

Henkel Sustainability Report 2019

GRI Index and UN Global Compact Index



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We prepared our Sustainability Report in alignment with the Global Reporting Initiative's (GRI) "GRI Standards" (2016). 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 2019.

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).

For the disclosures marked with a "✓", KPMG AG Wirtschaftsprüfungsgesellschaft performed a limited assurance engagement. The independent assurance report by KPMG AG Wirtschaftsprüfungsgesellschaft can be found in the scope and reference framework (pp. 191–193) of the Sustainability Report 2019.

General Standard Disclosures

		Audited	UNGC Principles
Organizational profile			
GRI 102-1	Name of the organization Sustainability Report 2019 (p. 194), Imprint Annual Report 2019 (p. 267), Imprint Henkel AG & Co. KGaA		
GRI 102-2	Activities, primary brands, products, and services Sustainability Report 2019 (p. 5–9), Henkel at a glance Annual Report 2019 (p. 90–95), Business units		
GRI 102-3	Location of the organization's headquarters Sustainability Report 2019 (p. 194), Imprint Annual Report 2019 (p. 267), Imprint Henkel AG & Co. KGaA Henkelstraße 67 40589 Düsseldorf Germany		
GRI 102-4	Countries where the organization has significant operations Sustainability Report 2019 (p. 14), Sustainability strategy / Our value chain		

		Audited	UNGC Principles
GRI 102-5	Nature of ownership and legal form Sustainability Report 2019 (p. 194), Imprint Annual Report 2019 (p. 31–32), Corporate governance		
GRI 102-6	Markets served Annual Report 2019 (p. 76–77), Fundamental principles of the Group		
GRI 102-7	Scale of the organization Sustainability Report 2019 (p. 5), Henkel at a glance Annual Report 2019 (p. 19), Shares and bonds Annual Report 2019 (p. 23–24), Shares and bonds / International shareholder structure / Employee share program / Henkel bonds Annual Report 2019 (p. 96–101), 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 2019 (p. 5), Henkel at a glance Sustainability Report 2019 (p. 182–183), Indicators / Employee indicators Annual Report 2019 (p. 102–104), Economic report / Employees Subdivided by contract type, 90 percent of contract relationships were permanent contracts and 10 percent were fixed-term contracts. These figures correspond to an employee share of around 88 percent. The share of fixed-term employment relationships includes employment contracts with interns, trainees and temporary cover, and are a consequence of the legal requirements in some countries.	✓	6
GRI 102-9	Organization's supply chain Sustainability Report 2019 (p. 48–56), Purchasing and suppliers Annual Report 2019 (p. 105–106), Economic report / Procurement		
GRI 102-10	Changes regarding the organization's size, structure, ownership Sustainability Report 2019 (p. 5), Henkel at a glance Annual Report 2019 (p. 96–101), Economic report / Net assets and financial position		
GRI 102-11	Precautionary approach Sustainability Report 2019 (p. 10–31), Sustainability strategy Sustainability Report 2019 (p. 77–105), Sustainability stewardship Sustainability Report 2019 (p. 82–85), Sustainability stewardship / Product safety Annual Report 2019 (p. 120–131), Risk and opportunities report		7, 8, 9
GRI 102-12	Externally developed economic, environmental and social charters, principles, or other initiatives Sustainability Report 2019 (p. 54–55), Purchasing and suppliers / "Together for Sustainability" – Together for a sustainable supply chain Sustainability Report 2019 (p. 81), Sustainability stewardship / Product carbon footprint Sustainability Report 2019 (p. 171–172), Stakeholder dialog / Associations and international initiatives		

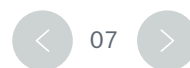
	Audited	UNGC Principles
GRI 102-13		
Memberships of associations		
<p>Sustainability Report 2019 (p. 54–55), Purchasing and suppliers / “Together for Sustainability” – Together for a sustainable supply chain</p> <p>Sustainability Report 2019 (p. 81), Sustainability stewardship / Product carbon footprint</p> <p>Sustainability Report 2019 (p. 171–172), Stakeholder dialog / 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 initiatives and networks.</p> <p>In 2019, Henkel did not provide substantive funding beyond routine membership dues.</p>		
Strategy		
GRI 102-14		
Statement from the most senior decision-maker of the organization		
<p>Sustainability Report 2019 (p. 3), Foreword</p> <p>Annual Report 2019 (p. 7–10), Foreword</p>		
GRI 102-15		
Description of key impacts, risks, and opportunities		
<p>Sustainability Report 2019 (p. 10–31), Sustainability strategy</p> <p>Annual Report 2019 (p. 79–80), Fundamental principles of the Group / Sustainability strategy</p> <p>Annual Report 2019 (p. 120–131), Risk and opportunities report</p>		
Ethics and integrity		
GRI 102-16		1 to 10
Values, principles, standards and norms of behavior		
<p>Sustainability Report 2019 (p. 5–9), Henkel at a glance / Sustainability at Henkel</p> <p>Sustainability Report 2019 (p. 9), Henkel at a glance / More value – less resources</p> <p>Sustainability Report 2019 (p. 10–31), Sustainability strategy</p> <p>Sustainability Report 2019 (p. 33–34), Management / Codes, standards and management systems</p> <p>Sustainability Report 2019 (p. 43–47), Management / Respecting human rights</p> <p>Annual Report 2019 (p. 79–80), Fundamental principles of the Group / Sustainability strategy</p>		
Governance		
GRI 102-18		
Governance structure		
<p>Sustainability Report 2019 (p. 37–38), Management / Our organization for sustainability</p> <p>Sustainability Report 2019 (p. 39–41), Management / Evaluation and management of corporate sustainability</p> <p>Annual Report 2019 (p. 26–46), Corporate governance</p> <p>Annual Report 2019 (p. 76–77), Fundamental principles of the Group / Operational activities</p> <p>Annual Report 2019 (p. 79–80), Fundamental principles of the Group / Sustainability strategy</p>		

		Audited	UNGC Principles
Stakeholder engagement			
GRI 102-40	Stakeholder groups Sustainability Report 2019 (p. 165), Stakeholder dialog / Aims of dialog 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 2019 (p. 182–183), Indicators / Employee indicators	✓	3
GRI 102-42	Identification and selection of stakeholders Sustainability Report 2019 (p. 165), Stakeholder dialog / Aims of dialog 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 exchange with all of our stakeholders.	✓	
GRI 102-43	Approach to stakeholder engagement Sustainability Report 2019 (p. 164–172), Stakeholder dialog Sustainability Report 2019 (p. 48–56), Purchasing and suppliers	✓	
GRI 102-44	Key topics and concerns that have been raised through stakeholder engagement Sustainability Report 2019 (p. 27–31), Sustainability strategy / Further development of our strategy, goals and concepts Sustainability Report 2019 (p. 164–172), Stakeholder dialog Sustainability Report 2019 (p. 48–56), Purchasing and suppliers	✓	
Reporting practice			
GRI 102-45	Entities included in the organization's consolidated financial statements Sustainability Report 2019 (p. 176), Indicators Annual Report 2019 (p. 76–77), Fundamental principles of the Group / Operational activities	✓	
GRI 102-46	Defining the report contents Sustainability Report 2019 (p. 27–31), Sustainability strategy / Further developing our strategy, goals and concepts Sustainability Report 2019 (p. 41), Management / Evaluation and management of corporate sustainability / Reporting and communication Sustainability Report 2019 (p. 164–172), Stakeholder dialog	✓	

		Audited	UNGC Principles
GRI 102-47	<p>Material aspects Sustainability Report 2019 (p. 27–31), Sustainability strategy / Further developing our strategy, goals and concepts</p> <p>Our material aspects are: Social progress, performance, health and safety, energy and climate, materials and waste, water and waste water.</p>	✓	
GRI 102-48	<p>Restatements of information In 2019, we reported according to GRI Standards for the second time; we had previously reported according to GRI G4 standards. To align our reporting with GRI Standards, we revised our key aspects and structured our GRI index accordingly.</p>	✓	
GRI 102-49	<p>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.</p>	✓	
GRI 102-50	<p>Reporting period This report covers the period from January 1 to December 31, 2019.</p>		
GRI 102-51	<p>Date of most recent previous report The most recent previous sustainability report was published on February 21, 2019.</p>		
GRI 102-52	<p>Reporting cycle Sustainability Report 2019 (p. 41), Management / Evaluation and management of corporate sustainability / Reporting and communication</p> <p>The reporting cycle is annual.</p>		
GRI 102-53	<p>Contact point for questions Sustainability Report 2019 (p. 194), Imprint / Contacts</p>		
GRI 102-54	<p>Claims of reporting in accordance with the GRI Standards This Sustainability Report 2019 has been prepared in accordance with the GRI Standards: Core option.</p>		
GRI 102-55	<p>GRI content index Sustainability Report 2019 (p. 189), Scope and reference framework / Global Reporting Index (GRI)</p>		
GRI 102-56	<p>External assurance Sustainability Report 2019 (p. 4), Separate non-financial group report Sustainability Report 2019 (p. 191–193), 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 Sustainability Report 2019 (p. 27–31), Sustainability strategy / Further developing 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	Explanation of the material topic and its Boundary Sustainability Report 2019 (p. 5–9), Henkel at a glance Sustainability Report 2019 (p. 18–23), Sustainability strategy / Deliver more value and reduce our environmental footprint Sustainability Report 2019 (p. 24–26), Sustainability strategy / The central role of our employees Sustainability Report 2019 (p. 27–31), Sustainability strategy / Further developing our strategy, goals and concepts Sustainability Report 2019 (p. 32–47), Management Sustainability Report 2019 (p. 138–142), People / Employee development Sustainability Report 2019 (p. 142–144), People / Compensation and benefits Sustainability Report 2019 (p. 178), Indicators / Economic indicators		
GRI 103-2	The management approach and its components Sustainability Report 2019 (p. 4), Separate non-financial group report Sustainability Report 2019 (p. 10–31), Sustainability strategy Sustainability Report 2019 (p. 32–47), Management Sustainability Report 2019 (p. 178), Indicators / Economic indicators		
GRI 103-3	Evaluation of the management approach Sustainability Report 2019 (p. 4), Separate non-financial group report Sustainability Report 2019 (p. 5–9), Henkel at a glance Sustainability Report 2019 (p. 10–31), Sustainability strategy Sustainability Report 2019 (p. 32–47), Management Sustainability Report 2019 (p. 178), Indicators / Economic indicators Sustainability Report 2019 (p. 78–81), Sustainability stewardship / Our research and development		
Economic performance			
GRI 201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change Sustainability Report 2019 (p. 5–9), Henkel at a glance Sustainability Report 2019 (p. 10–31), Sustainability strategy Sustainability Report 2019 (p. 59–61), Production / Driving efficiency Sustainability Report 2019 (p. 62–63), Production / Becoming climate-positive Sustainability Report 2019 (p. 70–71), Logistics and transport / Our holistic approach		7
Indirect economic impacts			
GRI 203-2	Significant indirect economic impacts Sustainability Report 2019 (p. 48–56), Purchasing and suppliers Sustainability Report 2019 (p. 138–142), People / Employee development		



	Audited	UNGC Principles
Anti-corruption		
GRI 205-2	Communication and training on anti-corruption policies and procedures Sustainability Report 2019 (p. 35–36), Management / Compliance	10
	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 twice a year. 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.	
GRI 205-3	Confirmed incidents of corruption and actions taken Sustainability Report 2019 (p. 35–36), Management / Compliance	10
Environment		
GRI 103-1	Explanation of the material topic and its Boundary Sustainability Report 2019 (p. 5–9), Henkel at a glance Sustainability Report 2019 (p. 18–23), Sustainability strategy / Delivering more value and reducing our environmental footprint Sustainability Report 2019 (p. 27–31), Sustainability strategy / Further developing our strategy, goals and concepts Sustainability Report 2019 (p. 32–47), Management Sustainability Report 2019 (p. 48–56), Purchasing and suppliers Sustainability Report 2019 (p. 57–68), Production Sustainability Report 2019 (p. 69–76), Logistics and transport Sustainability Report 2019 (p. 77–105), Sustainability stewardship Sustainability Report 2019 (p. 106–113), Adhesive Technologies Sustainability Report 2019 (p. 114–124), Beauty Care Sustainability Report 2019 (p. 125–135), Laundry & Home Care Sustainability Report 2019 (p. 176), Indicators Sustainability Report 2019 (p. 179–181), Indicators / Environmental indicators	
GRI 103-2	The management approach and its components Sustainability Report 2019 (p. 4), Separate non-financial group report Sustainability Report 2019 (p. 10–31), Sustainability strategy Sustainability Report 2019 (p. 32–47), Management Sustainability Report 2019 (p. 48–56), Purchasing and suppliers Sustainability Report 2019 (p. 57–68), Production Sustainability Report 2019 (p. 69–76), Logistics and transport Sustainability Report 2019 (p. 176), Indicators Sustainability Report 2019 (p. 179–181), Indicators / Environmental indicators	✓

		Audited	UNGC Principles
GRI 103-3	Evaluation of the management approach Sustainability Report 2019 (p. 4), Separate non-financial group report Sustainability Report 2019 (p. 10–31), Sustainability strategy Sustainability Report 2019 (p. 32–47), Management Sustainability Report 2019 (p. 51–53), Purchasing and suppliers / Responsible Sourcing Process Sustainability Report 2019 (p. 57–68), Production Sustainability Report 2019 (p. 69–76), Logistics and transport Sustainability Report 2019 (p. 78–81), Sustainability stewardship / Our research and development Sustainability Report 2019 (p. 176), Indicators Sustainability Report 2019 (p. 179–181), Indicators / Environmental indicators	✓	
Materials			
GRI 301-1	Materials used by weight or volume Sustainability Report 2019 (p. 70–71), Logistics and transport / Our holistic approach Annual Report 2019 (p. 105–106), Economic report / Procurement		7, 8, 9
Energy			
GRI 302-1	Energy consumption within the organization Sustainability Report 2019 (p. 179–181), Indicators / Environmental indicators Sustainability Report 2019 (p. 180), Indicators / Environmental indicators / Energy consumption The values of the share were determined using the market-based method from the greenhouse gas (GHG) protocol.	✓	7, 8, 9
GRI 302-2	Energy consumption outside of the organization Sustainability Report 2019 (p. 179), Indicators / Environmental indicators / Our operational CO ₂ footprint The description of scope 3 is based on the CO ₂ footprint, which fully includes energy usage.		7, 8, 9
GRI 302-3	Energy intensity Sustainability Report 2019 (p. 180), Indicators / Environmental indicators / Production volumes Sustainability Report 2019 (p. 180), Indicators / Environmental indicators / Energy consumption		7, 8, 9
GRI 302-4	Reduction of energy consumption Sustainability Report 2019 (p. 59–61), Production / Driving efficiency Sustainability Report 2019 (p. 62–63), Production / Becoming climate-positive		7, 8, 9
GRI 302-5	Reductions in energy requirements of products and services Sustainability Report 2019 (p. 20–23), Sustainability strategy / Delivering more value and reducing our environmental footprint / Helping customers and consumers to reduce CO ₂ emissions		7, 8, 9

	Audited	UNGC Principles
Water and effluents		
GRI 303-1	Interactions with water as a shared resource	7, 8, 9
	Sustainability Report 2019 (p. 180), Indicators / Environmental indicators No breakdown by source of extraction of surface water.	
Emissions		
GRI 305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	✓ 7, 8, 9
	Sustainability Report 2019 (p. 179), Indicators / Environmental indicators / Our operational CO ₂ footprint (Scope 1) For the calculation of the Scope 1 CO ₂ 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 CO ₂ offsets were taken into account when determining the Scope 1 carbon dioxide emissions.	
GRI 305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	✓ 7, 8, 9
	Sustainability Report 2019 (p. 179), Indicators / Environmental indicators / Our operational CO ₂ footprint (Scope 2) 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). 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 337 thousand metric tons would have been determined for 2019. 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 whenever we have access to them. 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. No CO ₂ offsets and no emissions certificate trading were taken into account when determining the Scope 2 carbon dioxide emissions. The emissions of other greenhouse gases represent less than 1 percent of our Scope 1 and Scope 2 emissions, and are therefore not considered to be relevant for our business.	
GRI 305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	✓ 7, 8, 9
	Sustainability Report 2019 (p. 179), Indicators / Environmental indicators / Our operational CO ₂ footprint (Scope 3) All significant carbon dioxide and other greenhouse gas emissions for Henkel's upstream and downstream activities are included in the calculation of Scope 3 greenhouse gas emissions. These are expressed as CO ₂ equivalents, with our assumptions on the Global Warming Potential (GWP) being derived from recognized standards and scientific studies. Further methodological information on our key Scope 3 categories is given below.	

	Audited	UNGC Principles
<p>Purchased goods and services: This particularly includes emissions from purchased chemicals and packaging materials. Emissions calculations are always based on the purchased quantities of the chemicals and / or packaging materials. There are specific emission factors to be applied for around 5,000 individual chemicals. Emission factors from sources such as EcoInvent (e.g. for paper, board, plastics, glass and aluminum) have also been used; the factors are partly based on lifecycle considerations.</p> <p>Transportation and distribution: Emissions from the transportation of packaging materials and chemicals to our sites are calculated based on an assumed transportation distance and an average global emission factor (estimated as the average of the emissions from the truck transports of our products to our customers).</p> <p>Business travel: Rail and air travel is included, as well as business trips made by automobile. Emissions are calculated based on distances and using standard factors from DEFRA. In the case of air travel, radiative forcing is not taken into account due to the high methodological uncertainty.</p> <p>Waste generated in operations: This includes all production waste according to its particular disposal method, and wastewater. It is calculated based on current DEFRA factors for the individual types of waste. The corresponding calculation of emissions from wastewater disposal is based on the wastewater volumes and a modeled emission factor based on a weighting of the chemical oxygen demand (COD) originating from Henkel products.</p> <p>Transportation and distribution: Emissions from the transportation of our products to customers (downstream transportation and distribution) are calculated based on the EcoTransIT Initiative (EWI) methodology for calculating transportation-related CO₂ emissions. This does not include emissions from points of sale.</p> <p>Use of sold products: Emissions arising from the use of our products are calculated based on quantities of product sold and assumptions on energy consumption per product application. It is assumed that the products are used according to the relevant instructions. For products that solely use electrical energy in their application, we use the latest IEA emission factors consistent with our own emissions from the use of electricity (Scope 2). For products that use hot water in their application, we use a global energy mix and DEFRA standard factors. Emissions from aerosol products result from the amount of greenhouse gases released and their Global Warming Potential (GWP) values. Assumptions on the energy consumption per application for Beauty Care and Laundry & Home Care products are derived mainly from publicly available studies by industry associations. In-house studies are available for Adhesive Technologies products.</p> <p>End-of-life treatment of sold products: Emissions from the disposal of our products result from the disposal of product packaging and from solid material waste resulting from product usage. The corresponding emissions are calculated from the total quantity of waste and the corresponding latest DEFRA emission factors. The emissions arising from wastewater treatment are also calculated from the total volume of wastewater and the corresponding emission factor, which is used in the calculation weighted by the COD originating from Henkel products.</p>		
<p>GRI 305-4</p> <p>GHG emissions intensity</p> <p>Sustainability Report 2019 (p. 179–181), Indicators / Environmental indicators</p>		<p>7, 8, 9</p>

		Audited	UNGC Principles
GRI 305-5	<p>Reduction of GHG emissions</p> <p>Sustainability Report 2019 (p. 19–20), Sustainability strategy / Deliver more value and reduce our environmental footprint / Reduce the environmental footprint</p> <p>Sustainability Report 2019 (p. 20–23), Sustainability strategy / Deliver more value and reduce our environmental footprint / Helping customers and consumers reduce CO₂ emissions</p> <p>Sustainability Report 2019 (p. 59–61), Production / Driving efficiency</p> <p>Sustainability Report 2019 (p. 62–63), Production / Becoming climate-positive</p> <p>The use of some of our products enables emissions to be avoided. The avoided emissions resulting from the use of these products are identified and calculated based on a Henkel standard. This standard implements the relevant accounting standards (WBCSD / WRI 2004) and the respective, generally accepted methodology for recording different GHG emissions (WBCSD / WRI 2003). Where required, avoided emissions are allocated to partners in the value chain according to ICCA and WBCSD (ICCA / WBCSD 2017) provisions. In addition, potential emissions savings that would result if consumers reduced their water usage or washed their laundry without heating the water are calculated based on this standard. The avoided emissions are determined based on the reference values of similar applications. To calculate the avoided emissions for some examples, the product applications are compared to the reference applications. In this respect, the emission factors used are the same as those used to determine the Scope 3 emissions (cf. 305-3).</p>	✓	7, 8, 9
GRI 305-6	<p>Emissions of ozone-depleting substances (ODS)</p> <p>Sustainability Report 2019 (p. 181), 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>		7, 8, 9
GRI 305-7	<p>Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions</p> <p>Sustainability Report 2019 (p. 181), Indicators / Environmental indicators</p> <p>The calculation of air emissions (emissions of volatile organic compounds) is performed either by directly measuring emissions or based on location-specific data.</p>	✓ <small>(for emissions of volatile organic compounds)</small>	7, 8, 9
Effluents and waste			
GRI 306-1	<p>Water discharge by quality and destination</p> <p>Sustainability Report 2019 (p. 181), Indicators / Environmental indicators / Waste for recycling and disposal</p> <p>No breakdown of disclosures by destination, treatment method and scheduled or unscheduled water discharge.</p>	✓	7, 8, 9
GRI 306-2	<p>Waste by type and disposal method</p> <p>Sustainability Report 2019 (p. 181), Indicators / Environmental indicators / Waste for recycling and disposal</p> <p>Wastewater is completely separated from other forms of waste in this calculation.</p>	✓	7, 8, 9
GRI 306-3	<p>Significant spills</p> <p>Sustainability Report 2019 (p. 187), Indicators / Operational incidents and environmental violations</p> <p>In 2019, there were no significant environmental incidents.</p>		7, 8, 9

		Audited	UNGC Principles
Environmental compliance			
GRI 307-1	<p>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</p> <p>In 2019, Henkel didn't receive any significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.</p>		7, 8, 9
Supplier environmental assessment			
GRI 308-1	<p>Percentage of new suppliers that were screened using environmental criteria</p> <p>Sustainability Report 2019 (p. 48–56), Purchasing and suppliers Annual Report 2019 (p. 105–106), 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.</p> <p>This was updated in 2018 and is now known as our Responsible Sourcing Policy, which we have systematically integrated into the purchasing process.</p>	✓	7, 8, 9
Social aspects			
GRI 103-1	<p>Explanation of the material topic and its Boundary</p> <p>Sustainability Report 2019 (p. 5–9), Henkel at a glance Sustainability Report 2019 (p. 18–23), Sustainability strategy / Delivering more value and reducing our environmental footprint Sustainability Report 2019 (p. 27–31), Sustainability strategy / Further developing our strategy, goals and concepts Sustainability Report 2019 (p. 32–47), Management Sustainability Report 2019 (p. 48–56), Purchasing and suppliers Sustainability Report 2019 (p. 77–105), Sustainability stewardship Sustainability Report 2019 (p. 106–113), Adhesive Technologies Sustainability Report 2019 (p. 114–124), Beauty Care Sustainability Report 2019 (p. 125–135), Laundry & Home Care Sustainability Report 2019 (p. 136–157), People Sustainability Report 2019 (p. 158–163), Social engagement Sustainability Report 2019 (p. 176), Indicators Sustainability Report 2019 (p. 182–183), Indicators / Employee indicators</p>		
GRI 103-2	<p>The management approach and its components</p> <p>Sustainability Report 2019 (p. 4), Separate non-financial group report Sustainability Report 2019 (p. 10–31), Sustainability strategy Sustainability Report 2019 (p. 32–47), Management Sustainability Report 2019 (p. 48–56), Purchasing and suppliers Sustainability Report 2019 (p. 77–105), Sustainability stewardship Sustainability Report 2019 (p. 176), Indicators Sustainability Report 2019 (p. 182–183), Indicators / Employee indicators</p>	✓	

		Audited	UNGC Principles
GRI 103-3	Evaluation of the management approach Sustainability Report 2019 (p. 4), Separate non-financial group report Sustainability Report 2019 (p. 27–31), Sustainability strategy / Further developing our strategy, goals and concepts Sustainability Report 2019 (p. 32–47), Management Sustainability Report 2019 (p. 48–56), Purchasing and suppliers Sustainability Report 2019 (p. 78–81), Sustainability stewardship / Our research and development Sustainability Report 2019 (p. 138–142), People / Employee development Sustainability Report 2019 (p. 142–144), People / Compensation and benefits Sustainability Report 2019 (p. 176), Indicators Sustainability Report 2019 (p. 182–183), Indicators / Employee indicators	✓	
Employment			
GRI 401-1	Total number and rates of new employee hires and employee turnover by age group, gender, and region Sustainability Report 2019 (p. 182–183), Indicators / Employee indicators No information by age group, gender and region, and no information on total number and rate of new employees.	✓	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 2019 (p. 142–144), 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 2019 (p. 33–34), Management / Codes, standards, and management systems Sustainability Report 2019 (p. 155–157), People / Occupational safety		
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities Sustainability Report 2019 (p. 33–34), 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).	✓	

		Audited	UNGC Principles
GRI 403-4	Health and safety topics covered in formal agreements with trade unions Sustainability Report 2019 (p. 155–157), People / Occupational safety Already in 2018, Henkel expanded the existing social benefits offering with 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.		

Training and education

GRI 404-1	Average hours of training per year per employee by gender, and by employee category Sustainability Report 2019 (p. 182–183), Indicators / Employee indicators No breakdown by gender and employee category.	✓	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 2019 (p. 139–141), People / Employee development / 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 2019 (p. 139), People / Employee development / Assessment and feedback We assess the performance of our managerial employees (around 22 percent) and selected high-potential non-managerial employees in annual talent rounds, called Development Round Tables. 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.	✓	6

Diversity and equal opportunity

GRI 405-1	Diversity of governance bodies and employees Sustainability Report 2019 (p. 182–183), Indicators / Employee indicators Annual Report 2019 (p. 19), Management Board	✓	6
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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
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Supplier social assessment

GRI 414-1	Percentage of new suppliers that were screened using labor practices criteria	✓
	Sustainability Report 2019 (p. 48–56), Purchasing and suppliers Annual Report 2019 (p. 105–106), 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.	

Public Policy

GRI 415-1	Total value of political contributions by country and recipient / beneficiary	10
	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.	

Customer health and safety

GRI 416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	✓
	Sustainability Report 2019 (p. 82–85), Sustainability stewardship / Product safety	
	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).	
	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.	
	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.	

Henkel-specific disclosures

		Audited	UNGC Principles
Henkel-specific indicator	Total number of projects supported Sustainability Report 2019 (p. 183–184), Indicators / Social indicators	✓	
Henkel-specific indicator	Number of people supported Sustainability Report 2019 (p. 183–184), Indicators / Social indicators	✓	
Henkel-specific indicator	Time off from work for employee-initiated projects (days) Sustainability Report 2019 (p. 183–184), Indicators / Social indicators	✓	
Henkel-specific indicator	Boosting employee engagement Sustainability Report 2019 (p. 24–26), Sustainability strategy / Central role of our employees Sustainability Report 2019 (p. 183), Social indicators We aim to reach 10 million people through our employees' social engagement activities by 2020. We achieved this target in 2019, ahead of schedule. 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. Henkel's Sustainability Ambassadors 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 2019, we had reached over 170,000 schoolchildren in 53 countries.	✓	
Henkel-specific indicator	Percentage of Mass Balanced certified palm (kernel) oil used in our products Sustainability Report 2019 (p. 88–90), Sustainability stewardship / Raw materials / Palm oil and palm kernel oil Together with our suppliers, we have succeeded in ensuring that more than 81 percent of the oil is certified according to the Mass Balance model to date. In May 2019, our Global Supply Chain organization was again successfully audited in line with the RSPO's supply chain certification standard. In addition to the production sites in Western Europe, we have included three sites in the US in the certification process for the first time. Further sites in Eastern Europe are planned for 2020. This standard supports the use of sustainable palm and palm kernel oil along the entire value chain. It is regarded as proof, for retailers and others, that the value chain from the plantation to the last production site is certified.	✓	