

Sustainability at a glance 2018



Living our responsibility, shaping our future



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About Henkel

Our three business units – Adhesive Technologies, Beauty Care and Laundry & Home Care – hold leading market positions in both the industrial and consumer goods businesses. With strong brands such as Loctite, Schwarzkopf and Persil, Henkel products and technologies are an essential part of daily life for people in more than 100 countries around the world.

Founded by Fritz Henkel in 1876, our company’s success story goes back more than 142 years and is marked by innovations that have made life easier, better and safer. To this day, our purpose is to create sustainable value – for our customers, our employees, our shareholders, and for society at large.

As pioneers in the field of sustainability, we want to achieve more with less resources. We are committed to ensuring the health and safety of our employees, customers and consumers, as well as to preserving the environment and quality of life wherever we operate.

Highlights

Overall efficiency improved¹:

+43%

Sustainability Ambassadors trained:

more than
50,000

People supported by social projects:

about
9.5 m

Joint assessments conducted of suppliers:

more than
10,000

Schoolchildren educated about sustainability:

more than
150,000

Palm oil smallholders supported:

more than
29,000

Plastic gathered in Haiti:

about
63,000 kg

Children reached through Researcher's World classes:

about
35,000

¹ Figure relates to fiscal 2018 compared to the base year 2010.

Global challenges and opportunities

We are facing immense challenges, which also present numerous opportunities. By the year 2050, the world's population is expected to grow to nine billion. The acceleration in global economic activity will lead to rising consumption and resource depletion. For this reason, we need innovations, products and technologies that enhance the quality of life while consuming less input materials.

Henkel actively supports the implementation of the 17 Sustainable Development Goals (SDGs) that were adopted by the 193 United Nations member states in 2015. The SDGs represent an important step toward a shared understanding of the challenges that we need to tackle on a global basis to enable sustainable development.

We are convinced that the goals provide a shared focus that can empower collaborative action and will drive much stronger progress toward sustainability. By continuously reviewing our company goals and initiatives, we want to ensure that these are aligned with the priorities set out by the SDGs that are relevant for us. With our long history of commitment to sustainability, we contribute to the UN targets worldwide. This includes the corporate and social engagement of our three business units through their brands and technologies, as well as contributions from our regional and national companies and our corporate functions.



More value – less resources

What are our sustainability aspirations?

We are committed to leadership in sustainability – this is one of our corporate values. As a sustainability leader, we aim to pioneer new solutions while developing our business responsibly and increasing our economic success.

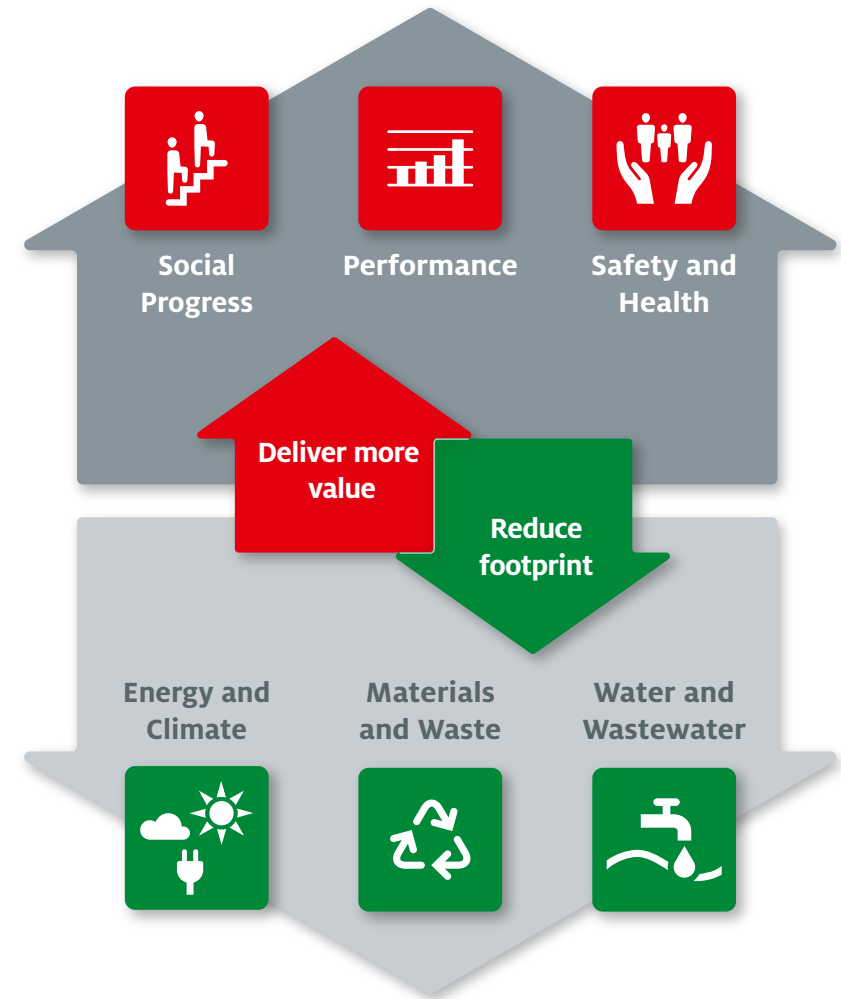
What strategy are we pursuing?

Our ambition is to achieve more with less. This means we create more value for our customers and consumers, for the communities we operate in, and for our company – at a reduced environmental footprint. We focus our activities along the value chain on six focal areas. They reflect the relevant challenges and opportunities of sustainable development as they relate to our business.

What targets have we set ourselves?

Our 20-year goal for 2030 is to triple the value we create for the environmental footprint made by our operations, products and services. We call this overarching goal to become three times more efficient Factor 3.

To drive progress, we have defined specific goals to be achieved by 2020 and beyond in each of our focal areas. These include energy and water consumption, the volume of waste, packaging and the circular economy, as well as working conditions within the supply chain.





Our people

Dedicated Sustainability Ambassadors

We value, challenge, and reward our people: Their commitment, abilities and experience form the basis of our global business success.



Henkel aims to create sustainable value with its business activities. This purpose unites all employees and goes hand-in-hand with our corporate values, which guide our decision-making and our actions. When it comes to implementing our sustainability strategy, it is our people who make the difference – through their dedication, skills and knowledge. They make innovations possible, develop successful strategies and make our company unique. To strengthen and support our employees' engagement, we initiated the Sustainability Ambassador program in 2012. Since then, almost all of our

employees have completed the related training via eLearning or in team training sessions and are now Henkel Sustainability Ambassadors.

Commitment to sustainability

The aim of the program is to communicate our motivation, strategy and commitment to sustainability to our people. We want to encourage them, in their role as ambassadors, to pass on their knowledge of sustainability and to inspire others to share their enthusiasm for it both in their working environment and in their private lives.





Since the introduction of the Sustainability Ambassador program, almost all of our employees have completed the related training via eLearning or in team training sessions and are now Henkel Sustainability Ambassadors.

However, qualifying as a Sustainability Ambassador is only the first step: We encourage all ambassadors to use their skills and knowledge to make their own contributions and actively engage in sustainability.

Personal contributions

Henkel's Sustainability Ambassadors are encouraged to visit schools to teach children about sustainable behavior in the home. This helps the next generation to understand how to use resources efficiently from an early age. At the same time, the children multiply the impact by

imparting their knowledge and their enthusiasm to others around them.

We also aim to promote healthier lifestyles and greater awareness of water and energy usage as well as of waste generation across our sites. One element of this commitment is our "(Y)our move toward sustainability" initiative. It encourages employees to put sustainability into practice in their day-to-day work, for example by avoiding unnecessary printing, turning off the lights or eating healthily.



As part of the Corporate Citizenship program, Henkel and the Fritz Henkel Stiftung foundation support social projects all over the world, including the national Special Olympics in Germany (pictured above).

Our "Say yes! to the future" initiative provides Henkel sales representatives from all business units with training in sustainability topics that apply to sales, going beyond the content of the Sustainability Ambassador program.

Social engagement

Above and beyond our existing programs, we also want to give our employees opportunities to engage in volunteer projects and make their own mark on the communities in which we operate. In this way, they can make an important contribution to our social environment – in the

More than

150,000

schoolchildren in 53 countries attended a special lesson on sustainability taught by Henkel Sustainability Ambassadors.

Around

2,000

social projects were supported worldwide in 2018.

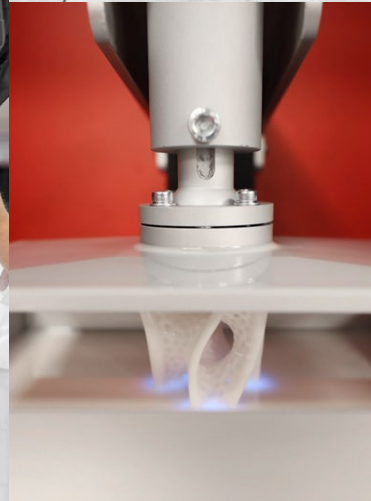
form of a regular engagement as well as through one-time involvements by teaming up with colleagues. We aim to have reached ten million people through our employees' volunteering activities by 2020.



Our business units: Adhesive Technologies

High-impact solutions for our customers

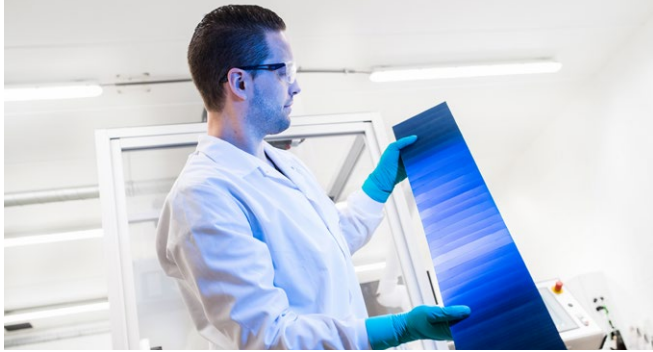
Our high-impact solutions and products are used in a comprehensive range of industrial and consumer applications – and sustainability is an integral part of our innovation processes.



As a market leader for adhesives, sealants and functional coatings, we have a strong sense of responsibility to create products and services that drive progress toward sustainability. We actively support our customers and partners around the world in meeting rising expectations related to sustainability. From the automotive, aerospace and general industries through to electronics and food packaging, our high-impact solutions enable our customers to reduce energy consumption, cut emissions and manufacturing waste, increase worker safety and help consumers avoid emissions when using the final product.

Enabling sustainable designs

Technologies from Henkel also enable our customers to explore innovative designs that offer sustainability-related benefits. Our Loctite Purbond adhesives, for example, support the use of engineered wood in construction projects around the world. The technology is used in cross-laminated timber (CLT) – a construction material made of three or more layers of wood. Using CLT instead of concrete to construct an office building can save more than 510 metric tons of CO₂. The world's largest building made from CLT is bonded together using our adhesives.



Innovative electrically conductive adhesives from Henkel create a more efficient connection between the photovoltaic modules in solar panels.

Alongside facilitating the use of renewable materials, Henkel also provides customers with solutions that support the use of renewable energy. Our innovative electrically conductive adhesives (ECAs), for example, enable manufacturers to create next-generation solar panels that produce more power at a lower cost, with greater reliability.

Our range of Loctite Ablestik ECAs provides durable, flexible connections that enable new solar panel designs. Optimizing the configuration and structure of solar cells and modules can make it possi-

ble to convert more solar energy into usable electricity over a longer period of time. It also makes solar panels a more attractive investment by decreasing costs and increasing the output of a single solar module by as much as 10 percent.

Recycling packaging waste

Our holistic approach to sustainability also includes measures after a product has been used. Our teams are engaging in partnerships that help our customers in the packaging industry respond to rising expectations related to recycling.



Together with external partners, we are developing a technology that can be used to separate the layers of flexible packaging to enable recycling.

One of our main focus areas is flexible packaging, which consists of multiple layers of film and foil that are bonded together. These materials are commonly used to make packaging for food because flexible packaging is strong and tear-resistant, ensuring that freshness and quality are protected until the product is used. It also weighs less than alternatives, which reduces the carbon footprint created during transport. However, the different layers of flexible packaging can be difficult to separate during the recycling process.

Around

130,000

industrial customers worldwide

We support customers with sustainable innovations.

Around

6,500

customer-facing experts

We share our technical knowledge with customers and partners to drive sustainability.

Our experts are working with the Germany-based startup Saperatec to develop a solution to this challenge. Together, we are creating a technology that can be used to split the layers of flexible packaging and make the resulting material available for recycling. The solution has already been tested on a pilot line and is now being scaled-up for commercial volumes for post-industrial waste.



Our business units: Beauty Care

Improving quality of life

Through sustainable innovations and initiatives in our Branded Consumer Goods and professional Hair Salon businesses, we want to create more value for society and make people's lives better.



When developing new cosmetic products, we always focus on consumers. We want to offer them safe and sustainable products that deliver outstanding performance, while motivating them to use resources responsibly through their behavior.

As a contribution to the overall Henkel goal of helping consumers save 50 million metric tons of CO₂ by the year 2020, Beauty Care launched the BeSmarter initiative. It initially focused on the responsible use of water. The initiative now focuses on recycling, particularly the responsible use and disposal of packaging. Consumers are

informed and made more aware of the correct approach to waste, as well as the recyclability of different types of packaging. In this way, we want to raise consumer awareness of the idea of a circular economy.

Brand engagement

Beauty Care has the vision of improving people's lives worldwide and contributing to social progress above and beyond its products. This is why Schwarzkopf launched its Million Chances initiative in 2016. Its goal is to support girls and women worldwide in building a successful future for themselves.



The products of the new hair and body care brand Nature Box contain, among other ingredients, 100 percent cold-pressed oils from fruit seeds or stones and nuts.



The BeSmarter initiative raises consumer awareness of topics including recycling and the responsible use of water.



In 2018, we presented the Schwarzkopf Million Chances Award for the first time. The winners (from the left) are: Waris Dirie (Desert Flower Foundation), Elisabeth Schöppner (Girls' Day), Doreen Perwas and Gabriele Möhlke (Social Business Women e.V.), and Sunny Graff (Frauen in Bewegung e.V.).

In 2018, we presented the Schwarzkopf Million Chances Award for the first time. It honored four non-profit projects for their outstanding commitment to supporting girls and women. Projects and initiatives from Germany, Austria and Switzerland that engaged in providing health care, education, economic emancipation or rights and integration activities for girls and women were eligible to apply.

Sustainable innovations

The mission of our Beauty Care business unit is to ensure that every innovation stands out for its performance and attractiveness, as well as for its environmental compatibility and social responsibility.

The sustainability profile of the new hair and body care brand Nature Box meets this expectation. It comprises five hair and skin care product lines that contain, among other ingredients, 100 percent cold-pressed oils. The oils used in Nature Box products are vegan and free from silicones, artificial colors, sulfates and

parabens. The formulas also contain up to 95 percent nature-based ingredients.

Nature Box collaborates with international development organizations and supports smallholders in the sustainable farming of guar and palm kernel oil, both of which are raw materials for the ingredients found in the product range. The shampoo, conditioner, shower gel and body lotion bottles all consist of 25 percent recycled plastic.

For

100 %

of its product formulations, Beauty Care has already determined the CO₂ footprint.

More than

90 %

of the energy and water used with our rinse-off products is accounted for in the use phase.

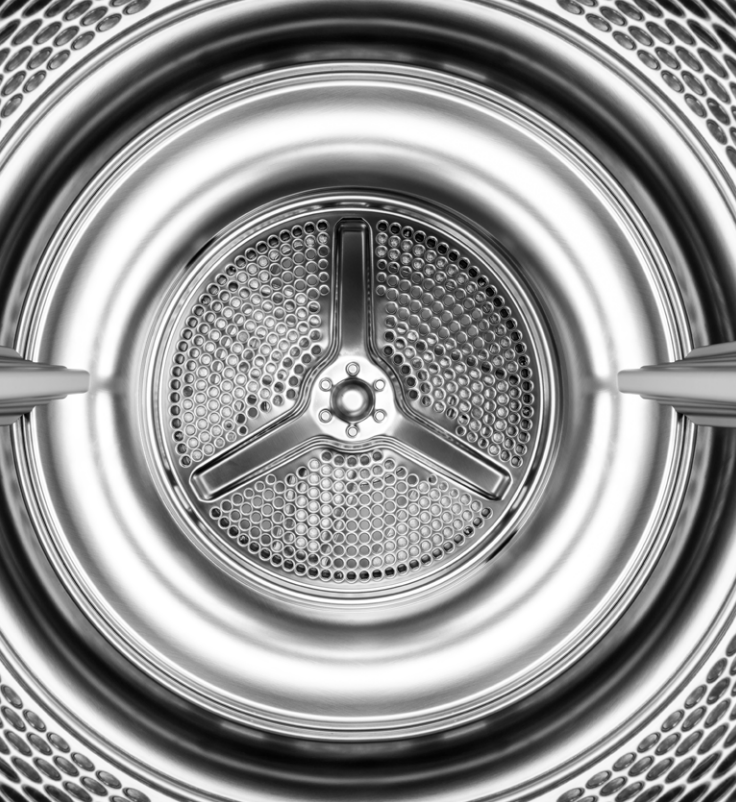
The new generation of Fa deodorants offers particularly strong protection against body odor thanks to the innovative scent capsule technology. The new formula contains twice the amount of renewable raw materials, including more than 30 percent that are certified as ingredients from natural sources. The high-performance formula contains around 70 percent easily bio-degradable ingredients. The packaging is made of 25 percent recycled aluminum, which helps save energy and CO₂.



Our business units: Laundry & Home Care

Working together to save resources

Our brands aim to create value above and beyond delivering outstanding quality and product performance, by also offering environmental compatibility and social responsibility.



Laundry & Home Care's research and development strategy brings together innovation and sustainability, and places a strong focus on resource-efficient technologies and products. Each new product must make a contribution to sustainability in at least one of our six focal areas.

Our products are used daily in millions of households and often require water and energy. As much as 80 percent of CO₂ emissions is generated during their use. This is why we concentrate on developing products that enable the efficient use of resources. To encourage our consumers to

do their laundry in a more sustainable manner, we developed a new logo with the slogan "Be sustainable – wash cold."

Working together to save resources

Our new generation of liquid laundry detergents shows that excellent washing performance can go hand-in-hand with sustainability. With a new, highly concentrated formula in our liquid detergents under the Persil, Spee, and Weißer Riese brands, we now offer up to 40 percent more stain-removal power per drop of laundry detergent. We placed a particular focus on stain removal at low tempera-



The new liquid detergents from the Persil, Spee, and Weißer Riese brands are 40 percent more concentrated than their predecessors.



To encourage consumers to do their laundry in a more sustainable manner, Henkel has added the slogan "be sustainable – wash cold" on its laundry detergent packaging.



All Pro Nature products consist of up to 95 percent ingredients from natural sources. The packaging consists of 100 percent recycled plastic and is fully recyclable.

Up to

80 %

of the environmental footprint of our products is generated during their use.

More than

30 %

of the organic ingredients in our laundry detergents and household cleaners are derived from renewable raw materials.

tures. This enables our consumers to achieve excellent results when washing their laundry at low temperatures, and even when using cold water.

In addition to its improved washing power, our new generation of liquid laundry detergents makes important contributions to the reduction of our footprint along the entire value chain: We save 3.5 million kilograms of plastic per year in the production of the new bottles. Thanks to the more concentrated formula and a water-efficient production process, we use 120 million liters less water per year.

In addition, we save 4.2 million kilograms of CO₂ annually in our transport operations. After use, the new, more compact bottles generate 50 million kilograms less plastic waste. The empty bottles are fully recyclable and can be introduced into the recycling process via typical disposal systems.

Pro Nature – up to 95 percent ingredients from natural sources

The products from the Biff, Sidolin and Pril brands contribute to sustainability in three ways: through their ingredients, through sustainable packaging and through our social engagement. At the same time

they offer hygienic cleanliness, a visible sparkle and grease-dissolving power.

All formulas consist of up to 95 percent ingredients from natural sources, while protecting our waterways and the environment because they only use easily biodegradable surfactants and raw materials from sustainable sources.

The new bottles also make a contribution to sustainability: Since 2018, the Biff and Sidolin spray bottles and Pril Pro Nature bottles have been made from 100 percent recycled plastic. The bottles are fully

recyclable once the attached foil sleeve, which has a perforated seam, has been removed.

The Pro Nature product line also offers refillable packaging, which enables consumers to reuse the original bottle. In addition, the Pro Nature initiative is complemented by our partnership with the social enterprise Plastic Bank, which aims to stop plastic waste from polluting the ocean.

Creating educational opportunities

Access to education and routes to personal development are not always available worldwide. However, they create an important foundation for equality and opportunity. This belief is at the heart of the Schwarzkopf Million Chances initiative.

The international hair cosmetics brand Schwarzkopf launched the Million Chances initiative in 2016. The long-term project Shaping Futures is part of this broader initiative. Since 2010, Schwarzkopf Professional and the SOS Kinderdorf association have been offering young people around the world the opportunity to obtain training in basic hairdressing techniques to establish their livelihoods. Volunteer teams from our Schwarzkopf partner salons share their experience and knowledge of hairdressing with disadvantaged young people. Shaping Futures provides them with the opportunity to learn a

valuable profession free of charge, instead of having to spend their lives working in low-paid jobs under unfair conditions. In five training modules, the young people are introduced to the basics of the hairdressing trade. After they have completed the training, we offer internships and support them in finding a job to improve their chances for the long-term.

The project is also supported by the Fritz Henkel Stiftung foundation. It was first launched in Cambodia, and has now expanded to 25 countries, including Brazil, Latvia, Morocco and Ukraine.



Henkel Beauty Care aims to improve people's quality of life worldwide. This is why Schwarzkopf launched its Shaping Futures project and the overarching initiative, Million Chances.

Million Chances

The overarching mission of the Million Chances initiative is to support girls and women worldwide in building a successful professional and personal future for themselves. This is achieved through joint projects with international and local aid organizations.

The Million Chances projects are divided into three categories. The "Build Up" category focuses on education and on ensuring that young girls are able to attend school and learn to read and write. The second category "Move Up" supports

young women in gaining the best possible entry into employment. This includes activities that help them prepare for job interviews. In the "Start Up" category, we help women make a new start into their professional or private lives. We support them, for example, in founding startup companies, as well as when facing personal challenges – depending on the country and local conditions. All of the projects that we support are focused on enabling girls and women to become independent.

For fairness and prospects

School education and professional training, together with private and professional fulfillment, are at the foundation of equality and improved future opportunity. By supporting young people, and particularly girls and women, we contribute to more inclusive, gender-equal and high-quality education, and life-long learning. Through our brand engagement, we aim to support gender equality and enable girls and women to achieve self-determination. We follow a partnership-driven approach that involves working closely together with international and local organizations.



<p>4 QUALITY EDUCATION</p>	<p>5 GENDER EQUALITY</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p>
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Our projects and initiatives

Becoming climate-positive

We want our sites to be climate-positive and contribute to climate protection. To achieve this, we aim to drive progress along the value chain, from sourcing and production all the way through to the customer.

With the Paris Agreement on climate change in 2015, the global community clearly committed to limiting global warming to well below two degrees Celsius. At Henkel, we consider this goal to be a central precondition for enabling nine billion people to live well and within the resource limits of the planet by 2050.

Vision: a climate-positive company

We have the long-term vision of becoming a climate-positive company. As a first step, we will focus on achieving a 75 percent reduction in the CO₂ footprint of our production by 2030. As part of this

ambition, we intend to continually improve our energy efficiency by exclusively using electricity from renewable sources.

We also expect our suppliers to set efficiency targets that are as ambitious as our own in contributing to the reduction of CO₂ along the value chain. We are working on a joint road map to achieve this.

Looking at the CO₂ footprint along the value chain, we can see that the product use phase has the greatest impact – and our products are used millions of times every



We aim to reduce the carbon footprint of our production by 75 percent by 2030. We also want to continually improve our energy efficiency and draw 100 percent of the electricity we use from renewable sources.

day in households and industrial processes. We therefore aim to leverage the potential of our brands and technologies to help our customers and consumers save 50 million metric tons CO₂ when using our products by 2020. Our detergents, for example, help save energy because they achieve excellent washing results even at low temperatures.

Through targeted communication, we want to encourage responsible-minded behavior while using our products. This includes the “be sustainable – wash cold” logo that can be found on our laundry detergent packaging, as well as the Beauty

Care initiative BeSmarter, which provides information about the responsible use of water. We are also developing innovations that make it possible to avoid CO₂ emissions, for example, by improving building insulation.

Contributing to climate protection and limiting climate change

In addition to our aim of reducing the CO₂ footprint of our own production by 75 percent by 2030, we want to replace the remaining fossil fuels with climate-neutral alternatives, such as biogas or – where available – gas obtained from converting CO₂. We also aim to supply surplus carbon-neutral energy that Henkel does not need for its own purposes to third parties so as to become a climate-positive company. With these contributions to climate protection, we will avoid emissions from our own activities and also enable third parties to benefit from clean energy.

www.henkel.com/spotlight/climate-positive



Our projects and initiatives

Driving responsible sourcing

Together with our partners, we work on anchoring environmental and social principles in our supply chains. As part of this responsibility, we strive to ensure that all of the materials related to palm oil and palm kernel oil that we buy and use in our products are produced through sustainable practices.

We recognize our responsibilities regarding the purchase and use of ingredients based on renewable raw materials. We want to drive progress toward sustainable palm oil and palm kernel oil, and make a positive contribution to both the environment and the communities affected.

Our goals for 2020 include, for example, that the sourcing process for these oils should not contribute to the deforestation of primary or secondary rain forests with significant ecological value. We also place a strong focus on the rights of people who work in the palm oil industry or live in

communities directly impacted by its activities. We are therefore focusing on targets such as certification in accordance with the Mass Balance model, traceability and projects that support smallholder farmers.

Collaboration with smallholders

Together with the development organization Solidaridad, we are currently involved in seven initiatives in Colombia, Ghana, Honduras, Indonesia, Mexico, Nicaragua and Nigeria to support the production of sustainable palm oil as part of smallholder projects. With these partnerships, we



Henkel aims to increase the availability of sustainable palm oil and palm kernel oil on the market through collaborative projects. These enable smallholders to certify their crops as sustainable, increase productivity and improve their livelihoods.

annually support more sustainable palm and palm kernel oil than we use in our products as a raw material. To date, more than 29,000 smallholders have been reached on more than 350,000 hectares under cultivation.

Palm oil is an increasingly important raw material in Colombia, for example, and around half of the palm oil produced comes from small independent farms whose owners face numerous challenges. The productivity of small independent farmers is 40 percent lower than that of an average-sized operation. In response to this, our

partner Solidaridad has developed the digital platform Farming Solution to strengthen cooperation along the entire palm oil supply chain. Part of its purpose is to help smallholders increase their productivity and reduce negative environmental impacts, helping them to achieve their goal of sustainable harvest certification sooner.

Partnership and dialog

Collaboration with representatives from across the industry is at the heart of our approach to supporting sustainable palm oil and palm kernel oil production. Through partnerships, projects and ongoing dialog, we are able to engage with key players ranging from plantations, small-holders and palm oil mills through to governments, non-governmental organizations and suppliers. These activities enable us to expand our contribution to sustainable practices in the palm oil industry. They also provide opportunities to gain valuable insights into changing industry developments and new scientific findings in relation to sustainable palm oil management.

www.henkel.com/palmoil



Enabling a circular economy

By collaborating with organizations from across industries and along the entire value chain, we can drive progress with regard to sustainable packaging. We want to create value from plastic and promote a circular economy.

Henkel was the first major global consumer goods company to partner with Plastic Bank. Plastic Bank is a social enterprise that aims to stop plastic pollution in the oceans and, at the same time, provide opportunities for people in poverty.

Since the beginning of the partnership in 2017, three plastic collection centers have been established in Haiti, a country that lacks sufficient waste management infrastructure. The local communities can return collected plastic waste and exchange it for money, goods or social services. In this way, value is created from plastic, and it is

prevented from entering the waterways and oceans. The collected plastic waste is sorted and ready for introduction into the recycling value chain – as Social Plastic®. Henkel has already started using this material in some of its product packaging.

Driving progress together

We believe progress toward sustainability in packaging will only be possible if organizations from all stages of the packaging value chain work together. That is why we are engaged in several cross-industry initiatives to drive the development of packaging solutions that can be implemented



Our partnership with Plastic Bank: The local communities in Haiti can return collected plastic waste and exchange it for money, goods or social services. The plastic is processed so it can be introduced into the recycling value chain and integrated in new packaging.

on a large scale. In addition to the cooperation with Plastic Bank, Henkel also participates in the New Plastics Economy, an initiative led by the Ellen MacArthur Foundation that brings key stakeholders together to reshape the future of plastic.

In addition, Henkel has teamed up with various organizations that are aiming to improve recycling infrastructure and enable a circular economy. Appropriate systems for recycling packaging materials are not in place in many areas, especially in developing countries. We believe that partnerships along the value chain

are the only way we can make sure our product packaging can be recycled, reused or composted after the product has been consumed.

Promoting a circular economy

Sustainability has been an integrated aspect of Henkel's approach to packaging for decades: All of our product packaging is designed in such a way that it delivers the performance expected by consumers while using the least possible amount of material and the most sustainable solutions. Our mission is to include materials from sustainable sources into smart designs to close the loop. This emphasizes our ambition, as a leading company in sustainability, to enable sustainable development together with our partners. We want to create new opportunities for people in poverty, while at the same time, reducing the amount of waste in the oceans and contributing to marine protection.

www.henkel.com/plastic



Promoting sustainable consumption

An important aim of our strategy is to promote sustainable and resource-efficient consumption, with our products and technologies playing a key role. We also want to strengthen the responsible behavior of our customers and consumers.

Our products and technologies are used in millions of households and in industrial processes every day. This is why we concentrate on developing products and technologies that enable the efficient use of resources such as energy and water during everyday use. It is our goal to help our customers and consumers cut energy use and thus save 50 million metric tons of CO₂ by 2020.

In addition to product and technology development, we want to promote responsible behavior during product use through targeted customer and consumer commu-

nication. This is important because the CO₂ footprint of many of our products is determined during the use phase.

Henkel footprint calculator

The Henkel footprint calculator summarizes this in a vivid manner: By answering simple questions, it is possible to quickly estimate how much CO₂ consumers generate through their own lifestyle in the areas of housing, nutrition, mobility, holiday and leisure. At the end, they are able to see how their result compares to the German and international averages. Using the calculator helps to evaluate the



With our products, we enable our customers and consumers to conserve resources like energy and water. It is our goal to help them save 50 million metric tons of CO₂ by the year 2020.

climate-impact of our daily behavior, while also supporting the Wuppertal Institute with current research into sustainable lifestyles: Participants can choose to contribute their anonymized results to the data collected for this study and support a better understanding of consumer behavior.

We have also established various initiatives to increase consumer awareness for the responsible use of resources. These include the Beauty Care initiative BeSmarter. With this initiative, we want to raise consumer awareness of the need

to use water responsibly, while also informing them about recycling and the concept of a circular economy. In addition, we are raising awareness about how to save energy while washing laundry through our “be sustainable – wash cold” logo on our product packaging.

Working together to save resources

Our products and technologies play a key role in contributing to sustainable consumption and climate protection. They enable our customers and consumers to contribute to protecting resources such as energy and water. In addition, we want to raise consumer awareness through our brand engagement activities and other initiatives. It is also important for us to work hand-in-hand with our retail partners in this respect. Retailers are important partners for Henkel on the path to more sustainable consumption. They provide us with excellent platforms for informing consumers about innovative products and environmentally responsible behavior.

www.footprintcalculator.henkel.com



Supporting social engagement

Social engagement is an important part of what we consider to be responsible behavior. Employees, retirees, customers and partners work together with Henkel and the Fritz Henkel Stiftung foundation to support social projects around the world.

In 1998, Henkel was one of the first companies in Germany to initiate a program to support the volunteer activities of its employees. "Make an Impact on Tomorrow" (MIT) supports individual initiatives and social engagement. To date, we have supported around 14,600 non-profit projects in more than 100 countries, with in-kind and cash donations, as well as by giving our people paid time off work to make a difference.

Current and former Henkel employees provide help wherever it is needed and make a personal contribution to a better

world: They build bridges in Vietnam, teach refugee children how to play soccer, and work in an orphanage in Uganda.

Social project in Nepal

One of the projects that has been supported for many years involves providing medical care for children in Nepal – which is among the poorest countries in the world. Since 2002, Henkel employee Susanne Volkmann has been supporting this project as a volunteer. She regularly uses part of her annual vacation time to visit Nepal and make a difference to children's lives.



The 20th anniversary of Henkel's Make an Impact on Tomorrow (MIT) initiative provided an occasion to give special funding worth 50,000 euros to a social project in Nepal. The money will be used to build a mother-and-child health center in the village of Namjung.

Together with a team of doctors and volunteers, she has established a project that gives children medical examinations, and if necessary, treatment, vaccinations and medication. The team has also provided hygiene training for children, their parents, teachers and health workers. All in all, they have examined and treated more than 10,000 children.

Meanwhile, Susanne Volkmann is also helping to provide aid and school supplies for children in rural regions. This work has already led to several sponsorships.

For more than ten years, the MIT initiative has been supporting Susanne Volkmann with financial donations and time off work. In 2018, on the occasion of the 20th anniversary of the MIT initiative, the project in Nepal received additional special funding worth 50,000 euros, which will be used to build a mother-and-child health center.

Corporate citizenship as an integral part of our corporate culture














Corporate citizenship has been an integral part of our corporate culture ever since the company was established by Fritz Henkel in 1876. Our lasting and long-term commitment to social involvement that goes beyond direct business interests was especially evident in the creation of the Fritz Henkel Stiftung foundation in 2011. This commitment is based on four pillars: corporate volunteering, social partnerships, brand engagement and emergency aid.

www.henkel.com/social-engagement



Overview of our targets

On the road to our long-term goal for 2030, we intend to further improve our performance over the coming years (compared to the base year 2010). We have therefore defined our medium-term targets for 2020 and beyond:

Deliver more value			at a reduced footprint		
 Social progress	 Performance	 Health and safety	 Energy and climate	 Materials and waste	 Water and wastewater
<p>We want to actively contribute to social progress.</p>	<p>We want to create more value and increase our sales.</p> <p>+22% (per metric ton of product)</p>	<p>We want to create safe work-places and improved health and hygiene.</p> <p>+40% (per million hours worked)</p>	<p>We want to reduce our energy usage and our climate-damaging emissions.</p> <p>-30% (per metric ton of product)</p>	<p>We want to use less raw materials and generate less waste.</p> <p>-30% (per metric ton of product)</p>	<p>We want to reduce water consumption and wastewater.</p> <p>-30% (per metric ton of product)</p>
<p>Reach 1 million workers, by improving their workplace conditions.</p> <p>Reach 10 million people through our social engagement activities.</p> <p>Reach 200,000 children through our educational initiatives.</p>	<p>Each new product must make a contribution to sustainability.</p> 	<p>Zero accidents is our long-term goal.</p>  <p>90% coverage by global health campaigns per year</p> 	<p>-5% logistics emissions</p>  <p>“Climate-positive” vision</p> <p>50% electricity generated from renewable energy sources</p> <p>-50 million t CO₂ generated by our customers and consumers</p> <p>100% electricity generated from renewable energy sources by 2030</p> <p>-75% CO₂ footprint of our production by 2030</p> 	<p>Sustainable palm oil</p> <p>100% Mass Balance</p> <p>100% traceability</p> <p>Increasing availability of sustainable palm oil through cooperations</p> <p>Packaging</p> <p>100% of packaging recyclable, reusable or compostable by 2025*</p> <p>35% recycled plastics for consumer products in Europe by 2025</p> <p>1 billion consumers informed about recycling by 2025</p> <p>Zero landfilled waste by 2030</p>	<p>We want to reduce water consumption during production and when our products are used.</p>  

* Excluding adhesive products where residue may affect recyclability or pollute recycling streams.

Achievements 2018

In 2018, we made significant progress toward achieving these interim targets for 2020 (base year: 2010):



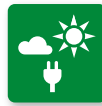
+ 6 %

more sales per metric ton of product



+ 17 %

safer per million hours worked



- 25 %

less energy / CO₂ emissions per metric ton of product



- 29 %

less waste per metric ton of product



- 24 %

less water per metric ton of product

We were able to improve our overall efficiency by 2018

+ 43 %

overall efficiency

External assessments



Henkel's performance in sustainability impressed external experts again in 2018. Find more information on external assessments in our Sustainability Report 2018, p. 145-147.

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Want to learn more about sustainability?

Find more information about sustainability at Henkel in our Sustainability Report 2018:

 www.sustainabilityreport.henkel.com

Our website offers access to all of the Environment Reports and Sustainability Reports we have published since 1992, which are also available as downloads. There you will also find our Annual Reports, Quarterly Statements and Reports for the Half Year, Vision and Values, Code of Conduct, Code of Corporate Sustainability, SHE Standards, Public Affairs Standard, and our Social Standards.

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