

Henkel Sustainability Report 2020

Annex

- Limited Assurance Report of the Independent Auditor
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- Milestones of sustainability orientation
- Overview of production sites
- KPIs Regional Map



Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting and Sustainability Information¹

To Henkel AG & Co. KGaA, Düsseldorf

We have performed a limited assurance engagement on

- the chapters on sustainability reporting denoted with “✓” in the subsections “General Standard Disclosures” and “Topic-specific Standards” of the section “Indices” in the annex to the sustainability report (hereinafter the “Sustainability Disclosures”) and
- the chapters of the non-financial report pursuant to §§ (Articles) 289b Abs. (paragraph) 3 and 315b Abs. 3 HGB [Handelsgesetzbuch: German Commercial Code] denoted with “✓” in the subsections “General Standard Disclosures”, “Topic-specific Standards” and “Information on the non-financial report (NFR)” of the section “Indices” in the annex to the sustainability report (hereinafter the “Disclosures on Non-financial Reporting”)

of the “Sustainability Report 2020”, which is also the combined separate non-financial report pursuant to §§ 289b Abs. 3 and 315b Abs. 3 HGB, of Henkel AG & Co. KGaA, Düsseldorf, (hereinafter the “Company”) for the period from 1 January 2020 to 31 December 2020 (hereinafter the “Sustainability Report”). Our engagement in this context relates solely to the disclosures denoted with the symbol “✓”.

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Sustainability Disclosures in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the “GRI-Criteria”) and the Non-financial Report in accordance with §§ 315c in conjunction with 289c to 289e HGB as well as for the selection of the Sustainability Disclosures and Disclosures on Non-financial Reporting to be evaluated.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of sustainability reporting and non-financial reporting as well as making assumptions and estimates related to individual sustainability disclosures and non-financial disclosures which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as they have considered necessary to enable the preparation of a Sustainability Report that is free from material misstatement whether due to fraud or error.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer”: “BS WP/vBP”) as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

¹ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the “Sustainability Report 2020” and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Disclosures denoted with "✓" in the subsections "General Standard Disclosures" and "Topic-specific Standards" in the section "Indices" in the annex to the Sustainability Report and the Disclosures on Non-financial Reporting denoted with "✓" in the subsections "General Standard Disclosures", "Topic-specific Standards" and "Information on the non-financial report (NFR)" in the section "Indices" in the annex to the Sustainability Report based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Sustainability Report.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that

- the Sustainability Disclosures denoted with "✓" in the subsections "General Standard Disclosures" and "Topic-specific Standards" of the section "Indices" in the annex to the Company's Sustainability Report for the period from 1 January 2020 to 31 December 2020 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria, or
- the Disclosures on Non-financial Reporting denoted with "✓" in the subsections "General Standard Disclosures", "Topic-specific Standards" and "Information on the non-financial report (NFR)" of the section "Indices" in the annex to the Company's Sustainability Report for the period from 1 January 2020 to 31 December 2020 have not been prepared, in all material aspects, in accordance with the requirements of §§ 315c in conjunction with 289c to 289e HGB.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement, and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inquiries of personnel involved in the preparation of the Sustainability Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Sustainability Report
- Identification of the likely risks of material misstatement of the Sustainability Report
- Analytical evaluation of selected disclosures in the Sustainability Report
- Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the combined management report
- Evaluation of the presentation of the disclosures

Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that

- the Sustainability Disclosures denoted with “✓” in the subsections “General Standard Disclosures” and “Topic-specific Standards” of the section “Indices” in the annex to the Company’s Sustainability Report for the period from 1 January 2020 to 31 December 2020 have not been prepared, in all material aspects, in accordance with the relevant GRI-Criteria, or
- the Disclosures on Non-financial Reporting denoted with “✓” in the subsections “General Standard Disclosures”, “Topic-specific Standards” and “Information on the non-financial report (NFR)” of the section “Indices” in the annex to the Company’s Sustainability Report for the period from 1 January 2020 to 31 December 2020 have not been prepared, in all material aspects, in accordance with the requirements of §§ 315c in conjunction with 289c to 289e HGB.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company about the results of the limited assurance engagement.

The report is not intended for any third parties to base any (financial) decision thereon. Our responsibility lies only with the Company. We do not assume any responsibility towards third parties.

Munich, 9 February 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink	ppa. Theres Schäfer
Wirtschaftsprüfer	Wirtschaftsprüferin
[German public auditor]	[German public auditor]

Indices

We prepared our Sustainability Report in alignment with the Global Reporting Initiative's (GRI) "GRI Standards"*. The following GRI index indicates how our reporting meets GRI standards. The required information is available on the indicated pages of the Sustainability Report and in the audited parts of the Annual Report. Where a disclosure is not completely covered by the disclosures, we have included the relevant data directly in the index or have labeled the gaps as "omissions." Henkel transparently reports all information and data that are ascertainable and relevant for the Group from a management perspective.

At the same time, we present our progress regarding the principles defined by the United Nations Global Compact (UNGC) as part of our annual Sustainability Report. Henkel has been a signatory to the Global Compact since 2003. The UNGC is a strategic initiative for companies that have aligned their strategies and operations with ten universally recognized principles related to human rights, labor, environment and anti-corruption. The UNGC index shows where to find information relating to the implementation of the respective principles within the Henkel Sustainability Report 2020.

The GRI index and UNGC index are presented together below. The overview lists information relating to the GRI standards and to topics that are relevant for the ten principles of the United Nations Global Compact (UNGC Principles).

The 2020 Sustainability Report is also the separate combined non-financial report for the Henkel Group and Henkel AG & Co. KGaA for fiscal year 2020 within the meaning of Sections 315b and 315c, in conjunction with 289b to 289e of the German Commercial Code (HGB). Reporting that goes beyond GRI to meet HGB requirements is presented in the index with the title "Information on the non-financial report (NFR)."

For the disclosures marked with a "✓," PricewaterhouseCoopers GmbH WPG performed a limited assurance engagement. The → **independent assurance report** by PricewaterhouseCoopers GmbH WPG can be found in the scope and reference framework section (p. 216–218) of the Sustainability Report 2020.

General Standard Disclosures

		Audited	UNGC Principles
Organizational profile			
GRI 102-1	Name of the organization Sustainability Report 2020 (p. 219), Imprint Annual Report 2020 (p. 297), Imprint Henkel AG & Co. KGaA		
GRI 102-2	Activities, primary brands, products, and services Sustainability Report 2020 (p. 5–10), Henkel at a glance Annual Report 2020 (p. 112–119), Business units		

* 2016, unless stated otherwise

		Audited	UNGC Principles
GRI 102-3	Location of the organization's headquarters Sustainability Report 2020 (p. 219), Imprint Annual Report 2020 (p. 297), Imprint Henkel AG & Co. KGaA Henkelstraße 67 40589 Düsseldorf Germany		
GRI 102-4	Countries where the organization has significant operations Sustainability Report 2020 (p. 20), Sustainability strategy / Recognizing our responsibility along the value chain		
GRI 102-5	Nature of ownership and legal form Sustainability Report 2020 (p. 219), Imprint Annual Report 2020 (p. 31–92), Corporate governance		
GRI 102-6	Markets served Annual Report 2020 (p. 95–96), Fundamental principles of the Group		
GRI 102-7	Scale of the organization Sustainability Report 2020 (p. 5), Henkel at a glance Annual Report 2020 (p. 23), Shares and bonds Annual Report 2020 (p. 27–28), Shares and bonds / International shareholder structure / Employee share program / Henkel bonds Annual Report 2020 (p. 122–127), Economic report / Net assets and financial position The quantity of products provided amounts to 10 million tons, 90 percent of which are produced in our own facilities. The remaining 10 percent are produced by contract manufacturers.		
GRI 102-8	Total number of employees Sustainability Report 2020 (p. 5), Henkel at a glance Sustainability Report 2020 (p. 206–207), Indicators / Employee indicators Annual Report 2020 (p. 128–131), Economic report / Employees Subdivided by contract type, 91 percent of contract relationships were permanent contracts and 9 percent were fixed-term contracts. These figures correspond to an employee share of around 99 percent. The share of fixed-term employment relationships includes employment contracts with interns, trainees and temporary cover. The gender distribution of employees with fixed-term contracts corresponds to the gender distribution of the total workforce. Non-payroll employees account for an insignificant proportion of the organization's activities.	✓	6
GRI 102-9	Organization's supply chain Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Annual Report 2020 (p. 132–133), Economic report / Procurement		
GRI 102-10	Changes regarding the organization's size, structure, ownership Sustainability Report 2020 (p. 5), Henkel at a glance Annual Report 2020 (p. 122–127), Economic report / Net assets and financial position		
GRI 102-11	Precautionary approach Sustainability Report 2020 (p. 11–34), Sustainability strategy Sustainability Report 2020 (p. 91–104), Sustainability stewardship Sustainability Report 2020 (p. 98–102), Sustainability stewardship / Product safety Annual Report 2020 (p. 151–165), Risks and opportunities report		7, 8, 9

		Audited	UNGC Principles
GRI 102-12	<p>Externally developed economic, environmental and social charters, principles, or other initiatives</p> <p>Sustainability Report 2020 (p. 64–66), Purchasing and suppliers / Together for a sustainable supply chain</p> <p>Sustainability Report 2020 (p. 95), Sustainability stewardship / How we develop sustainable products / Product carbon footprint</p> <p>Sustainability Report 2020 (p. 194–196), Stakeholder dialog / Participation in industry associations and international initiatives</p>		
GRI 102-13	<p>Memberships of associations</p> <p>Sustainability Report 2020 (p. 64–66), Purchasing and suppliers / Together for a sustainable supply chain</p> <p>Sustainability Report 2020 (p. 95), Sustainability stewardship / How we develop sustainable products / Product carbon footprint</p> <p>Sustainability Report 2020 (p. 194–196), Stakeholder dialog / Participation in industry associations and international initiatives</p> <p>Our description of initiatives, industry associations and other organizations in the chapters “Purchasing and suppliers,” “Laundry & Home Care” and “Stakeholder dialog” of our report lists the most important examples in the context of sustainability. In addition, our global and regional units are involved in local or national initiatives and networks.</p> <p>In 2020, Henkel did not provide substantive funding beyond routine membership dues.</p>		

Strategy

GRI 102-14	<p>Statement from the most senior decision-maker of the organization</p> <p>Sustainability Report 2020 (p. 3), Foreword</p> <p>Annual Report 2020 (p. 6–12), Foreword</p>		
GRI 102-15	<p>Description of key impacts, risks, and opportunities</p> <p>Sustainability Report 2020 (p. 11–34), Sustainability strategy</p> <p>Annual Report 2020 (p. 97–98), Fundamental principles of the Group / Sustainability strategy</p> <p>Annual Report 2020 (p. 151–165), Risk and opportunities report</p>		

Ethics and integrity

GRI 102-16	<p>Values, principles, standards and norms of behavior</p> <p>Sustainability Report 2020 (p. 5–10), Henkel at a glance</p> <p>Sustainability Report 2020 (p. 10), Henkel at a glance / More value – less resources</p> <p>Sustainability Report 2020 (p. 11–34), Sustainability strategy</p> <p>Sustainability Report 2020 (p. 36–37), Management / Codes, standards and management systems</p> <p>Sustainability Report 2020 (p. 46–50), Management / Respecting human rights</p> <p>Annual Report 2020 (p. 97–98), Fundamental principles of the Group / Sustainability strategy</p>		1 to 10
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		Audited	UNGC Principles
Governance			
GRI 102-18	Governance structure Sustainability Report 2020 (p. 40–42), Management / Our organization for sustainability Sustainability Report 2020 (p. 42–44), Management / Evaluation and management of corporate sustainability Annual Report 2020 (p. 31–92), Corporate governance Annual Report 2020 (p. 94–95), Fundamental principles of the Group / Operational activities Annual Report 2020 (p. 97–98), Fundamental principles of the Group / Sustainability strategy		
Stakeholder engagement			
GRI 102-40	Stakeholder groups Sustainability Report 2020 (p. 187), Stakeholder dialog / How we integrate stakeholder expectations into our actions Our key stakeholder groups are: <ul style="list-style-type: none"> • Customers • Consumers • Suppliers • Employees • Shareholders • Local communities • Government authorities • Associations • Nongovernmental organizations • Politicians • Academia 	✓	
GRI 102-41	Percentage of total employees covered by collective bargaining agreements Sustainability Report 2020 (p. 206–207), Indicators / Employee indicators	✓	3
GRI 102-42	Identification and selection of stakeholders Sustainability Report 2020 (p. 187), Stakeholder dialog / How we integrate stakeholder expectations into our actions For Henkel, everyone who is either directly or indirectly interested in our company or who influences our company is a stakeholder, whether a group or an individual. We are open to dialog with all of our stakeholders.	✓	
GRI 102-43	Approach to stakeholder engagement Sustainability Report 2020 (p. 186–196), Stakeholder dialog Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Sustainability Report 2020 (p. 44), Management / Evaluation and management of corporate sustainability / Reporting and communication	✓	
GRI 102-44	Key topics and concerns that have been raised through stakeholder engagement Sustainability Report 2020 (p. 28–31), Sustainability strategy / How we further develop our strategy, goals and concepts Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Sustainability Report 2020 (p. 186–196), Stakeholder dialog	✓	

		Audited	UNGC Principles
Reporting practice			
GRI 102-45	Entities included in the organization's consolidated financial statements Annual Report 2020 (p. 181–182), Explanatory notes on fundamental principles and methods of the consolidated financial statements / Entities included in the organization's consolidated financial statements Register of shareholders 2020	✓	
GRI 102-46	Defining the report contents Sustainability Report 2020 (p. 28–31), Sustainability strategy / How we further develop our strategy, goals and concepts Sustainability Report 2020 (p. 44), Management / Evaluation and management of corporate sustainability / Reporting and communication Sustainability Report 2020 (p. 186–196), Stakeholder dialog	✓	
GRI 102-47	Material aspects Sustainability Report 2020 (p. 28–31), Sustainability strategy / How we further develop our strategy, goals and concepts Our material aspects are: Social progress, performance, health and safety, energy and climate, materials and waste, water and waste water.	✓	
GRI 102-48	Restatements of information Our sustainability reporting is based on GRI Standards; we had previously reported according to GRI G4 Standards until 2017. To align our reporting with GRI Standards, we revised our key aspects and structured our GRI index accordingly.	✓	
GRI 102-49	Significant changes from previous reporting periods in the Scope and Aspect Boundaries General reporting boundaries have not changed. Environmental and social indicators are based on the principle of management control. There were no significant changes in our basis data from 2010. Therefore, no modifications were necessary.	✓	
GRI 102-50	Reporting period This report covers the period from January 1 to December 31, 2020.		
GRI 102-51	Date of most recent previous report The most recent previous sustainability report was published on March 5, 2020. It covered the year 2019.		
GRI 102-52	Reporting cycle Sustainability Report 2020 (p. 44), Management / Evaluation and management of corporate sustainability / Reporting and communication The reporting cycle is annual.		
GRI 102-53	Contact point for questions Sustainability Report 2020 (p. 219), Imprint / Contacts		
GRI 102-54	Claims of reporting in accordance with the GRI Standards This Sustainability Report 2020 has been prepared in accordance with the GRI Standards: Core option.		
GRI 102-55	GRI content index Sustainability Report 2020 (p. 214), Scope and reference framework / Global Reporting Index (GRI)		

		Audited	UNGC Principles
GRI 102-56	<p>External assurance</p> <p>Sustainability Report 2020 (p. 4), Separate combined non-financial group report Sustainability Report 2020 (p. 216–218), Scope and reference framework/ Limited Assurance Report of the Independent Auditor regarding Sustainability Information</p> <p>External assurance of the Sustainability Report was initiated by the Sustainability Council. The outcome of the assurance engagement will be reported to the Sustainability Council.</p>		
GRI 103-1	<p>Explanation of the material topic and its Boundary</p> <p>Sustainability Report 2020 (p. 28–31), Sustainability strategy / How we further develop our strategy, goals and concepts</p> <p>As part of the process of determining key action areas and material topics, we have defined where our key aspects have an effect within and outside the organization. In this way, we have set the boundaries for the aspects that we consider to be material. The effects occur where our business activities and products have a material impact on the environment and society, and where external challenges influence our business.</p>	✓	

Topic-specific Standards

		Audited	UNGC Principles
Economy			
GRI 103-1	<p>Explanation of the material topic and its Boundary</p> <p>Sustainability Report 2020 (p. 5–10), Henkel at a glance</p> <p>Sustainability Report 2020 (p. 18–19), Sustainability strategy / We create more value and reduce our environmental footprint</p> <p>Sustainability Report 2020 (p. 25–28), Sustainability strategy / Strengthening the central role of our employees</p> <p>Sustainability Report 2020 (p. 28–31), Sustainability strategy / How we further develop our strategy, goals and concepts</p> <p>Sustainability Report 2020 (p. 35–50), Management</p> <p>Sustainability Report 2020 (p. 158–162), People / Developing employees to unleash their potential</p> <p>Sustainability Report 2020 (p. 163–165), People / Compensation and benefits</p> <p>Sustainability Report 2020 (p. 202), Indicators / Economic indicators</p>	✓	
GRI 103-2	<p>The management approach and its components</p> <p>Sustainability Report 2020 (p. 4), Separate combined non-financial group report</p> <p>Sustainability Report 2020 (p. 11–34), Sustainability strategy</p> <p>Sustainability Report 2020 (p. 35–50), Management</p> <p>Sustainability Report 2020 (p. 202), Indicators / Economic indicators</p>	✓	

		Audited	UNGC Principles
GRI 103-3	Evaluation of the management approach Sustainability Report 2020 (p. 4), Separate combined non-financial group report Sustainability Report 2020 (p. 5–10), Henkel at a glance Sustainability Report 2020 (p. 11–34), Sustainability strategy Sustainability Report 2020 (p. 35–50), Management Sustainability Report 2020 (p. 92–95), Sustainability stewardship / How we develop sustainable products Sustainability Report 2020 (p. 202), Indicators / Economic indicators	✓	
Economic performance			
GRI 201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change Sustainability Report 2020 (p. 5–10), Henkel at a glance Sustainability Report 2020 (p. 11–34), Sustainability strategy Sustainability Report 2020 (p. 69–72), Production / Driving efficiency Sustainability Report 2020 (p. 72–74), Production / Becoming climate-positive by 2040 Sustainability Report 2020 (p. 82–83), Logistics and transport / How we optimize transport and logistics processes		7
Indirect economic impacts			
GRI 203-2	Significant indirect economic impacts Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Sustainability Report 2020 (p. 158–162), People / Developing employees to unleash their potential		
Anti-corruption			
GRI 205-2	Communication and training on anti-corruption policies and procedures Sustainability Report 2020 (p. 38–39), Management / Our Compliance organization Combating corruption is one of the key focal areas of our global compliance trainings: All Henkel managerial employees worldwide are obliged to complete a compliance training via eLearning. In addition, new managerial employees have to complete a compliance onboarding training. Non-managerial employees participate in trainings depending on their operational areas, e.g. in purchasing or sales. All Henkel business partners worldwide receive information on our anti-corruption measures through our globally applicable corporate purchasing standards.		10
GRI 205-3	Confirmed incidents of corruption and actions taken Sustainability Report 2020 (p. 38–39), Management / Our Compliance organization		10

Environment

GRI 103-1	<p>Explanation of the material topic and its Boundary</p> <p>Sustainability Report 2020 (p. 5–10), Henkel at a glance Sustainability Report 2020 (p. 18–19), Sustainability strategy / We create more value and reduce our environmental footprint Sustainability Report 2020 (p. 28–31), Sustainability strategy / How we further develop our strategy, goals and concepts Sustainability Report 2020 (p. 35–50), Management Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Sustainability Report 2020 (p. 67–80), Production Sustainability Report 2020 (p. 81–90), Logistics and transport Sustainability Report 2020 (p. 91–104), Sustainability stewardship Sustainability Report 2020 (p. 124–132), Adhesive Technologies Sustainability Report 2020 (p. 133–143), Beauty Care Sustainability Report 2020 (p. 144–155), Laundry & Home Care Sustainability Report 2020 (p. 200–213), Indicators Sustainability Report 2020 (p. 203–205), Indicators / Environmental indicators</p>	✓
GRI 103-2	<p>The management approach and its components</p> <p>Sustainability Report 2020 (p. 4), Separate combined non-financial group report Sustainability Report 2020 (p. 11–34), Sustainability strategy Sustainability Report 2020 (p. 35–50), Management Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Sustainability Report 2020 (p. 67–80), Production Sustainability Report 2020 (p. 81–90), Logistics and transport Sustainability Report 2020 (p. 200–213), Indicators Sustainability Report 2020 (p. 203–205), Indicators / Environmental indicators</p>	✓
GRI 103-3	<p>Evaluation of the management approach</p> <p>Sustainability Report 2020 (p. 4), Separate combined non-financial group report Sustainability Report 2020 (p. 11–34), Sustainability strategy Sustainability Report 2020 (p. 35–50), Management Sustainability Report 2020 (p. 54–57), Purchasing and suppliers / Our Responsible Sourcing Process Sustainability Report 2020 (p. 67–80), Production Sustainability Report 2020 (p. 81–90), Logistics and transport Sustainability Report 2020 (p. 92–95), Sustainability stewardship / How we develop sustainable products Sustainability Report 2020 (p. 200–213), Indicators Sustainability Report 2020 (p. 203–205), Indicators / Environmental indicators</p>	✓

Materials

GRI 301-1	<p>Materials used by weight or volume</p> <p>Sustainability Report 2020 (p. 82–83), Logistics and transport / How we optimize transport and logistics processes Annual Report 2020 (p. 132–133), Economic report / Procurement</p>	7, 8, 9
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		Audited	UNGC Principles
Energy			
GRI 302-1	<p>Energy consumption within the organization</p> <p>Sustainability Report 2020 (p. 203–205), Indicators / Environmental indicators Sustainability Report 2020 (p. 204), Indicators / Environmental indicators / Energy consumption</p> <p>To date, no analysis of the fuel consumption obtained from biomass and waste incineration that differentiates from total fuel consumption.</p> <p>For site-specific reasons, self-generated electricity and thermal energy are resold primarily at our site in Düsseldorf-Holthausen (Germany); the primary energy used for this purpose amounts to 1,079 thousand MWh.</p> <p>Calculations of energy usage within the organization are based on internal standards that follow recognized external standards (GRI 302-1) with associated methods and assumptions.</p> <p>Due to the number of different conversion factors (including International Energy Agency), these are not explicitly listed.</p>	✓	7, 8, 9
GRI 302-2	<p>Energy consumption outside of the organization</p> <p>Sustainability Report 2020 (p. 203), Indicators / Environmental indicators / Our operational CO₂ footprint</p> <p>The description of Scope 3 is based on the CO₂ footprint, which fully includes energy consumption.</p>		7, 8, 9
GRI 302-3	<p>Energy intensity</p> <p>Sustainability Report 2020 (p. 204), Indicators / Environmental indicators / Production volumes Sustainability Report 2020 (p. 204), Indicators / Environmental indicators / Energy consumption</p>		7, 8, 9
GRI 302-4	<p>Reduction of energy consumption</p> <p>Sustainability Report 2020 (p. 69–72), Production / Driving efficiency Sustainability Report 2020 (p. 72–74), Production / Becoming climate-positive by 2040</p>		7, 8, 9
GRI 302-5	<p>Reductions in energy requirements of products and services</p> <p>Sustainability Report 2020 (p. 21–24), Sustainability strategy / Contributions from our brands and technologies / Helping customers and consumers to reduce CO₂ emissions</p>		7, 8, 9

		Audited	UNGC Principles
Water and effluents*			
GRI 303-1	<p>Interactions with water as a shared resource</p> <p>Sustainability Report 2020 (p. 76–78), Production / Conserving water Sustainability Report 2020 (p. 95), Product stewardship / How we develop sustainable products / How we handle water as an important resource Sustainability Report 2020 (p. 98–102), Product stewardship / Product safety</p> <p>Water extraction is categorized as follows: from third parties, surface water, groundwater, seawater, rainwater (for production purposes).</p> <p>International standards are applied and, depending on the options available at the site, data obtained from measurement, calculation or estimates is used.</p> <p>We have conducted investigations into water scarcity on a global level to identify those production sites that operate in regions of water stress. To do this, we use the Aqeduct™ tool developed by the World Resources Institute (WRI).</p>	✓	7, 8, 9
GRI 303-2	<p>Dealing with the impact of water recirculation</p> <p>Sustainability Report 2020 (p. 95), Product stewardship / How we develop sustainable products / How we handle water as an important resource</p> <p>Our minimum standards are based on international and national regulations and legislation.</p>	✓	
GRI 303-5	<p>Water consumption</p> <p>Sustainability Report 2020 (p. 204), Indicators / Environmental indicators / Water consumption and volume of waste water</p> <p>Our total consumption of water from regions with water stress (high to extremely high risk as defined by WRI) is 2,177 thousand cubic meters.</p> <p>Water storage has no significant impact on wastewater or process water.</p> <p>Data on water consumption is recorded in line with internal standards. Whenever possible, measurement data is used; otherwise, a well-founded calculation based on general conditions must be available. An estimate is made as a last resort.</p>	✓ (Water consumption from areas with water stress not audited)	
Emissions			
GRI 305-1	<p>Direct greenhouse gas (GHG) emissions (Scope 1)</p> <p>Sustainability Report 2020 (p. 203), Indicators / Environmental indicators / Our operational CO₂ footprint (Scope 1)</p> <p>For the calculation of the Scope 1 carbon dioxide emissions from various energy sources, we apply the factors provided by Öko-Institut e.V. These are mainly based on data from RAINS 7.52. No CO₂ offsets were taken into account when determining the Scope 1 carbon dioxide emissions.</p> <p>The net volume of GHG emissions (Scope 1) is shown. The gross volume includes electricity additionally generated and sold to third parties. For site-specific reasons, this occurs primarily at our site in Düsseldorf-Holthausen (Germany); gross emissions at Henkel level total 592 thousand metric tons.</p> <p>Biogenic CO₂ emissions and CO₂ equivalents of other greenhouse gases are of minor importance in our business activities at present and are not reported separately.</p>	✓	7, 8, 9

	Audited	UNGC Principles
<p>GRI 305-2 Energy indirect greenhouse gas (GHG) emissions (Scope 2) Sustainability Report 2020 (p. 203), Indicators / Environmental indicators / Our operational CO₂ footprint (Scope 2)</p> <p>For the calculation of the Scope 2 carbon dioxide emissions from bought-in energy (electricity, steam and district heating), we have been using the market-based method (Scope 2) since 2018. We previously used the location-based method (Scope 2).</p> <p>Information on gross volume and CO₂ equivalents has not yet been provided in itemized form, as the data basis required for the calculation still has to be expanded.</p> <p>The CO₂ emissions relate to our production sites that are under our direct operational control. These sites represent our core activities.</p> <p>In the location-based method, country-specific emission factors were used for calculating carbon dioxide emissions; based on this method, a Scope 2 emissions value of 326 thousand metric tons would have been determined for 2020.</p> <p>For the market-based method (Scope 2), we do not calculate emissions for the purchase of electricity from renewable sources that meets internal quality criteria. For the remaining electricity, we calculate contract, provider or region-specific emission factors, depending on the sites for which we have access to the figures. They are updated each year.</p> <p>In the remaining cases, we use country-specific factors that are published by the International Energy Agency (IEA) at the beginning of the respective year. 64 percent of the entire electricity purchase comes from renewable sources or falls under supplier-specific emission factors.</p> <p>No CO₂ offsets and no emissions certificate trading were taken into account when determining the Scope 2 carbon dioxide emissions.</p>	✓	7, 8, 9
<p>GRI 305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3) Sustainability Report 2020 (p. 203), Indicators / Environmental indicators / Our operational CO₂ footprint (Scope 3)</p> <p>Henkel reports the Scope 3 GHG emissions that cover all major upstream and downstream activities, are based on the corporate value chain (Scope 3) and implement the relevant accounting standards. Subject of the reporting are the materially relevant categories (a) Purchased goods and services (third-party manufacturing is out of scope), (b) Upstream transportation and distribution, (c) Waste generated in operations, (d) Business travel, (e) Downstream transportation and distribution (emissions resulting from storage are out of scope), (f) Use of sold products, and (g) End-of-life treatment of sold products. The reporting addresses the emissions related to the immediate activities involving production, distribution and use of Henkel products. Emissions arising from upstream supply chains are not considered. An exception is made for the purchased raw materials in the reporting category 'Purchased Goods and Services.'</p>	✓	7, 8, 9

		Audited	UNGC Principles
	<p>We use the following methods to calculate these categories: (a) supplier data-specific method and average-data method (for specific data), and spend-based method (for non-specific data), (b) distance-based method, (c) average-data method, (d) distance-based method, (e) Eco TransIT World method, (f) indirect use-phase emissions method and the direct use-phase emissions method, (g) waste-type-specific method (for solid waste), and the average-data method (for wastewater).</p> <p>The activity data used in the reporting are based on (a) the actual amounts of chemicals and packaging materials purchased, (b) the assumption that all inbound transport is via trucks, the distance per transportation is 500 km and the actual amounts of chemicals and packaging materials purchased, (c) the actual amounts of waste from Henkel operations, assuming that tertiary wastewater treatment occurs globally, (d) the distances traveled by company cars, air and train travel, (e) product amounts actually delivered, and transport modes along trajectories modeled by GPS, (f) product amounts actually sold, and modeled water and energy usages specific to product categories, (g) the amount of packaging material used, the amount of wastewater generated with the use of the sold amounts of products, and the solid waste generated with the use of adhesive products.</p> <p>Emission factors used in the reporting are (a) cradle-to-gate emission factors from suppliers (primary data) and average data (from associations or EcoInvent), (b) average data, (c), (d), (g) DEFRA emission factors without RF, (e) ETW emission factors, (f) IEA emission factors for electricity (the most recent data available) and the DEFRA emission factor for fossil fuels, (g) calculated factors based on literature data for wastewater accounting for Henkel's contribution to the wastewater BOD load.</p>		
GRI 305-4	<p>GHG emissions intensity Sustainability Report 2020 (p. 203–205), Indicators / Environmental indicators</p>		7, 8, 9
GRI 305-5	<p>Reduction of GHG emissions Sustainability Report 2020 (p. 19), Sustainability strategy / We create more value and reduce our environmental footprint / We reduce the environmental footprint Sustainability Report 2020 (p. 21–24), Sustainability strategy / Contributions from our brands and technologies / Helping customers and consumers reduce CO₂ emissions Sustainability Report 2020 (p. 69–72), Production / Driving efficiency Sustainability Report 2020 (p. 72–74), Production / Becoming climate-positive by 2040</p> <p>The use of some of our products enables emissions to be avoided. On the basis of a Henkel standard, the emissions actually avoided (Scope 4) and potential emission savings resulting from the use of these products (Scope 3) are identified and calculated.</p> <p>Potential emission savings (Scope 3) that would result if consumers reduced their water usage or washed their laundry without heating the water are calculated based on this standard. To calculate these potential emission savings for some examples, the product applications are compared to the reference applications.</p>	✓	7, 8, 9

		Audited	UNGC Principles
	<p>Henkel reports Scope 4 emissions based on a proprietary standard which combines generally applicable accounting and reporting principles (WBCSD / WRI 2004) with a widely accepted methodology (WBCSD / WRI 2003). The Scope 4 emissions are reported for a portfolio of selected product or categories or products which bring about emission for Henkel customers and consumers. It consists of a total 12 portfolio elements which are grouped into six clusters: industrial overhaul (increase energy efficiency of pumps (1), extend life-times of industrial equipment (2)), smart material replacement (use wood to replace concrete (3)), automotive light-weighting (enabling high aluminum contents in car bodies (4), lighter sound dampening systems (5), non-metal reinforcements (6)), energy saving building envelopes (highly reflective roof coating (7), external thermal insulation composite systems (8)), renewable energy (higher efficiency solar panels (9)), less domestic hot water use (dry shampoo (10), leave-on hair conditioners (11), color catcher sheets (12), dual-purpose automated dishwasher cleaner pouches (13)). The portfolio elements were identified in a thorough analysis of the entire portfolio. They were qualified by assessing the social and environmental impacts along the entire value chain ensuring that no trade-offs occur.</p> <p>The emission of portfolio elements 2, 3, 10–13 are calculated as $S_{\text{annual,immediate},i} = s_i \times Q_{\text{sold},i}$ with s_i and $Q_{\text{sold},i}$ being the saving per functional unit and the quantity of functional units related to the Henkel sales with a portfolio element, respectively. For the remaining elements the savings are calculated as $S_{\text{annual,prolonged},i} = s_i \times Q_{\text{sold},i} \times t_{\text{Service},i}$ with $t_{\text{Service},i}$ being the duration of the service life during which the respective object (cars, solar panels, building insulation, roof coatings) generates savings.</p> <p>The unit emission of a portfolio element are established as the difference between the reference emissions (e.g. the emissions related to the market standard, per unit) and the emissions related to the portfolio element, per unit. The emissions are quantified in line with the established Greenhouse Gas Protocol Product Life Cycle Accounting and Reporting Standard (for potential reductions in Scope 3 emissions) and the ICCA / WBCSD ICCA-WBCSD Avoided Emissions Guidance. In addition, consistency is warranted by using the same emission factors for avoided emissions as for the Scope 3 reporting.</p> <p>The reference was established by before / after comparison, comparison with the situation that has been improved, or comparison with the solution that has been replaced. For none of the clusters the savings are offset with emissions in other value chain-stages, as compared to the reference. The savings of the clusters 2, 6, 7, 9, 10–13 are allocated entirely to Henkel. The respective allocation of the remaining portfolio elements is defined according to two dimensions. In the first dimension the Henkel product contribution is rated in terms of indispensability, unique positioning, required depth of the knowledge of customer process, and share in the economic value of the entire solution. For the second dimension a distinction is made between extensive and minor contributions.</p>		
<p>GRI 305-6</p>	<p>Emissions of ozone-depleting substances (ODS) Sustainability Report 2020 (p. 205), Indicators / Environmental indicators / Use of chlorinated hydrocarbons</p> <p>Dichlorofluoroethane is used in a very limited number of our thermal insulation foam products and industrial metal cleaning sprays.</p>		<p>7, 8, 9</p>

		Audited	UNGC Principles
GRI 305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions Sustainability Report 2020 (p. 204–205), Indicators / Environmental indicators The calculation of air emissions (emissions of volatile organic compounds) is performed either by directly measuring emissions or based on location-specific data.	✓ (Use of chlorinated hydrocarbons not audited)	7, 8, 9

Effluents and waste

GRI 306-1	Water discharge by quality and destination Sustainability Report 2020 (p. 204), Indicators / Environmental indicators / Waste for recycling and disposal The wastewater discharges are essentially planned wastewater discharges. Discharge destination is categorized as follows: to third parties, surface water, groundwater, seawater. No breakdown of disclosures by water quality and reuse. Due to the wide range of specific site conditions, the various treatment methods are not explicitly listed.	✓	7, 8, 9
GRI 306-2	Waste by type and disposal method Sustainability Report 2020 (p. 205), Indicators / Environmental indicators / Waste for recycling and disposal Wastewater is completely separated from other forms of waste in this calculation. Determining the waste disposal method is based mainly on information provided by disposal service providers.	✓	7, 8, 9
GRI 306-3	Significant spills Sustainability Report 2020 (p. 211), Indicators / Operational incidents and environmental violations In 2020, there were no significant environmental incidents.		7, 8, 9

Environmental compliance

GRI 307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations In 2020, Henkel did not receive any significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.		7, 8, 9
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Supplier environmental assessment

GRI 308-1	Percentage of new suppliers that were screened using environmental criteria Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Annual Report 2020 (p. 132–133), Economic report / Procurement When selecting all of our suppliers and business partners, we also consider their performance with regard to sustainability and environmental criteria. This is based on our globally applicable corporate purchasing standards, which we defined in 1997 for the first time, as well as our Safety, Health and Environmental Protection standards, which we supplemented with a Sustainable Sourcing Policy in 2015. This was updated in 2018 and is now known as our Responsible Sourcing Policy, which we have systematically integrated into the purchasing process.		7, 8, 9
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Social aspects

<p>GRI 103-1</p>	<p>Explanation of the material topic and its Boundary</p> <p>Sustainability Report 2020 (p. 5–10), Henkel at a glance Sustainability Report 2020 (p. 18–19), Sustainability strategy / We create more value and reduce our environmental footprint Sustainability Report 2020 (p. 28–31), Sustainability strategy / How we further develop our strategy, goals and concepts Sustainability Report 2020 (p. 35–50), Management Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Sustainability Report 2020 (p. 91–104), Sustainability stewardship Sustainability Report 2020 (p. 124–132), Adhesive Technologies Sustainability Report 2020 (p. 133–143), Beauty Care Sustainability Report 2020 (p. 144–155), Laundry & Home Care Sustainability Report 2020 (p. 156–179), People Sustainability Report 2020 (p. 180–185), Social engagement Sustainability Report 2020 (p. 200–213), Indicators Sustainability Report 2020 (p. 206–207), Indicators / Employee indicators</p>	<p>✓</p>
<p>GRI 103-2</p>	<p>The management approach and its components</p> <p>Sustainability Report 2020 (p. 4), Separate combined non-financial group report Sustainability Report 2020 (p. 11–34), Sustainability strategy Sustainability Report 2020 (p. 35–50), Management Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Sustainability Report 2020 (p. 91–107), Sustainability stewardship Sustainability Report 2020 (p. 200–213), Indicators Sustainability Report 2020 (p. 206–207), Indicators / Employee indicators</p>	<p>✓</p>
<p>GRI 103-3</p>	<p>Evaluation of the management approach</p> <p>Sustainability Report 2020 (p. 4), Separate combined non-financial group report Sustainability Report 2020 (p. 28–31), Sustainability strategy / How we further develop our strategy, goals and concepts Sustainability Report 2020 (p. 35–50), Management Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Sustainability Report 2020 (p. 92–95), Sustainability stewardship / How we develop sustainable products Sustainability Report 2020 (p. 158–162), People / Developing employees to unleash their potential Sustainability Report 2020 (p. 163–165), People / Compensation and benefits Sustainability Report 2020 (p. 200), Indicators Sustainability Report 2020 (p. 206–207), Indicators / Employee indicators</p>	<p>✓</p>

		Audited	UNGC Principles
Employment			
GRI 401-1	Total number and rates of new employee hires and employee turnover by age group, gender, and region Sustainability Report 2020 (p. 206–207), Indicators / Employee indicators No information by age group, gender and region. The total number of new employees was around 6,130 in 2020.	✓	6
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation Sustainability Report 2020 (p. 163–165), Employees / Compensation and benefits Fundamentally, all occupational benefits also apply to part-time and fixed-term employees, except if applicable local regulations in our countries of activity specify otherwise.		6
Labor / Management relations			
GRI 402-1	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements In Germany, rules on employee codetermination apply. Locations in other countries are included via the European Works Council. Notice periods correspond to legal requirements or exceed them. We comply with the applicable national or local notice periods and obligations.		
Occupational health and safety			
GRI 403-1	Workers representation in formal joint management-worker health and safety committees Sustainability Report 2020 (p. 36–37), Management / Codes, standards, and management systems Sustainability Report 2020 (p. 177–179), People / Occupational safety is our top priority		
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities Sustainability Report 2020 (p. 36–37), Management / Codes, standards, and management systems Hazard identification, risk assessment and investigation of incidents is part of the management systems (ISO 14001 and 45001 and / or OHSAS 18001).	✓	
GRI 403-4	Health and safety topics covered in formal agreements with trade unions Sustainability Report 2020 (p. 177–179), People / Occupational safety is our top priority In 2018, Henkel expanded the range of social benefits offered by adding the corporate long-term care insurance CareFlex, which was developed together with the Mining, Chemical and Energy Industrial Union (IG BCE). In this way, Henkel is able to offer all of its approximately 9,000 employees and trainees in Germany a basic insurance for out-patient, inpatient and semi-inpatient care.		

		Audited	UNGC Principles
Training and education			
GRI 404-1	Average hours of training per year per employee by gender, and by employee category Sustainability Report 2020 (p. 206–207), Indicators / Employee indicators Indication of average training commitment per employee, in days. No breakdown by gender and employee category, as this information is not fully available.	✓	6
GRI 404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings Sustainability Report 2020 (p. 159–161), People / Developing employees to unleash their potential / We encourage life-long learning		6
GRI 404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category Sustainability Report 2020 (p. 158–159), People / Developing employees to unleash their potential / Individual development planning through regular feedback We assess the performance of our managerial employees (around 22 percent of our employees, of which around 37 percent are female) and selected high-potential non-managerial employees during the Annual People Review. This was suspended on an exceptional basis in 2020 due to the COVID-19 pandemic, but will resume as normal in 2021. As the assessments did not take place and due to a system migration, the percentage and gender of the selected non-managerial employees cannot be reported for 2020. Other non-managerial employees are assessed in confidential feedback meetings with their superiors. The frequency of these confidential feedback meetings differs depending on team or region. Due to locally customized evaluation and development systems, we are unable to provide a breakdown by gender and employee category.	✓	6
Diversity and equal opportunity			
GRI 405-1	Diversity of governance bodies and employees Sustainability Report 2020 (p. 206–207), Indicators / Employee indicators Annual Report 2020 (p. 20–21), Management Board Annual Report 2020 (p. 49–52), Corporate governance / Management and control structure / Diversity considerations / Objectives governing Supervisory Board composition Indication of the share of women, the age structure and number of nationalities in the total workforce. Indication of the gender, age and origin of Management Board members: https://www.henkel.com/company/management-corporate-boards/management-board .	✓	6
Freedom of association and collective bargaining			
GRI 407-1	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights Henkel does not influence in any way employee decision-making regarding joining a union or participating in collective bargaining. The Henkel Social Standards guarantee the right to exercise freedom of association and collective bargaining.		1, 2, 3, 4, 5, 6

Supplier social assessment

GRI 414-1	<p>Percentage of new suppliers that were screened using labor practices criteria Sustainability Report 2020 (p. 51–66), Purchasing and suppliers Annual Report 2020 (p. 132–133), Economic report / Procurement</p> <p>When selecting all of our suppliers and business partners, we also consider their performance with regard to sustainability and environmental criteria. This is based on our globally applicable corporate purchasing standards, which we defined in 1997 for the first time, as well as our Safety, Health and Environmental Protection standards, which we supplemented with a Sustainable Sourcing Policy in 2015. This was updated in 2018 and is now known as our Responsible Sourcing Policy, which we have systematically integrated into the purchasing process.</p>
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Public Policy

GRI 415-1	<p>Total value of political contributions by country and recipient / beneficiary Donations, whether direct or indirect, to political parties, campaigns, politicians, or candidates for a political office as well as for political campaigns and referendums are not permitted. And also, political activities by employees outside work are neither supported nor sponsored, directly or indirectly, by Henkel.</p>	10
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Customer health and safety

GRI 416-1	<p>Percentage of significant product and service categories for which health and safety impacts are assessed for improvement Sustainability Report 2020 (p. 98–102), Sustainability stewardship / Product safety</p> <p>All of our finished products are subjected to numerous assessments and tests to ensure a high level of safety during production, use and disposal (see GRI Standards 103).</p> <p>Using representative life cycle assessments, we regularly evaluate the raw materials we use across all product categories. In selecting and using ingredients, we also follow controversial discussions in the general public about the safety of chemical ingredients in consumer products. These provide us with opportunities to continually conduct a critical review of the scientific basis of our assessments.</p> <p>Henkel has been carrying out successful research since the 1980s to develop new methods for testing the safety and compatibility of raw materials and products.</p>
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Information on the non-financial report (NFR)

The 2020 Sustainability Report is also the separate combined non-financial group report for the Henkel Group and Henkel AG & Co. KGaA for fiscal year 2020 within the meaning of Sections 315b, 315c, and 289b to 289e of the German Commercial Code (HGB). Reporting that goes beyond the GRI to meet HGB requirements is presented in this index.

	Audited
Non-financial risks Sustainability Report 2020 (p. 36), Management / How we manage sustainability	✓
Framework used Sustainability Report 2020 (p. 4), Separate combined non-financial group report	✓
Business model Sustainability Report 2020 (p. 6), Henkel at a glance / Business model / Business activities	✓
Reference to explanatory information on non-financial statement (parent company) Sustainability Report 2020 (p. 210), Explanatory information on the non-financial statement of Henkel AG & Co. KGaA according to Section 289b German Commercial Code	✓
Total number of projects supported Sustainability Report 2020 (p. 207), Indicators / Social indicators	✓
Number of people reached Sustainability Report 2020 (p. 207), Indicators / Social indicators Our goal was to reach ten million people through our social engagement activities by 2020. We achieved this target in 2019, ahead of schedule. For 2025, we have set ourselves the goal to contribute to improving the lives of 20 million people worldwide. We also support social projects worldwide. Our Sustainability Ambassador program is one part of this. It was launched in 2012 to encourage our employees to engage even more strongly with the issue of sustainability. Since then, Henkel has trained more than 50,000 ambassadors worldwide. In the period from 2010 until the end of 2020, we reached more than 19 million people.	✓
Time off from work for employee-initiated projects (days) Sustainability Report 2020 (p. 207), Indicators / Social indicators	✓

	Audited
<p>Number of children reached through our educational initiatives Sustainability Report 2020 (p. 25–28), Sustainability strategy / Strengthening the central role of our employees Sustainability Report 2020 (p. 180–185), Social engagement Sustainability Report 2020 (p. 207), Indicators / Social indicators</p> <p>We are particularly committed to education and career opportunities for young people. With help from our employees, we want to improve educational opportunities through activities such as our Sustainability Ambassador program in elementary schools and our Forscherwelt (Researcher’s World) initiative. It was our goal to reach 200,000 children through our educational initiatives by the end of 2020.</p> <p>As part of Henkel’s Sustainability Ambassador program, employees are encouraged to visit schools to teach children about sustainable behavior in the home. This aims to help 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. By the end of 2020, we had reached around 175,000 schoolchildren in 54 countries.</p> <p>Forscherwelt (Researcher’s World) is an international educational initiative by Henkel, aiming at awakening the spirit of discovery and the joy of exploration in children. It was launched in April 2011. Henkel began rolling out the initiative internationally in 2014.</p> <p>In the period from 2011 until the end of 2020, we reached a total of more than 235,000 children through educational initiatives.</p>	
<p>Percentage of Mass Balanced certified palm (kernel) oil used in our products Sustainability Report 2020 (p. 59–64), Purchasing and suppliers / Our approach to raw materials / Using sustainable palm oil and palm kernel oil</p>	

Milestones of sustainability orientation

1876	Fritz Henkel founded Henkel & Cie in Aachen with a workforce of three employees, and manufactured the first product named “Universal Laundry Detergent” based on sodium silicate.
1878	Henkel launched its first successful brands for home laundry in Germany, including Henkel’s “Bleich-Soda” (bleaching soda), a powdered mix of soda and sodium silicate.
1878	The company relocated from Aachen to Düsseldorf-Flingern. Fritz Henkel arranged for office workers to receive free copies of the Düsseldorfer Stadtanzeiger (a local newspaper) to keep them up to date with current affairs.
1900	Henkel offered free midday meals to employees every day and constructed the first company apartments for employees.
1907	Persil was developed as the first self-acting laundry detergent. It relieved housewives of the laborious task of rubbing clothes by hand, which caused wear and tear to the fabric.
1911	The company provided sports and games areas for use during breaks.
1912	Henkel set up a first aid center at the site and hired a full-time nurse.
1917	Henkel employees elected their first representative body (workers’ council).
1918	On his 70th birthday, Fritz Henkel Sr. founded the “Old-age and Surviving Dependents Pension Fund for Salaried Employees of the Henkel company.”
1927	Henkel became the first company in the chemical industry in Germany to employ a safety engineer, who was responsible for planned accident prevention. Alongside his safety tasks, he sought to improve work conditions.
1933	Henkel established a welfare station on its site to offer advice to mothers, as well as providing care for infants and medical examinations for children.
1934	Since 1927, systematic accident prevention work reduced the number of accidents per 100 employees per year from 10 to 4.
1940	Henkel organized a nearby kindergarten as well as an on-site medical service, staffed by volunteers.
1959	The company introduced regular ecological quality checks for detergents and household cleaners.
1966	Henkel began systematic research into materials to replace phosphates in detergents. The result of this research, Zeolith A (brand name: Sasil), was registered as a patent in 1973.
1969	Henkel launched the solvent-free Pritt glue stick and Persil 70. The enzyme-containing Persil 70 was claimed to be “biologically active.”
1971	The company set up the central department for environmental and consumer protection.
1976	Henkel launched Prodixan – the first branded laundry detergent with reduced phosphate content.
1976	Henkel introduced its Management Principles (since 1995: Guidelines for Teamwork and Leadership).

1980	Henkel's Research and Development team carried out the first in-vitro tests in place of animal testing. An energy-saving campaign was launched as a consequence of the second oil crisis.
1982	The company first presented the Fritz Henkel Awards for Innovation to employees.
1986	Henkel published its Principles of Environmental and Consumer Protection (since 1995: Principles and Objectives of Environmental Protection and Safety).
1986	Henkel launched phosphate-free Persil in Germany.
1987	Henkel included environmental protection as one of the main aims of its corporate guidelines.
1990	Systematic environmental protection training courses became available for all Henkel employees.
1991	The Works Council and Henkel established a works agreement on "Family and Work."
1991	The Business Charter for Sustainable Development of the International Chamber of Commerce (ICC) was signed.
1992	Henkel published its first Environment Report.
1994	The company created a new corporate mission: to create competitive advantages through eco leadership.
1995	Henkel published Guidelines for Teamwork and Leadership, to which all Henkel employees are still bound.
1997	Henkel introduced integrated management systems, which bound company-wide SHE standards for safety, health and environment, and launched the worldwide SHE audits.
1998	To accompany the implementation of globally applicable SHE Standards, Henkel founded a central "SHE Coordination Circle."
1998	Henkel founded the MIT Initiative (Make an Impact on Tomorrow), which continues to support social volunteering by Henkel employees.
2000	Henkel introduced the Code of Conduct and Business Ethics.
2000	The "SHE Coordination Circle" became the Henkel Sustainability Council, a global Steering Committee chaired by a Member of the Management Board.
2000	The Henkel Environment Report, supplemented by social and corporate responsibility topics, became the Sustainability Report.
2003	Henkel declared its participation in the United Nations Global Compact.
2004	Worldwide social responsibility activities started being grouped under the umbrella of Henkel Smile.
2005	Henkel introduced its Code of Corporate Sustainability.
2005	Henkel was the first company to sign the "Charter for Sustainable Cleaning" from the International Association for Soaps, Detergents and Maintenance Products (A.I.S.E.).
2006	Throughout the company, social standards and purchasing guidelines began supplementing SHE standards.

2007	Henkel defined five focal areas of sustainable development and introduced corporate sustainability objectives for 2012.
2008	Henkel participated in a pilot project on “product carbon footprints” in Germany.
2009	Henkel introduced its global policy on “Diversity & Inclusion.”
2010	As a contribution to Henkel’s “winning culture,” the company introduced the “Representation of Interest in Public Affairs,” which redefined Henkel’s Vision and Values.
2011	“Fritz Henkel Stiftung” foundation began providing the umbrella for all social engagement activities.
2012	Henkel and five other companies in the chemical industry established an initiative called “Together for Sustainability – The Chemical Initiative for Sustainable Supply Chains.”
2013	Henkel trained around 1,500 employees as Sustainability Ambassadors and taught more than 15,000 children in 25 countries around the world.
2014	We conducted a survey of stakeholders in important markets to learn about their expectations regarding sustainable business models. The findings have helped us drive our strategy forward.
2015	Henkel published its 25th Sustainability Report and achieved its interim targets (2011–2015), which corresponds to a 38-percent increase in efficiency. New targets for 2020 were also defined.
2016	Henkel developed key drivers for the coming years: strengthen our foundation, boost employee engagement and maximize our impact.
2017	Henkel achieved the milestone of having trained more than 50,000 Sustainability Ambassadors worldwide.
2018	Henkel announced new packaging targets for 2025 to further promote a circular economy.
2019	As part of its commitment to a functioning circular economy and within the scope of its Sustainability Ambassador Program, Henkel launched a global plastic collection initiative: As “trashfighters,” Henkel employees around the world removed waste from riverbanks, parks and cities.
2020	Henkel has signed a large-scale virtual power purchase agreement (VPPA) relating to a new wind farm in Bee County, Texas, USA. The agreed capacity equals 100 percent of the electricity demand of Henkel’s operations in the US, which comprise more than 30 production sites across the country.

Overview of production sites

Currently, 179 production sites are included in the year-end report. The key figures also include data from four other locations that were closed during the year.

In 2018, we started certifying sites according to the new ISO 45001, which was published in March 2018. This will replace the previous occupational health and safety standard, OHSAS 18001, with a transition period of three years.

Africa / Middle East

	Henkel SHE audit carried out within the last 3 years	Certified to ISO 9001	Certified to ISO 14001	Certified to ISO 50001	Certified to ISO 45001	Certified to OHSAS 18001
Algeria						
Chelghoum Laïd		●	●	●	●	●
Réghaïa		●	●	●	●	●
Egypt						
6th of October City	●	●	●	●	●	
Port Said		●	●	●	●	●
Iran						
Qazvin, Alborz Industrial City		●	●	●	●	
Qazvin, Bouin Zahra Road		●	●	●	●	●
Saveh		●	●	●	●	●
Kenya						
Nairobi		●	●		●	●
Lebanon						
Beirut		●		●		
Nigeria						
Ibadan	●					
Saudi Arabia						
Dammam		●	●		●	●
Dammam, H-Polybit, Plant 2						
Dammam, H-Polybit, Street 39	●	●	●		●	●
Riyadh		●	●	●	●	●
South Africa						
Alrode-Johannesburg		●	●		●	●
Bellville		●				
Tunisia						
Mornag-Tunis / Alki		●	●	●	●	●
Sfax Jasminal				●		
United Arab Emirates						
Umm al-Quwain	●	●	●		●	

Asia-Pacific

	Henkel SHE audit carried out within the last 3 years	Certified to ISO 9001	Certified to ISO 14001	Certified to ISO 50001	Certified to ISO 45001	Certified to OHSAS 18001
Australia						
Kilsyth	●	●	●		●	●
Seven Hills	●	●	●		●	●
China						
Changchun		●	●		●	●
Chengdu		●	●		●	●
Danyang		●	●			●
Guangdong, Humen		●	●		●	●
Guangzhou Plant		●	●			●
Shanghai, Dragon Plant		●	●	●		●
Shanghai, Minhang		●	●		●	●
Shanghai, Wai Gao Qiao		●	●		●	●
Shantou		●	●		●	●
Suzhou*	●	●				
Yantai		●	●		●	●
Zhuhai		●	●		●	●
India						
Chennai		●	●		●	●
Gurgaon (Haryana)		●	●		●	●
Jejuri-Loc	●	●	●		●	●
Kurkumbh	●	●	●		●	●
Navi Mumbai – Thane		●	●		●	●
Parwanoo		●	●		●	●
Rudrapur		●	●		●	●
Indonesia						
Cikarang*		●				
Pasuruan		●	●		●	●
Tangerang		●	●		●	●
Japan						
Atsugi						
Hino HTJL		●	●		●	●
Kakogawa HTJL		●	●		●	●
Kuriyama-Cho		●	●		●	●
Yokohama – Isogo		●	●		●	●
Kazakhstan						
Qapschaghai						
Malaysia						
Ipoh		●	●		●	●
Shah Alam, Selangor		●	●		●	●
New Zealand						
Auckland		●	●		●	●

* Site was closed in 2020.

Asia-Pacific

	Henkel SHE audit carried out within the last 3 years	Certified to ISO 9001	Certified to ISO 14001	Certified to ISO 50001	Certified to ISO 45001	Certified to OHSAS 18001
Philippines						
Cabuyao		●	●		●	●
Canlubang		●				
South Korea						
Ansan		●	●	●	●	●
Cheonan City		●	●		●	●
Eumseong		●	●		●	●
Seoul		●	●		●	●
Thailand						
Bangpoo		●				
Chonburi				●		
Chonburi, Bangpakong		●	●		●	●
Vietnam						
Bien Hoa		●	●		●	●

Europe

	Henkel SHE audit carried out within the last 3 years	Certified to ISO 9001	Certified to ISO 14001	Certified to ISO 50001	Certified to ISO 45001	Certified to OHSAS 18001
Austria						
Dornbirn	●	●				
Vienna		●	●	●	●	●
Belarus						
Zaslavl		●	●		●	●
Belgium						
Drogenbos		●	●		●	●
Westerlo		●	●		●	●
Bosnia and Herzegovina						
Bileća		●	●		●	●
Bulgaria						
Mirovjane		●	●		●	●
Estonia						
Pärnu		●	●		●	●
Tartu, Klaasi		●	●		●	●
France						
Epernon	●	●				
Villefranche-sur-Saône		●	●	●	●	●
Georgia						
Tbilisi						
Germany						
Bopfingen		●	●	●	●	●
Cologne	●	●	●			
Düsseldorf-Holthausen		●	●	●	●	●
Hanover	●	●	●	●	●	●
Heidelberg		●	●	●	●	●
Heidenau		●	●	●	●	●
Herborn-Schönbach		●	●	●	●	●
Krefeld		●	●	●	●	●
Norderstedt		●	●			
Viersen-Dülken						
Wassertrüdingen						
Wehr		●				
Hungary						
Környe		●	●	●	●	●
Körösladány		●	●	●	●	●
Ireland						
Cork	●	●	●		●	●
Dublin, Ballyfermot		●	●		●	●
Dublin, Tallaght		●	●		●	●
Italy						
Casarile	●	●	●		●	●
Ferentino		●	●	●	●	●
Lomazzo		●	●	●	●	●
Zingonia-Bergamo		●	●		●	●
Netherlands						
Scheemda		●	●		●	●

Europe

	Henkel SHE audit carried out within the last 3 years	Certified to ISO 9001	Certified to ISO 14001	Certified to ISO 50001	Certified to ISO 45001	Certified to OHSAS 18001
Poland						
Dzierżoniów		●	●		●	●
Racibórz		●	●	●	●	●
Stąporków		●	●		●	●
Stobno		●	●		●	●
Romania						
Câmpia Turzii		●	●		●	●
Pantelimon		●	●		●	●
Roznov		●	●		●	●
Russia						
Chelyabinsk		●	●		●	●
Engels		●	●	●	●	●
Kolomna		●	●		●	●
Kotschubejewskoje		●	●		●	●
Krasnyy Gulyay	●	●	●		●	●
Marusino		●	●		●	●
Noginsk		●		●	●	
Perm		●	●	●	●	●
Tosno		●	●		●	●
San Marino						
Faetano		●	●		●	●
Serbia						
Indjija		●	●		●	●
Kruševac		●	●	●	●	●
Slovenia						
Maribor	●	●	●	●	●	
Spain						
Hernani*		●				
Montornès		●	●	●	●	●
Sweden						
Norrköping		●	●		●	●
Switzerland						
Erlinsbach		●	●		●	●
Turkey						
Elmadag		●	●	●	●	●
Istanbul		●	●		●	●
Kocaeli, Gebkim Plant		●	●		●	
Ukraine						
Balaklija		●	●		●	●
Mykolajiw		●	●		●	●
Oleschky		●	●		●	●
Wyschhorod		●	●		●	●
United Kingdom						
London						
St. Neots		●				
Winsford		●	●	●	●	●

* Site was closed in 2020.

Latin America

	Henkel SHE audit carried out within the last 3 years	Certified to ISO 9001	Certified to ISO 14001	Certified to ISO 50001	Certified to ISO 45001	Certified to OHSAS 18001
Argentina						
Chivilcoy		●	●		●	●
Brazil						
Itapevi		●	●		●	●
Jundiaí		●	●		●	●
Chile						
Santiago, Pudahuel		●	●		●	●
Santiago, Quilicura						
Colombia						
Bogotá		●	●	●		
Bogotá II*						
Sibate	●	●	●			
Guatemala						
Mixco	●	●	●	●	●	●
Mexico						
Monterrey		●	●		●	●
Salamanca		●	●		●	●
Santiago Tianguistenco	●	●	●			
Toluca AI		●	●		●	●
Toluca L		●	●	●	●	●
Zapopan, Belenes	●					
Zapopan, Natco						
Zapopan, Tesistan						
Venezuela						
Valencia						

* Site was closed in 2020.

North America

	Henkel SHE audit carried out within the last 3 years	Certified to ISO 9001	Certified to ISO 14001	Certified to ISO 50001	Certified to ISO 45001	Certified to OHSAS 18001
Canada						
Concord	●					
Oakville	●					
Puerto Rico						
Sabana Grande		●	●		●	●
United States						
Archdale, NC		●	●		●	●
Bay Point, CA	●	●	●		●	●
Berkeley, CA		●	●		●	●
Bowling Green, KY				●		
Brandon, SD		●	●			
Calhoun, GA		●	●		●	●
Cannon Falls, MN	●	●	●			
Chicago, IL		●				
Cleveland, OH	●	●	●		●	●
Compton, Rancho, CA		●	●		●	●
Delaware, OH		●	●		●	●
Dixon, CA						
El Segundo, CA						
Elgin, Big Timber Road, IL		●				
Elgin, Gasket Drive, IL		●	●	●	●	●
Enoree, SC		●	●		●	●
Geneva, NY			●			
Greenville, SC		●	●		●	●
La Grange, GA		●	●		●	●
Memphis, TN		●	●		●	●
Mentor, OH		●	●	●	●	●
North Kansas City, MO		●	●		●	●
Oak Creek, WI		●	●		●	●
Prescott, WI	●	●	●			
Richmond, MO	●	●	●		●	●
Richmond, VA		●	●		●	●
Salisbury, NC		●	●		●	●
Salt Lake City, UT						
Seabrook, NH		●	●		●	●
St. Louis, MO	●	●	●	●	●	●
Warren, MI		●	●	●	●	●
West Hazleton, PA	●	●	●	●	●	●

KPIs Regional Map

No.	Indicators per region 2020	Europe					Corporate	Total	
		Western Europe	Eastern Europe	Africa / Middle East	North America	Latin America			Asia-Pacific
1	Sales (in million euros)	5,782	2,919	1,208	5,173	1,090	2,968	110	19,250
2	Employees	14,900	10,150	3,850	8,850	6,150	9,050		52,450
3	Production sites		35	18	68	19	43		183
4	Audits conducted		7	5	31	7	5	7	62
5	Share of purchasing volume (in percent)		22.6	5.2	55.6	6.9	9.6		100
6	R&D expenses (in million euros)								495
7	Social projects		1,936	64	310	107	21	217	2,655