



LEADERSHIP PREVENTION MANAGEMENT AT HENKEL IBERICA

1. Organisations involved

HENKEL IBÉRICA

2. Description of the case

2.1. Introduction

Henkel is a German company with one of the widest international ranges in the global marketplace. The company employs 50,000 persons throughout the world and has its main headquarters in Düsseldorf.

The German group established itself in Spain in 1960 with the purchase of the Spanish company Gota de Ámbar, S.A. In 1989, the group decided to take on the challenge of expanding into the Portuguese market. Currently, Henkel Ibérica has a permanent workforce of 1,300 persons. Sales for the Spanish subsidiary were € 548.3 million in 2009.

Henkel operates in the Iberian Peninsula two production and distribution facilities (Montornès del Vallès and Seville), and two distribution centres (in Azuqueca de Henares and Castellbisbal). All centres have official quality and environment certification.

2.2. Aims

Preventing health and safety risks in the workplace is an integral part of every manager's duties at Henkel. Every employee is responsible and accountable for health and safety within the scope of their authority. This aim is developed and pursued by Henkel in its prevention policy and can be found at each level of action regarding occupational risk prevention in the workplace.

2.3. What was done, and how?

Prevention is everyone's responsibility and should be integrated at all responsibility levels in the company. For this reason the prevention organisational chart in Henkel Ibérica corresponds exactly to the company's organisational chart.

At Henkel the acronym SHE - Safety, Health and Environment - is permanently present at the corporate level. The company has set out SHE standards that are binding in all world centres of the company and are audited by the central SHE auditing department in all centres at periodic intervals.

The company's in-house prevention service is responsible for the occupational medicine and safety at work components and further contracts a prevention service to handle industrial hygiene, ergonomics and applied social psychology. This department reports to the Supply Chain Manager for the Southern Europe region and to the Managing Director of the company.

The Prevention Department has nine permanent employees, including three prevention technicians, two doctors – one is the Occupational Medicine Manager – and two nursing professionals, as well as one outsourced doctor. Henkel Ibérica's Prevention Department is directly dependent on the Domestic CEO, another clear sign of the direct commitment of management in the area of safety and health.

Its scope of operations is corporate-wide and extends to all business and centres of the company.



Each centre has one or several SHE cells, comprising the persons responsible for managing and implementing SHE themes on the local level.

The work accident prevention management system for Henkel is based on a thorough risk assessment process and includes different measures and aspects:

1. Risk assessment and prevention action plan,
2. Prevention resource personnel,
3. Training plans in safety and health endorsed by management,
4. Leadership accountability for SHE issues
5. Sustainability Council, dealing with SHE themes
6. SHE standards and other commitments

1. Risk assessment and prevention action plan

The departure point of the company's work accident prevention management system is risk assessment. The Royal Decree 604/2006 specifies the aspects that should be included in an occupational hazards prevention plan. In December 2006, Henkel Ibérica published its first prevention plan to comply with the new requirements of the Decree.

The aim of the prevention plan is to minimize or eliminate risks. A first step is a summary of the evaluation of risks at each work station using a risk sheet. This summary forms a basis for training and information sessions, together with other documents such as policy statements, safety standards and first aid, emergency plans, principles and objectives and the prevention plan itself. This preventive action plan and the risk assessment are based on conclusions taken from health monitoring actions, safety visits, accident investigations, employee reports of existing risks, inspections, etc.

At the end of each year, two major documents are prepared. These include the report on preventive actions carried out and the annual schedule for risk prevention. The entire system is audited periodically to test its effectiveness.

From the beginning the company has used this prevention plan of 30 pages as a basic tool to integrate and promote prevention at all levels of responsibility in the organization, using a didactic approach and making the plan available to all employees, then setting up an ambitious training programme for involving the entire work force.

2. Prevention resources personnel

Prevention resources means workers are designated by the company to control the way work methods and the prevention plan are applied in the workplaces. This was established by Article 22 of the Royal Decree 604/2006. Henkel Ibérica, with a strong commitment of the management team, named prevention resources through the entire management structure (involving managers, foremen, area and departmental heads), as well as maintenance and engineering workers.

In the largest of Henkel Ibérica's production facilities, Montornés del Vallés, there are more than 100 persons named and functioning as prevention resources personnel, all of whom have completed a 50-hour work accident prevention initial training course.

3. Training plans in safety and health endorsed by management

Training is a basic pillar for any management system. At Henkel Ibérica, safety and health training is a key component and has the full commitment of management.

Henkel Ibérica gives precedence to classroom training, but even so provides an online training platform in work accident prevention methods, which serves as a very important tool for offering this training to groups of specific employees, that might have more difficulties to directly access classes,



such as sales personnel for the various businesses throughout Spain. The sales personnel consist of a geographically widely dispersed staff with very few people in each Spanish province. Additionally sales staff doesn't have regular work schedules as employees at the company site do have. The training platform can be accessed by any computer, by logging in into the intranet.

The implementation was carried out in 2009 with 3 modules that are considered essential for all workers: working in offices and use of video display terminals, road safety and handling of chemicals. For 2010, the contents have been expanded, in order to provide a more comprehensive programme. Amongst others, prevention against noise and ergonomic hazards has been added.

4. Leadership accountability for SHE issues

One of the basic components for continuous improvement of the management system of work accident prevention is setting objectives. Each year, accidents, new and existing legal measures, voluntary commitments, internal standards, processes, risk assessment and other aspects of the management system, undergo an analysis that serves as a basis for setting these objectives. In order to ensure that these objectives are met, each centre draws up a schedule for establishing the means, the manager, the cost and the term specific to these objectives. Furthermore, the schedule is monitored regularly during the year.

Each year Henkel Ibérica sets a series of objectives for each of its managers (team and individual objectives). Team objectives include objectives for reducing work accidents. This is supported by the strong commitment of Henkel Ibérica to integrate safety and health into all hierarchical levels of the company. Henkel believes that it is only possible to lower the accident rate if all workers are involved and work jointly to achieve this goal. Moreover, each "unit" manager is responsible for taking into account safety and health in the work to be done.

Henkel corporate's objective is zero accidents (Goal Zero). In order to be able to achieve this goal and to maintain an optimal state of motivation of all workers, Henkel Ibérica decided to set a progressive objective of reduction in the incident rate. In 2009, the company set the objective of an incident rate of 1.25 accidents resulting in lost time per million hours worked. The incident rate achieved by Henkel Ibérica in 2009, using the corporate definition of accident, was 0.977. In 2010, the goal is to have at a maximum only 1 incident that results in lost time per million hours worked.

5. Establishment of the Sustainability Council, dealing with SHE themes

A Sustainability Council has been established at Henkel Ibérica, made up of the managers of various departments in the company including Legal Compliance, Corporate Communications, SHE, Purchasing and the various business units, chaired by the Domestic CEO. This is a sign of the major commitment undertaken by management.

The Sustainability Council discusses and seeks out new formulas for making the company continually more sustainable regarding SHE solutions and applications, setting up different working groups for projects originating with the steering committee for implementation.

6. SHE standards and other commitments

SHE standards

At the corporate level, Henkel had adopted several SHE standards that are mandatory for all staff within the group and which are subject to periodic auditing. These standards were created in 1998 at the head office of the company in Germany.

The Henkel SHE standards address safety, health and environmental protection. They support the Henkel policy "Our Vision and Values" and Henkel's Codes such as the "Code of Corporate Sustainability" (see below). The SHE standards are an integral element of Henkel's commitment to sustainable development.



To complement the standards, binding procedures describe relevant requirements in more detail. Guiding documents including best practice examples will support the implementation. Independent of Henkel's requirements, compliance with applicable regulatory requirements is mandatory.

The SHE Standards are applicable worldwide for the Henkel Group, and each of Henkel's affiliated companies must implement them with an appropriate management system. Specific regional and local procedures are necessary elements for the implementation.

Henkel Ibérica is certified with ISO 9001 (Quality), ISO 14001 (Environment) and OSHA 18001 (Safety and Health) standards.

Code of conduct: the Teamwork and Leadership Code

Henkel Ibérica is not satisfied with simply complying with legal standards, but seeks continuously to attain excellence and to improve its management system by taking on a series of voluntary prevention commitments.

Henkel Ibérica has been registered for the Responsible Care Programme® since 1993. Responsible Care® is the chemical industry's global voluntary initiative under which companies, through their national associations, work together to continuously improve their SHE performance and to communicate with stakeholders about their products and processes.

With that registration, Henkel Ibérica committed itself to adhere to the various codes of practices. Henkel's "Vision and Values" principle is the basis of a series of codes of conduct that guide day to day actions. These include the Code of Teamwork and Leadership and the Code of Corporate Sustainability. These codes provide practical guidelines for relations with customers and employees. The leadership principles that they share will guarantee the achievement of Henkel's vision and values.

The guidelines set out in the Teamwork and Leadership Code highlight behaviour principles for both management and staff. They are part of Henkel's corporate culture. A good leader consistently applies these guidelines, demonstrates them daily and can be judged by them.

The six primary principles are as follows:

1. Inspire trust
2. Set targets
3. Assign tasks and delegate decisions
4. Convince and motivate
5. Achieve targets and evaluate performance
6. Lead by example

All employees can expect their leaders to manage their businesses in accordance with these guidelines. In addition, all employees can be expected to actively support the businesses by displaying initiative, responsibility and the willingness to continuously develop their skills and knowledge.

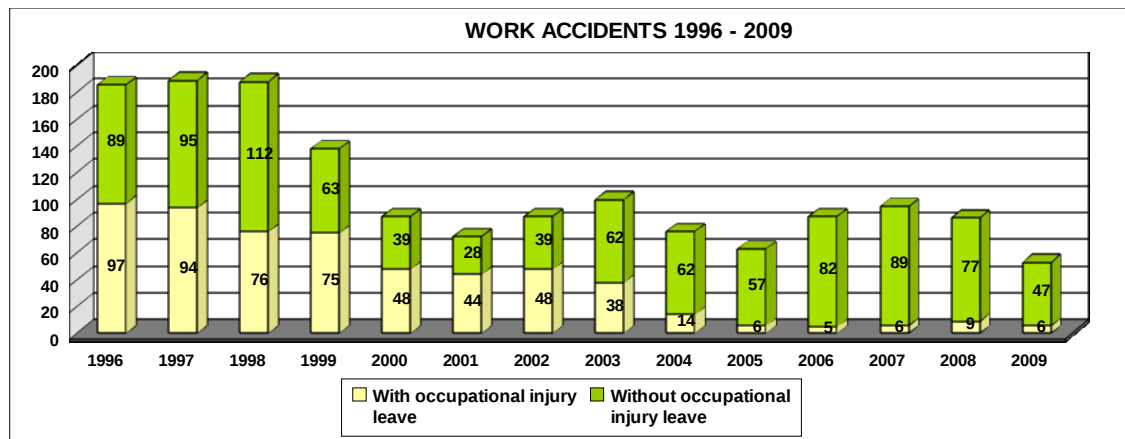
Mutual trust and respect are essential for successful cooperation. Commitment and a high level of performance are the results of a cooperation that forms the basis of sustainable success for Henkel and all its employees.

2.4. What was achieved?

CASE STUDIES

Henkel Ibérica has experienced a radical decrease in work accident occurrences over the past fifteen years, moving from 97 accidents resulting in lost time in 1996, to 6 accidents resulting in lost time in 2009, the fruit of the strong commitment by management in the domain.

The decrease started in 1999, due to the application in Henkel Ibérica of the new corporate SHE standards. The decrease continued over the years due to the continuous improvement of these standards, the definition of new health and safety objectives and the high frequency of internal and external audits.



This immense improvement in accident rates has been recognized and been awarded honours by the Chemical Industries Safety and Hygiene Commission (Comisión Autónoma de Seguridad e Higiene en Industrias Químicas) for several years.

2.5. Success factors

Henkel's prevention policy is truly based on the management's involvement and employee's wellbeing. The company believes that prevention is everyone's responsibility and should be integrated at all hierarchy levels in the company. The different tools help the managers and the workers in taking into account prevention in their daily work.



Vincenzo Vitelli, Chief Executive of Henkel Ibérica, and David Rodríguez, Director General of the Consumer Adhesives Division for Spain, Portugal, Italy and Greece, have been awarded as Leading Managers in Spain in 2009. 'Empresas excelentes y sus líderes' (Excellent companies and their leaders) is the second edition of a pioneer project which identifies the style and personal leadership skills of a selection of Spain's best managers, based on the analysis of their:

- Leadership style
- Sharing the strategic vision
- Company culture
- The degree of alignment of these elements

2.6. Further information

Dr. Miguel Rodríguez
Responsable Servicio de Prevención
Responsable Medicina del Trabajo
Henkel Ibérica, S.A.
Tel: + 34 93 290 41 31
e-mail: miguel.rodriguez@es.henkel.com

2.7. Transferability

This example of management's involvement is applicable in any other company. The company's culture is strongly influenced by the management and mainly relies on the commitment of managers independently from the company size.

Some tools and documents might be used in other companies however principles and guidelines should always be targeted to the company and can not easily be copied.

3. References

- <http://www.leadingmanagers.es/pdf/Henkellberica.pdf>
- http://www.leadingmanagers.es/pdf/Henkellberica_english.pdf