



## Press Release

February 23, 2022

Henkel publishes 2021 Sustainability Report and new 2030+ Sustainability Ambition Framework

### **Strong sustainability performance in 2021 and new ambitions set for 2030 and beyond**

- **Strong performance and improvements across key dimensions in 2021**
- **Evolved sustainability strategy: 2030+ Sustainability Ambition Framework**
- **Introducing new ambitions, including moving up climate positivity in production from 2040 to 2030**

**Düsseldorf – Henkel published today its 31<sup>st</sup> Sustainability Report, detailing its achievements and progress in 2021 while also outlining its new 2030+ Sustainability Ambition Framework.**

**“Sustainability is deeply rooted in our company DNA and integral to how we do business. Together with strategic priorities such as innovation and digitalization, sustainability is at the heart of our Purposeful Growth agenda,” said Carsten Knobel, CEO of Henkel. “Sustainability is also one of our values and is reflected in our corporate purpose: Pioneers at heart for the good of generations. With the help of our more ambitious sustainability strategy, we will accelerate our transformation, evolving our portfolio and processes even more strongly towards sustainability.”**

**“The past year tested our resilience as a company, as individuals and communities as the fight against the COVID-19 pandemic continued. Our commitment to address environmental, social and political challenges, therefore, has never been clearer,” added Sylvie Nicol, member of the Henkel Management Board responsible for Human Resources and Sustainability. “I am proud that in 2021, despite the challenging environment, Henkel further advanced sustainability in critical areas such as climate protection and circular economy.”**



### **Strong track record in a challenging year**

In 2021, Henkel further anchored its sustainability strategy in the business, reduced CO<sub>2</sub> emissions in its operations (in particular by converting to green electricity) and made further progress in sustainable sourcing of raw materials as well as in sustainable finance, among others.

Henkel aims to **reduce its carbon footprint in production by 65 percent by 2025** (vs base year 2010). **By the end of 2021, Henkel had already halved its CO<sub>2</sub> footprint in production.** To achieve this, the company also focuses on improving its energy efficiency and sourcing 100 percent of its electricity exclusively from renewable sources by 2030. By the end of 2021, Henkel **fully transitioned production in 21 countries, including in Columbia and France, to electricity that is 100 percent renewable.** Today, Henkel stands already at **68 percent renewable electricity usage.**

In addition, Henkel is actively committed to building a true **circular economy**, working with various partners along the entire value chain and cooperating on international initiatives such as Plastic Bank and the New Plastics Economy by the Ellen MacArthur Foundation. The company's ambitious packaging strategy aims to reduce and recycle packaging materials and prevent them from entering the environment. One of its highlight targets **by 2025 is for 100 percent of Henkel's packaging to be recyclable or reusable.** At the end of 2021, the share was already around 86 percent. Henkel is also working steadily to **increase the proportion of recycled material in its packaging to more than 30 percent for all plastic packaging** for its consumer goods products worldwide by 2025. At the end of 2021, the company increased this share to approximately 18 percent.

Henkel also made good progress in its journey to **source 100 percent of its palm and palm kernel oil responsibly.** In 2021, the company sourced 93 percent of its total requirements and the derivatives as certified raw materials according to the RSPO („Roundtable on Sustainable Palm Oil“) mass balance model. Henkel attributes some of its successes to its long-standing collaboration with development organization Solidaridad, which supports smallholder palm oil farmers in South America, Africa and Asia. Until today, the partners have been able to positively impact around more than 36,000 smallholder farmers around the world.

Another important milestone was the announcement of Henkel's new **Sustainable Finance Framework**, creating a direct link between its sustainability strategy and its funding strategy. The framework includes two possible forms of financing: the issuance of sustainability-linked bonds as well as green bonds. In 2021, Henkel placed the first two issues under the terms of

this framework, making it the first company in its sector to place a euro bond whose interest rate is linked to the achievement of specific sustainability targets. In total, **bonds with a volume of more than 700 million euros were issued.**

### **Advancing targets and ambitions through the 2030+ Sustainability Ambition Framework**

These achievements are in line with Henkel's objectives set in a long-term strategy in 2010. After a decade of successfully driving progress in sustainability, Henkel reflected in 2021 on ongoing external developments and expectations for its strategy and ambitions going forward.

This review resulted in a **new 2030+ Sustainability Ambition Framework**, which also includes **new, additional long-term ambitions** that will help transform the economy and society toward sustainability.

Henkel's 2030+ Sustainability Ambition Framework consists of three dimensions:

- **Regenerative Planet:** enable a circular and net-zero carbon future by transforming the business, products and raw materials underpinned by science and innovation.
- **Thriving Communities:** help people lead a better life through the collective strength of the business and brands by supporting equity, education and wellbeing.
- **Trusted Partner:** drive performance and systems change with integrity through values-based culture, deep rooting in science and passion for technology.

"We want to ensure the framework's ambitions align our stakeholders' expectations of addressing environmental, social and governance (ESG) topics with our increasing depth of engagement in these areas," explained Ulrike Sapiro, Chief Sustainability Officer at Henkel. "We looked at where we can go further, act faster and be bolder – and one of our key outcomes included moving forward climate positivity in our production from 2040 to 2030."

**Key new ambitions** include:

- Aim for **climate-positive operations by 2030** and set a net-zero pathway for Scope 3 emissions (from source to shelf), in line with the Science Based Targets initiative.
- Enhance circularity by **increasing circular use of water and production waste material by 2030**
- Achieve **gender parity across all management levels by 2025**
- Expand **community education programs and volunteering**
- Shape the **future of work** for the company and its employees through further development and expansion of the 2021-initiated "Smart Work" program

Ulrike Sapiro added, "We know that the world around us, the expectations of our stakeholders and the opportunities for advancing sustainability are in constant transformation. That's why we plan to further regularly review and update our 2030+ Sustainability Ambition Framework with new tangible targets and ambitions as we go forward."

#### **About Henkel**

Henkel operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market – across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Founded in 1876, Henkel looks back on more than 140 years of success. In 2021, Henkel reported sales of more than 20 billion euros and an adjusted operating profit of about 2.7 billion euros. The company employs more than 52,000 people globally – a passionate and highly diverse team, united by a strong company culture, a common purpose, and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel's preferred shares are listed in the German stock index DAX. For more information, please visit [www.henkel.com](http://www.henkel.com).

**Photo material is available at [www.henkel.com/press](http://www.henkel.com/press)**

Contact	Sina Pfanschilling	Hanna Philipps
Phone	+49 211 797-99 04	+49 211 797-36 26
Email	<a href="mailto:sina.pfanschilling@henkel.com">sina.pfanschilling@henkel.com</a>	<a href="mailto:hanna.philipps@henkel.com">hanna.philipps@henkel.com</a>

Henkel AG & Co. KGaA