

## **Press Release**

September 21, 2023

External audit underlines commitment for portfolio transformation to drive impact in key sustainability dimensions climate, circularity, safety and nature

## Henkel Adhesives Technologies publishes audited results for sustainability assessment of product portfolio

Düsseldorf – As a global leader in adhesives, sealants and functional coatings Henkel Adhesive Technologies is constantly driving sustainability based on its <u>Sustainability Ambition 2030</u>. Besides optimizing its own footprint in operations and sourcing low emission raw materials, the business unit aims to lead through technology and drive impact with its diverse product portfolio.

Already today Henkel's technologies and solutions significantly improve products and processes across its more than 100.000 customers in over 800 industry segments around the globe. Based on its material science know-how the company drives future trends shaping the global economy, such as e-mobility, wood construction, clean energy use and sustainable packaging.

To further accelerate its contributions to sustainability, Adhesive Technologies aims to holistically transform its portfolio. Thus, the business unit has developed an internal assessment methodology to create transparency on the sustainability performance of its product portfolio. The results of this assessment are then integrated end-to-end into all business steering processes including the definition of innovation and business strategies, as well as portfolio management and customer engagement.

The latest assessment was conducted in the first half of 2023 and has been audited by an external third party with limited assurance. To ensure a sufficient coverage of the portfolio, the internal methodology prescribes covering commercial products representing at least 80% of the net sales, including full coverage of `Challenged'<sup>1</sup> products. With a coverage of 88% of net sales value from Adhesive Technologies in 2021 and 2022 respectively this threshold has been exceeded significantly.

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"Assessing the sustainability contributions of our products as baseline for our strategic steering is an important backbone for transforming our portfolio towards positive impact in the areas of climate, circularity, safety and nature. The external audit is a strong confirmation of the approach we took to establish a systematic framework which is based on consistent criteria and supporting proof documents", explained Ulla Hüppe, Global Head of Sustainability at Henkel Adhesive Technologies. "The results of the assessment create a clear understanding about the contribution and performance of each product and help to anchor sustainability as integral part of our business strategy. In addition, it provides even more transparency for our customers and supports the transformation towards new solutions enabling emission reduction and circularity."

The focus of the assessment lies on identifying and mapping those products within the portfolio that have a significant contribution to sustainability. The criteria cover the entire value chain and consider impacts along all scopes – upstream, midstream and downstream. This way they not only cover the footprint of Adhesive Technologies' own operations and raw material use, but also assess how solutions can enable customers to drive their sustainability agendas along four key dimensions:

- Climate: Enabling emission reduction in customers' production processes, and in the use phase of products. Also enabling lower Scope 3 emissions at customers by using low-emission raw materials.
- Circularity: Using circular raw materials and keeping valuable materials in the loop by contributing to reuse, repair, and recycling of products and their components.
- Safety: Advancing the chemical safety of solutions as well as facilitating safety of end products in the use phase, and in the production processes of customers.
- Nature: Enabling the preservation and protection of environmental resources, such as water.

The assessment includes the evaluation of a product's contribution to one of the four key dimensions as well as the analysis of its chemical substances with regards to their impact on safety. Further, a comparison with market and industry standards is conducted according to specific topic criteria and risks of counterbalancing a positive impact in other steps of the value chain are considered. As a result, the assessment clusters products into four main categories: Challenged, Straight Performers, Contributors and Pioneers<sup>1</sup>. The contribution of Pioneers and

Contributors to at least one of the key dimensions has to be proven through relevant documents.

For more information on the sustainability portfolio assessment please read the final <u>practitioner report</u> from 2023.

<sup>1</sup>For further definition of assessment categories please refer to the <u>practitioner report</u>.

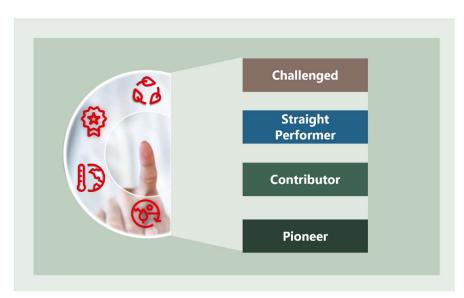
## About Henkel

With its brands, innovations and technologies, Henkel holds leading market positions worldwide in the industrial and consumer businesses. The Adhesive Technologies business unit is the global leader in the market for adhesives, sealants and functional coatings. With Consumer Brands, the company holds leading positions especially in hair care and laundry & home care in many markets and categories around the world. The company's three strongest brands are Loctite, Persil and Schwarzkopf. In fiscal 2022, Henkel reported sales of more than 22 billion euros and adjusted operating profit of around 2.3 billion euros. Henkel's preferred shares are listed in the German stock index DAX. Sustainability has a long tradition at Henkel, and the company has a clear sustainability strategy with specific targets. Henkel was founded in 1876 and today employs a diverse team of more than 50,000 people worldwide – united by a strong corporate culture, shared values and a common purpose: "Pioneers at heart for the good of generations." More information at <u>www.henkel.com</u>

## Photo material is available at www.henkel.com/press

Contact	Sebastian Hinz
Phone	+49 211 797-85 94
Email	sebastian.hinz@henkel.com

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