SUSTAINABILITY AT A GLANCE 2021
Henkel has a long history of leadership for sustainability. And we’re proud of the bold action we took for the environment and society in 2021 as the latest steps in that commitment.

Those actions included reinvigorating our culture by defining a new company purpose: **Pioneers at heart for the good of generations**. It’s built from our roots and carries our legacy of innovation, responsibility and sustainability into the future.

We also explored ways to be faster, bolder, and go further for sustainability. Based on this, we developed our 2030+ Sustainability Ambition Framework, with new targets and ambitions for 2030 and beyond.
“Sustainability is deeply anchored in our business strategy and alive in our purpose. With that foundation, we want to drive the sustainability transformation towards a regenerative planet and thriving communities, acting as a trusted partner to our stakeholders.”
WHO WE ARE TODAY
HENKEL AT A GLANCE

SUCCESS WITH BRANDS AND TECHNOLOGIES FOR 145 YEARS

52,450 EMPLOYEES FROM 124 COUNTRIES

EURO 20.1 BN SALES IN 2021

174 PRODUCTION SITES AROUND THE WORLD

79 NUMBER OF COUNTRIES IN WHICH WE OPERATE

THREE BUSINESS UNITS

ADHESIVE TECHNOLOGIES

BEAUTY CARE

LAUNDRY & HOME CARE

LEADING BRANDS

LOCTITE

Schwarzkopf

Persil

HEADQUARTERED IN DÜSSELDORF GERMANY
1899
FIRST PRODUCTION SITE IN DÜSSELDORF-HOLTHAUSEN
Henkel lays the foundations for its headquarters and uses its own electricity supply.

1907
FIRST SELF-ACTING LAUNDRY DETERGENT
Persil, the world’s first self-acting laundry detergent, removes the need to scrub laundry by hand.

1903
FIRST WATER-SOLUBLE POWDER SHAMPOO
The first water-soluble powder shampoo, the “shampoo with the black head” (Schwarzkopf), provides a simple and inexpensive alternative to rough soaps and oils.

1940
FIRST HENKEL KINDERGARTEN FOR CHILDREN OF EMPLOYEES
The first Henkel daycare center for children of employees opens in Düsseldorf-Holthausen.

1959
HENKEL STARTS CHECKING RHINE RIVER WATER QUALITY
Henkel has been carrying out regular environmental quality checks for detergents and household cleaners since 1959.

1969
THE WORLD’S FIRST GLUE STICK
Henkel invents the glue stick, and uses packaging based on the swivel mechanism usually found in lipsticks.
COMMITTED TO PROTECTING THE CLIMATE

There is an urgent need to reduce CO₂ emissions. We aim for climate-positive operations by 2030 and we will set a net-zero pathway for our emissions along the value chain. We plan to cut the carbon footprint of our production by 65 percent by 2025. We also want to source 100 percent of our electricity from renewable sources by 2030. And we want to leverage our brands and technologies to help our customers, consumers and suppliers save 100 million metric tons of CO₂ from 2016 to 2025.

PROMOTING SUSTAINABLE CONSUMPTION

Everybody can contribute to sustainability by making small changes to their lifestyle. Our products and technologies have massive potential in this context because they are used in millions of households and industrial processes every day. We develop products that enable resource efficiency in everyday use. And we encourage responsible use of our products through targeted communications. This is important because the use phase accounts for a big share of the environmental footprint of many of our products.

CONTRIBUTIONS TO THE SDGS

At Henkel, we support the 17 Sustainable Development Goals (SDGs) of the United Nations. We believe they provide a shared focus that will empower collaboration and accelerate progress toward sustainability. Sustainable consumption, packaging and plastics, combating climate change, water, nature, human rights, equal opportunities and education are important topics for our work.

Here are just a few highlights showing how we contribute to implementing the SDGs.
TURNING WASTE INTO OPPORTUNITIES

We are constantly striving to reduce plastic waste in nature and stop the flow of waste into oceans. In 2017, Henkel became the first major global consumer goods company to work with the social enterprise Plastic Bank. In 2019, we extended this partnership for another five years. Together, we aim to collect and recycle plastic waste while providing opportunities for people in poverty – especially in countries with insufficient infrastructure for waste disposal and recycling.

PROMOTING SUSTAINABLE PALM OIL

We support sustainable practices in the palm oil industry along the entire value chain. Collaboration is at the heart of our approach: We aim to increase the availability of sustainable palm oil and palm kernel oil, for example, through projects that enable smallholder farmers to certify their crops as sustainable, increase productivity and improve their livelihoods. By supporting sustainable palm (kernel) oil, we promote sustainable forest management and prevent deforestation.

PROVIDING ACCESS TO GOOD EDUCATION

We promote high-quality education, and help young people and adults to learn new skills. The Schwarzkopf Million Chances initiative supports women and girls in building a successful future for themselves. Our Shaping Futures project gives young people professional training in basic hairstyling techniques. Henkel is also the main sponsor of the Teach First Deutschland initiative, which supports education for children in socially disadvantaged communities.
In 2021, we developed our 2030+ Sustainability Ambition Framework. It defines how we are going to drive progress in three dimensions: **Regenerative Planet, Thriving Communities** and **Trusted Partner**.

This new strategy reflects our company’s commitment to “Purposeful Growth”. We will actively drive the transformation to a sustainable economy and society, help to protect and regenerate the natural environment, contribute to strong communities, and strengthen trust with our stakeholders.

Sustainable business practices have been an integral part of our **company culture** for decades and are a central element of our vision of the future. With this latest step, we will work on measures and projects that deliver practical progress – and achieve a transformational impact for the good of generations.

## OUR PURPOSE
Pioneers at heart for the good of generations.

### TRANSFORMATIONAL IMPACT FOR THE GOOD OF GENERATIONS

#### REGENERATIVE PLANET
We will enable a circular and net-zero carbon future by transforming our business, products and raw materials underpinned by science and innovation.

- **CLIMATE**
  Decarbonize our operations and raw materials on the way to a carbon-neutral business.

- **CIRCULARITY**
  Embed circular practices in our operations, products and packaging, and enable circularity through our industrial solutions.

- **NATURE**
  Protect and restore biodiversity, with focus on forests, land and water, through more regenerative ingredients and resource stewardship.

#### THRIVING COMMUNITIES
We will help people lead a better life through the collective strength of our business and brands by supporting equity, education and wellbeing.

- **EQUITY**
  Strengthen Diversity & Inclusion, respect human rights and enhance the livelihoods of people.

- **EDUCATION**
  Support lifelong learning and education of employees and communities, and enable consumers to take action for sustainability.

- **WELLBEING**
  Foster Health & Wellbeing of employees, partners and consumers, and help drive social progress through our brands.

#### TRUSTED PARTNER
We will drive performance and systems change with integrity through our values-based culture, deep rooting in science and our passion for technology.

- **PERFORMANCE**
  Deliver best-in-class product performance and chemical safety for our customers and consumers, as foundations of our business success.

- **TRANSPARENCY**
  Integrate sustainability in our business governance, processes and policies with transparent reporting, disclosure and engagement.

- **COLLABORATION**
  Scale sustainability impact with our partners, leading to responsible business practices in our supply chains.
We are on a journey toward an environmental transformation of our business model. To achieve this ambition, we intend to transform our processes, products and use of raw materials in the direction of a resource-efficient, carbon-neutral future. We are focusing on climate change mitigation measures, a functional circular economy, and the protection of nature and biodiversity.
**CLIMATE**
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**TARGETS AND AMBITIONS**

**CO₂**
**CLIMATE-POSITIVE OPERATIONS 2030**

- **-30%** CO₂ from raw materials and packaging per ton of product (vs. 2017)
- **-100 M** tons of CO₂ with partners along the value chain (since 2016)

**100%** of packaging designed for recyclability/reusability
- **-50% / >30%** fossil-based virgin plastics / recycled plastics for consumer packaging

**AIM FOR CIRCULAR USE OF PRODUCTION WASTE MATERIAL**

**-35%** water consumption per ton of product (vs. 2010)

**100%** responsibly sourced and externally assured palm (kernel) oil

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**FURTHER ASPIRATIONS FOR 2030 AND BEYOND**

Accelerating progress on climate action across the value chain | zero deforestation | using more bio-based and responsibly sourced ingredients

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1 by 2025
2 by 2030
Climate change is one of the biggest challenges of our time. At Henkel, we are constantly striving to cut the carbon footprint of our production activities, and we develop products and technologies that generate less emissions when they are used.

Switching from solvent-based to water-based adhesives, for example, can significantly reduce CO₂ emissions. Our innovative water-based adhesives, used for manufacturing products such as sports shoes, enable a much smaller CO₂ footprint in the bonding process than solvent-based alternatives.

New product designs also save emissions. Solid shower care products from our Nature Box brand have a concentrated formula that reduces weight – so less fuel is required during transport. The compact shape of our Persil Eco Power Bars also saves CO₂ because detergent for more wash loads can fit on each truck.

🔗 More information in our Sustainability Report 2021, page 60.
We support the transition to a closed-loop system where resources stay in the economic cycle for longer and waste is minimized. We build circularity into our factories – and work with partners along the entire value chain.

Our Technomelt adhesives can be recycled together with paper without affecting the quality of the recycled material. This technology has been used to develop the award-winning KeelClip™ for the outer packaging for beverage cans, which replaces plastic with recycled and recyclable cardboard.

Alongside recycling, we also offer refillable packaging and refill stations. Laundry and dishwashing detergents from the Love Nature brand can be refilled at almost 50 stores in Germany. Selected shampoos and shower gels from our Nature Box brand have also been available in refill packs since 2021.

Our planet’s ecosystems are under increasing pressure caused by population growth and accelerated economic activity. We are committed to protecting and restoring biodiversity – with a particular focus on forests, land and water.

We use ingredients based on renewable sources whenever this is compatible with environmental, economic and social considerations. **Renewable raw materials** are already key components in many of our products, including detergents, soaps, shampoos, glue sticks and wallpaper adhesives.

We also encourage the responsible use of our products to reduce water and energy consumption. Through our **“Be smarter.” initiative**, we provide information about how consumers can conserve resources. We also offer leave-in conditioners and dry shampoos that do not require water for rinsing.

🔗 More information in our Sustainability Report 2021, page 83.
ACHIEVEMENTS 2021

21 countries entirely transitioned to 100% renewable electricity

68% electricity from renewable sources

-42% waste\(^1\)

-28% water use\(^1\)

-50% CO\(_2\) in our operations\(^1\)

86% recyclable or reusable material

18% share of recyclate for packaging

\(^1\) per ton of product (base year 2010)
We want to help people live better lives. Our social responsibility is to promote equal opportunity, strengthen diversity and respect human rights. We offer our employees lifelong learning opportunities, and an attractive and healthy working environment. We advocate for social progress and access to education worldwide, and we provide assistance in emergency situations.
EQUITY
Strengthen Diversity & Inclusion, respect human rights and enhance the livelihoods of people.

EDUCATION
Support lifelong learning and education of employees and communities, and enable consumers to take action for sustainability.

WELLBEING
Foster health and wellbeing of employees, partners and consumers, and help drive social progress through our brands.

TARGETS AND AMBITIONS

GENDER PARITY ACROSS ALL MANAGEMENT LEVELS
Engage and empower 50,000+ employees to take action on sustainability

EXPAND OUR COMMUNITY EDUCATION PROGRAMS AND VOLUNTEERING

SHAPE THE FUTURE OF WORK FOR OUR COMPANY AND EMPLOYEES

IMPROVE LIVELIHOODS OF SMALLHOLDERS AND PROTECTION OF NATURE

FURTHER ASPIRATIONS FOR 2030 AND BEYOND
Advancing diversity, equity and inclusion
Promoting consumer awareness of the importance of sustainable consumption

1 by 2025

+60% safer per million hours worked (vs. 2010)
We believe there is great strength in diversity, and that everybody deserves to feel valued. In our teams, we strive to create an inclusive working environment. We are committed to respecting human rights in our entire value chain. And we make a lasting contribution to society worldwide through our corporate citizenship activities.

Our goal is to keep increasing the ratio of women at all levels in our company, and we strive to achieve gender parity across all management levels by 2025. To move toward these milestones, we are making it easier than ever for women and men to combine their careers with their personal plans.

The Schwarzkopf Million Chances initiative has been supporting girls and women in building a successful future for themselves since 2016. It supports aid projects worldwide, often in cooperation with independent organizations such as Plan International Deutschland e.V.

At Henkel, we want to help people achieve their full potential. This includes lifelong training and development of our own employees, as well as community education programs around the globe.

Our people are the key to our sustainability strategy. That’s why we are expanding our existing training offer to include a new, holistic engagement program that will help them to embrace the knowledge, skills and mindset that are central to Henkel’s role as a leader in sustainability.

Beyond our own team, we teach children about science and sustainability through our international education initiative “Forscherwelt” (Researchers’ World). We also promote training in climate-friendly agriculture for smallholder farmers in the palm oil industry.

🔗 More information in our Sustainability Report 2021, page 94.
Physical and mental health play a central role in shaping quality of life. We offer a range of services and activities at Henkel to foster the health and wellbeing of our employees. And we are shaping the future of work at our company by developing and expanding our “Smart Work” program.

To support physical and mental wellbeing, Henkel provides employees with access to care programs. We also carry out a major health campaign across all Henkel sites each year. In addition, we promote social progress through our brands worldwide.

During the COVID-19 pandemic, we have taken decisive action to ensure the safety of our employees. This includes offering the possibility of remote working, as well as social distancing rules, protective equipment, tests and disinfectants, and vaccinations.

ACHIEVEMENTS 2021

36,400
smallholders reached\(^1\)

38.1%
ratio of women in management positions

124
nationalities

25
vocational training and five dual-study programs

42%
safer per million hours worked\(^2\)

>90%
employees reached with health campaigns

>26 million
lives improved\(^2\)

>2,000
social projects promoted

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\(^1\) since 2013
\(^2\) base year 2010
We draw on our value-oriented corporate culture and our scientific and technological expertise to strengthen our performance while maintaining our integrity. We deliver safe and best-in-class product and technology solutions to our customers and consumers. We integrate sustainability in our portfolio and in our business processes, and provide transparent reporting on this to our stakeholders.
PERFORMANCE
Deliver best-in-class product performance and chemical safety for our customers and consumers, as foundations of our business success.

TRANSPARENCY
Integrate sustainability in our business governance, processes and policies with transparent reporting, disclosure and engagement.

COLLABORATION
Scale sustainability impact with our partners, leading to responsible business practices in our supply chains.

TARGETS AND AMBITIONS

EACH NEW PRODUCT CONTRIBUTES TO SUSTAINABILITY

Provide our customers and consumers with a comprehensive sustainability profile of our products

BECOME THREE TIMES MORE EFFICIENT\(^2\) (VS. 2010)

Commit to

100% transparency and traceability (palm)\(^1\)

100% responsible sourcing together with our partners

FURTHER ASPIRATIONS FOR 2030 AND BEYOND

Strengthening full traceability of key commodities | ESG reporting and governance

\(^1\) by 2025
\(^2\) by 2030
Our long history of success has been made possible by best-in-class products that are safe to use. That’s how we’ve earned the trust of our customers and consumers – and we constantly re-earn that trust by creating new safe and sustainable innovations.

In 2021, we conducted a **stakeholder survey** as part of the development of our sustainability strategy. 87 percent of respondents perceive our company as a reliable partner due to our high standards, our reliability and competence, and our strong global team.

Henkel implemented **sustainable finance** solutions at an early stage. These financing approaches are directly linked to the achievement of our sustainability targets, which creates a strong connection between our business performance and our sustainability strategy.


Open and honest communication are the key to trust-based relationships. At Henkel, we are committed to transparent reporting and constructive dialog with our stakeholders to provide clarity about how we integrate sustainability into our business.

For our products, this involves making sure customers and consumers can rely on the safety of our portfolio. We conduct numerous tests and constantly review the latest scientific findings to ensure the highest standards of safety for people and the environment.

For our processes, we value external assessments from independent experts. In 2021, we were included in several sustainability indices, and received excellent results in ratings and rankings. This provides important feedback about how we are implementing our sustainability strategy.

🔗 More information in our Sustainability Report 2021, page 41.
We join forces with partners from along the value chain to maximize the impact of our sustainability activities. For many years, we have engaged in open dialog on subjects including resource-efficient innovations, responsible supply chains and the sustainable transformation.

Henkel and five other companies in the chemical industry established the Together for Sustainability (TfS) initiative in 2011. Today, it brings together 34 companies with the aim of harmonizing supply chain management processes and optimizing dialog among global business partners.

Our collaborative activities cover every step in the value chain – from the raw materials we buy through to waste disposal and recycling. We also share our knowledge at events like our “Sustainability Days 2021”, which brought together key stakeholders from the packaging and consumer goods industry.

🔗 More information in our Sustainability Report 2021, page 35.
ACHIEVEMENTS 2021

504 million euros in research and development

84% traceability of palm (kernel) oil back to the mill

OVER 99% of annual sales is covered through life cycle appraisals

18,000 TfS assessments and audits (since 2011)

119 countries

87% of our stakeholders consider us to be a reliable partner

34 member companies of the TFS initiative