



# APPLICATION GUIDELINES: SEAL THE CYCLE

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## 1. Introduction

### 1.1. Henkel's background and commitment to sustainability

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 19.3 billion euros and an operating profit of 2.6 billion euros (adjusted for one-time gains/charges and restructuring charges). Henkel employs about 53,000 people worldwide – a passionate and highly diverse team, united by a strong company culture, a common purpose and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indexes and rankings.

Henkel has been taking a visionary approach to supporting environmental and social progress. It recognizes the potential impact it can have by developing sustainable innovations – because their products and technologies are used millions of times around the world every day. Henkel has integrated environmental and social criteria into its innovation process so that every new product or formulation contributes to sustainability.

Due to its long history of promoting sustainable development, as well as the broad product portfolio and presence in diverse markets, Henkel can contribute to almost all of the 17 Sustainable Development Goals (SDGs). The Company is actively supporting the achievement of these goals and continuously reviewing the targets and initiatives within its own sustainability approach to ensure they reflect the priorities set out by the SDGs.

There is no doubt that more needs to be done. We must go beyond legal requirements, beyond simple compliance, and proactively identify opportunities for improvement. Creating more value for customers and consumers, for the communities it operates in, and for the Company – while reducing its environmental footprint at the same time. This is the idea at the heart of Henkel's sustainability strategy and its related ambitious targets.

By working in collaboration with other actors who share these aims, Henkel seeks to find new solutions, raise the bar, and set new standards for the future.

For more information about the Company, please visit [www.henkel.com](http://www.henkel.com)



## 1.2. Background of the Open Call

Around the world, several hundred million high-density polyethylene (HDPE) silicone cartridges are annually commercialized by Henkel. As of today, these cannot be recycled given that the similar specific weight between silicone and HDPE does not allow to separate them using standard technologies. There are no efficient nor sustainable process to recycle the cartridges.

As part of its sustainability strategy, Henkel is seeking to identify technologies that allow for silicone and HDPE separation to incorporate the recovered HDPE into recycling value chain in an economically efficient manner.

With Seal the Cycle Henkel is looking to identify technological solutions that can contribute to the goal of allowing the separation of HDPE from their remanent residues. The goal of the challenge is to perform a recycling pilot in Chile with the winning solution aimed at scaling it to the global silicones sealant market.

We are looking for technologies that can contribute to the goal of taking stacks of cartridges from DIY stores where they are returned and recover the HDPE cartridges in a form acceptable to recyclers while minimizing the overall costs of cleaning and disposing the product or sealant.

Sealant's cartridges may also include other materials such as hybrid materials as Silane Modified Polymers, water-based acrylics, polyurethanes, and rubber-based products. We expect solutions to be able to separate these components as well, but the focus of Seal the Cycle is the HDPE-silicone separation.

### 1.2.1. General Objective of the Open Call

In the quest to improve the industry's environmental performance, Henkel as market leader for sealants and adhesives has strong commitment to sustainability via greener formulation design and packaging solutions, contributing to a circular economy by enabling recycling.

Nowadays large numbers of tons of HDPE end up in the trash given the inability to recycle them. With Seal the Cycle you will have the opportunity to have a global impact in sustainability as silicone cartridges are used worldwide.

The winning solution will have the chance to test its solution in Chile together with Henkel in a silicone cartridge HDPE recycling pilot. If successful, the final goal is to scale the technology at a global scale. Henkel has already taken steps to implement the pilot.

### 1.2.2. Expected Results

The expected results of this Call are as follows:

- (a.) Technologies able to produce clean HDPE from used silicone cartridges that is on par with the quality of HDPE currently used by recycling plants.
- (b.) Be able to handle industrial (large) volumes of HDPE.
- (c.) Positive environmental impact, to avoid creating an environmental hazard.

## 2. Application Guidelines for Open Call

This document contains the General Conditions for Seal the Cycle Open Call carried out by the Company to apply for projects that provide solutions to the challenge stated.

### 2.1. Definitions

For the correct interpretation of these Guidelines, the terms indicated below shall have the meaning indicated in each case:

- **Awardee** means the Applicant who is awarded the funds to implement the project submitted to the Open Call as part of its Application to solve the Challenge.
- **Guideline** shall mean these terms and conditions and its annexes.
- **Company** means Henkel AG & Co.
- **Agreement** means the arrangement to be signed between the Awardee and the Company for the financing of the Project submitted by the Awardee as part of its Application to solve the Challenge.
- **Open Call** means this open solicitation conducted by the Company.
- **Challenge** has the meaning assigned to it in Section 0 of this document.
- **Application** means the set of documents of the Technical Description and the Economic Description of the project that provides a solution to the Challenge to be presented by the Applicant in the form indicated in these Guidelines.
- **Applicant** means each civil society organization submitting a project in this Call for Proposals to address the Challenge.
- **Project** means a proposal submitted in the terms indicated in these Guidelines by an Applicant to provide a solution to the Challenge.



## **2.2. Challenge**

We are looking laboratory-validated HPDE and silicone separation technologies with the potential for industrial scalability. These technologies can use wet, mechanical, or chemical separations processes.

Eligible technologies need to be at a technology readiness level (TRL) 3 or higher.

The challenge scope is to:

- (a.) Identify technologies and/or processes able to separate HDPE from silicone at an industrial scale; and/or
- (b.) Identify solutions for direct recycling of silicone cartridges.

## **2.3. Implementation Territory**

The beneficiaries of the implementation of the Projects will have the opportunity to test their solution in Chile together with Henkel in a pilot for recycling HDPE from silicone cartridges. If successful, the technology will be implemented on a global scale.

## **2.4. Applicants**

Seal the Cycle is open to large companies, SMEs, startups, and research centers with novel recycling technologies for separating HDPE and silicone. Participants must be able to perform a pilot in Chile if awarded as winners of Seal the Cycle. It is also possible to propose a pilot in an alternative location aimed to a technology transfer to run a pilot in Chile in case applicants are not able to pilot in Chile. Only legal entities are eligible to apply.

## **2.5. Language**

The official language of the Call and subsequent Agreement shall be English. Consequently, all communications during the Application and the term of the Agreement will be in that language.

## **2.6. Currency of the Open Call**

The values stipulated by the Applicants in the Economic Description, according to the form attached to these Guidelines, shall be in United States Dollars (USD) or its equivalent in Euros (EUR), and shall not be subject to any type of adjustment.



## 2.7. Timeline

The dates and activities associated with Seal the Cycle Open Call are indicated below:

STAGE	DATES
Beginning of application period	November 3rd, 2021
Explanatory webinars	November 10th, 24th and December 15th, 2021
End of application period	December 22nd, 2021, 18:00 hours UTC-3 (Santiago, Chile time)
Communication to selected teams	January 21st, 2022
Final presentations	February 2022 (date to be defined)
Announcement of winners	February 2022 (date to be defined)

During the periods indicated in the schedule of the process, Applicants may send the Company any questions regarding these Terms and Conditions.

On the other hand, the Company may modify, clarify or rectify any matter contained in these Guidelines, by means of a communication addressed to all Applicants, until the maximum date indicated in the aforementioned schedule.

The organization reserves the right to modify the schedule at any time. Participants will be duly informed in case any such changes take place.

## 2.8. Selection Process

### 2.8.1. Selection Criteria

The selection team will analyze the applications according to the following areas of evaluation:

- (a.) **Ability to Address the Challenge:** The Project proposal and technology is a solution that covers all areas of the challenge.
- (b.) **Level of Innovation:** Concrete added value for the beneficiaries, the Project has an integration of novel and existing technologies with a highly innovative approach.



- (c.) **Business model and traction:** The market potential is justified. It includes a value proposition, verifiable market size, and concise business model.
- (d.) **Adoption Plan:** Defined processes of technology and knowledge transfers. Pilot project is relatively easy to implement.
- (e.) **Team and experience:** Degree of organization, multiple disciplines between members, level of dedication (governance) and commitment.

In addition, **key performance indicators have been defined, which will be relevant to consider when evaluating the project.** These are: process costs as a percentage of the value of virgin material, water and energy consumption per ton of treated material, correct waste disposal, percentage of clean HDPE obtained from each cartridge that is suitable to enter the recycling value chain, process productivity output (tons/hour), social impact, among others.

### 2.8.2. Selection stages

The selection process will consist of a series of six stages detailed below. The results of each stage will be communicated to the applicant's email address entered in the application form, and it will be the applicant's responsibility to review the information and communicate it to the rest of the team members.

First stage: Reception of applications.

Projects wishing to apply to this process must complete the application form on the website <http://www.sealthecycle.com/>. In addition to completing the application form, Applicants must attach, within the same application platform, copies of all legal documents specified in point 3.2 of these rules. This platform will be available from Wednesday, November 3rd, 2021, until 18:00 hours UTC-3 on Sunday, December 12th, 2021.

During the application period Applicants may request information that they consider relevant to the Company's call for applications.

Projects that submit the form after the established deadline will be automatically excluded from the process and will not be considered for review in subsequent stages.

Second stage: Pre-selection

The pre-selection will be carried out by a ChileGlobal Ventures evaluation team which could be supported by experts from Henkel. After having concluded the application stage, this team will review all the forms completed within the time limit. If considered relevant by the organization, Projects could be asked to attend "Remote Meetings" which will be mandatory. This selection will be in accordance with the selection criteria mentioned in point 2.8.1 of these terms and conditions. The ChileGlobal



Evaluation Team will select up to 24 applicants to be part of the final selection process.

Third stage: Final Selection

To review the pre-selected applications, Chile Global Ventures will coordinate a diverse team of experts from Henkel which will form the Henkel Evaluation Team. This team will review in detail all pre-selected application and select up to 5 proposals to be part de of the Final Demo Day where proposals will be presented to a Jury made up by senior Henkel executives.

The result of this selection will be communicated on January 14th, 2022, as stated in point 2.7 of this document. The reasons for this decision are exclusive and reserved to the evaluation team, and it is not their obligation to communicate it to the applicants, nor to communicate any kind of feedback.

Fourth stage: Face-to-Face or Remote Meetings.

During January 2022 the Applicants of the finalist Projects will meet with an evaluation team for no more than 60 minutes. In this meeting the Applicant will present its Project, together with an explanation of the implementation plan previously attached. In addition, Applicants will be required to answer questions posed by the evaluation team following their presentation.

These meetings are mandatory, and the selected applicants must be able to attend by their own means to the stipulated place. The details of the time and address of these meetings will be made known when the results of the previous stage are communicated personally to the email address of the Project Applicant assigned in the application form. It should be clarified that, in case the national contingency does not allow it, the meetings will be held remotely through a web platform.

At this stage, the evaluation team reserves the right to exclude any of the finalists from the final Demo Day if the proposal does not provide a good fit with Seal the Cycle. The communication of these results will be transmitted via e-mail personally to the e-mail addresses of the representatives assigned in the application form, and it is their responsibility to communicate them to the rest of the members of their team. The reasons for this selection are exclusive and reserved to the evaluation team and it is not their obligation to communicate them to the applicants.

Fifth stage: Pitch Preparation, One Pager and Additional Information

Finalists will be required to attend three pitch preparation meetings in advance of the Demo Day to make sure all messages are being delivered in a succinct and assertive manner and all relevant topics are included. These sessions are mandatory and will be lead and coordinated by ChileGlobal Ventures.

Finalists will also be required to prepare a one pager and/or a summary of their application to be provided to the Jury's in advance of the final presentation.

If required, finalists must also make available relevant background information to corroborate the



proposal and describe the company. For this purpose, finalists will be asked to provide the following:

- (a.) Access to the solution offered by the Project (if possible).
- (b.) Request for additional information about the Company

In the event that the Finalist does not submit the aforementioned background information, it will be automatically excluded from the process, without the option to participate in subsequent stages.

#### Sixth stage: Demo Day

The finalist Projects will be invited to present their solution to the challenge before a jury composed of different work units of the Company. This presentation will be a private event between the representatives of the applicant Project and the jury, with the understanding that other participating Projects will not be able to attend as spectators of their competitors' presentations. These presentations may also be held remotely in response to national contingency or may not be held at all.

The presentations will take place during a working day on a date to be confirmed. The details of the time and address of the presentations will be announced when the finalists are defined and informed to the Project Applicant's email address assigned in the application form.

Applicant Projects must send the evaluation team the file of their presentations in digital form 24 hours prior to their presentation. For its part, the Company reserves the right to exclude participating Companies 24 hours before the presentation to be made to the jury for not sending their presentation within the indicated deadline.

The presentation to the jury will take place as follows:

- i) Presentation: The finalist must present their solution to the jury in no more than 10 minutes according to the format and contents explained above.
- ii) Round of questions: In the remaining time, the jury will ask questions to the representatives of the applicant Project. The Project will only answer these questions, thus avoiding making comments that are not related to the jury's doubts.
- iii) Deliberation: Once all the presentations have been made, the jury will choose the winning Projects. If the jury deems it convenient, it reserves the right to request additional background information within 2 days from the date of presentation. If there are irregularities in such background, the Company may exclude the Project from the process, discarding its option for subsequent stages.

The results of the presentations will be communicated directly to the representative of the finalist Project by means of the telephone number declared in the application form at the different stages.



## 2.9. Awards

Of the finalist companies in the process, the Company will freely select the company or companies that in its sole judgment meet the objectives of the call and of the challenge posed, reserving the right not to select any of them, without further liability for the Company.

The winner of Seal the Cycle will receive a grant of €20.000 and the opportunity to pilot the technology with Henkel in Chile aimed at scaling the solution to the Global market together with the chemical company. Henkel has already established a network of partners and is in a position to rapidly deploy a pilot together with the winning team.

The awarding of these prizes will take place after the communication of the results, so the winning Project will be informed in due course of the date of attendance at the awarding milestone, in order to formalize the awarding of the prize.

The prizes will be awarded to the person or group of legal entities or institutions that submit the candidacy, appear on the registration form and have been chosen as winners by the Jury. The prizewinners may renounce the prizes obtained.

The Company will verify the correct use of the funds provided for the development of the projects and reserves the right to demand from the winners of the awards sufficient information to account for the use of the resources provided and may cease funding in the event of any breach of the conditions established for the use of the funds.

On behalf of Fundación Chile, the projects will have the possibility to apply to the financing lines of its ChileGlobal Ventures platform to accelerate their development:

- Angel Investor Network (ChileGlobal Angels).
- Private Investment Fund (CLIN).

The mere fact of being winners or finalists of the call is not conducive to access to the aforementioned financing, as this corresponds to a process independent of this call with its own requirements and guidelines. ChileGlobal Ventures is the one who decides, without expression of cause, which Projects advance in this process, exempting the Company from liability and the outcome of this process.

## 2.10. Notifications

Notifications of the proceedings of the process shall be sent by e-mail, which shall be deemed to have been made the day after it is sent. No other type of communication between the Applicants and the Company or by any other means than the one indicated above will be considered valid.

Due to the large number of applications expected, the Company reserves the right to contact only



selected Applicants to evaluate their award.

### **2.11. Broadcast**

The call for participation will be communicated through the publication of one or more notices in national and local media, which will include the following information: identification of the call, modalities, date and place where the bases will be available, day and time of opening and closing of applications, email for consultations and the means of application.

In this regard, all information relating to the call for proposals will be published on the website <http://www.sealthecycle.com/> and may be published and/or sent by electronic means.

### **2.12. Application Fees**

The Applicant shall be responsible for all direct and indirect costs associated with the preparation and presentation of his or her Application, and the Company shall not be responsible for such costs in any case.

### **2.13. Post Open Call Negotiations**

The winner party will be required to enter a negotiation in good faith with Henkel for the execution of a pilot project in Chile involving the winning solution. Henkel will require exclusivity in these negotiation for a period of 120 days after the winner has been announced. This exclusivity relates not to enter in negotiations with any other party involving performing an HDPE recycling project using the winning solution or technology.

Henkel reserves the right to hold parallel negotiations with any applicants at its own right.

## **3. Information about the Application**

### **3.1. Forms**

Projects wishing to apply to this process must complete the application form on the website <http://www.sealthecycle.com/>. In addition to completing the application form, Applicants must attach, within the same application platform, copies of all legal documents specified in point 3.2 of these rules. This platform will be available from Wednesday, November 3rd, 2021, until 18:00 hours UTC-3 on Sunday, December 12th, 2021. All information contained and submitted in the forms must be accurate and correct in all aspects.



### **3.2. Applicant's legal background**

- (a.) The Applicant must include a complete copy of its bylaws, including its articles of incorporation and amendments and the publication and registration of its respective extracts, together with a certificate of good standing of the Applicant company no older than 30 days, counted from the date of its presentation.
- (b.) In addition, copies of the public deeds containing the powers of attorney of its representatives who sign the Application and original certificates of the composition of its board of directors and executives and shareholders signed by the general manager, in the case of corporations or joint stock companies, must be attached.

### **3.3. Validity of Applications**

Applications shall be valid for at least 180 calendar days from December 12th, 2021 and shall not be forfeited if the Company has notified an Applicant of the provisional award of the Call until the agreement is signed to the Company's satisfaction.

### **3.4. Intellectual and/or Industrial Property of the Projects.**

The intellectual property of the works, software, designs or industrial drawings, trademarks, patents of invention or any type of intellectual creation that has been created by the Applicants prior to the execution of the prototype, will belong to them. It shall be the responsibility of each Applicant to register, record or manage such intellectual property rights. Applicants could be required to demonstrate they are legally allowed to use all the intellectual property described in the application.

Without prejudice to the following paragraph, the terms how the appropriable results of the execution of the Pilot Project, as well as all the information, inventions, technological innovations, procedures, plans and other documents, shall belong to the Applicants, will be defined in the agreement signed by Henkel and the selected solution prior to the execution of the Pilot Project.

### **3.5. Cancellation of the Award and Conclusion of the Agreement**

The Company may reject, without cause, any incomplete Application, i.e., one or more of the information referred to in section 3 above is missing.

The Company may at any time terminate this Call for Applications, declare it void and/or reject all Applications received, without the foregoing events or decisions giving rise to any obligation on the part of the Company to compensate or indemnify the Applicants.

Likewise, the Company shall always have full freedom and autonomy to award the Agreement to



whomever it deems most convenient to its interests, or even to declare the competition void or suspend it, without having to justify its decision in any way or explain it to the other Applicants. Such decision to award or suspend or to declare the competition void or any other similar decision shall not give rise, in any event or circumstance, to any obligation to compensate or indemnify the Applicants whose Applications have not been selected or accepted. The award of the Agreement declared by the Company shall be provisional until the Applicant signs the Agreement to the full satisfaction of the Company, which assumes that the Company has complied with the procedures for its due incorporation in the terms required in the Bases and in the Agreement.

The Company may also annul a provisional award made in the event that the provisionally awarded Applicant does not attend to sign the Agreement and deliver and constitute the appropriate guarantees in accordance therewith, within ten days from the dispatch of the Company's communication requesting such subscription. In the event of revocation of the Provisional Award, the Company may award the Agreement to any other Applicant, at its convenience, who shall attend the signing of the Agreement within the term provided by the Company, which shall not be less than ten days, or terminate the Call, with no obligation of indemnification or compensation with respect to any of the Applicants. The Applicant that receives a provisional award notice that is later revoked by the Company due to the provisions of this paragraph shall not be entitled to any indemnification, regardless of the reason or circumstance for which the Company revokes such Award, and the revocation shall be without prejudice to the Company's right to pursue such Applicant's liabilities.

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