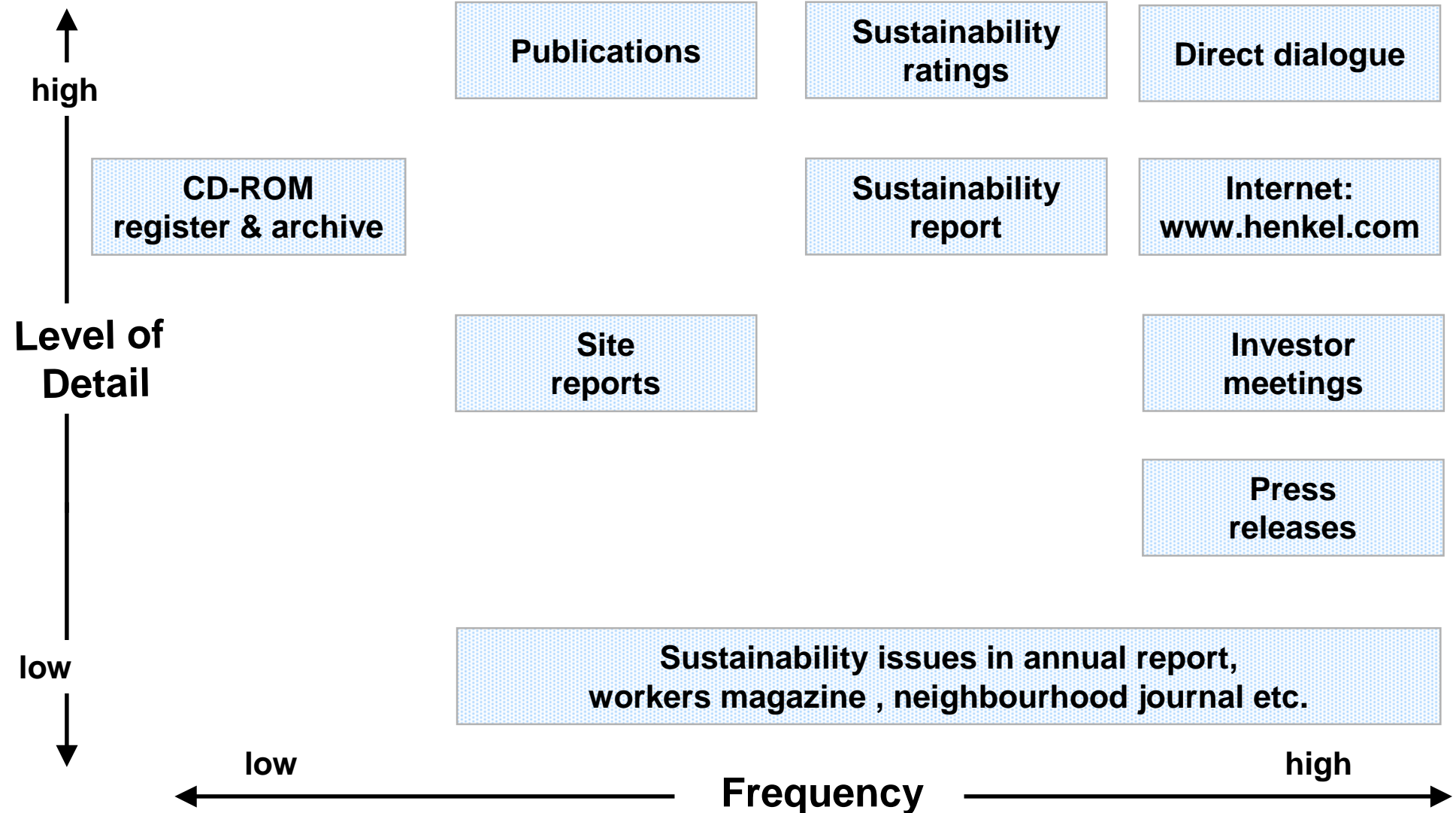
„More than 1:1 transfer of the printed report“

- **Short, readable text on the top level; detailed information on level 2 to 3**
- **Publications online, downloadable, e-mail order form**
- **Evaluation of requested information: Focused content, balancing user demand and complexity**
- **Online Dialogue (Handling within 24 hours)**
- **New user groups: Guided Tour for new and non-professional users (Cartoon-format)**

Addressing target group needs: Sustainability communication portfolio

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Global Reporting Initiative (1)

Expectations as Pilot Company

- **Sector requirements (CEFIC) for Health, Safety, Environment reporting need to be integrated**
- **Development of internationally applicable indicators and reportable information for social and economic aspects of Sustainable Development**
- **No overloading with mandatory reporting requirements and structure; report concept according to information needs of target groups**

Global Reporting Initiative (2)

Current Challenges

- Degree of standardization of content and format as an obstacle to
 - a) adequately address target group needs (-> no „boring“ reports)
 - b) develop / improve the quality of reports (-> barriers to creativity)
- Current number of indicators (> 100 !!) neither manageable nor meaningful for companies and user groups (what is essential?)
- Data collection criteria for performance measurement are not well enough defined to allow for substantial benchmarking
- Continuity in content, expertise and process management needed for company commitment to GRI (measurement working group!)

Future Development

- **Printed overview report as information portal**
- **Internet as reporting platform for special information needs and professional users**
- **Socially responsible investment and GRI as major drivers**
- **Limited set of internationally comparable indicators (<30) (consistency & definitions!) as maximum**
- **Competition between companies on content and style as driver for innovative developments (rankings and benchmarking)**