

Press Release

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New industry initiative aims to enhance transparency and drive improvements

More sustainability in the chemical supply chain

In order to enhance sustainability within the supply chain the chemical companies BASF, Bayer, Evonik Industries, Henkel, LANXESS and Solvay joined forces in the Together for Sustainability (TfS) initiative. The TfS initiative has successfully concluded its first year of piloting sustainability assessments and audits in global supply chains.

TfS aims at developing and implementing a global supplier engagement program that assesses and improves sustainability sourcing practices, including ecological and social aspects. Participating suppliers will now only have to complete one form instead of multiple questionnaires with the relevant sustainability information provided to all participating buyers who would otherwise need separate sustainability assessment or audits from these suppliers. The initiative is based on good practices and builds on established principles – such as the United Nations Global Compact (UNGC) and the Responsible Care Global Charter as well as standards developed by the International Labor Organization (ILO), the International Organization for Standardization (ISO), Social Accountability International (SAI) and others.

Third Party Assessments and Audits

The TfS initiative involves assessments and audits of suppliers by independent experts:

- **Assessments:** TfS selected EcoVadis, a Paris-based rating company in sustainable supply management, as its partner for supplier sustainability scorecards. Assessment results and scorecard ratings are shared within TfS on a web-based collaborative platform.
- **Audits:** TfS separately is working with independent audit firms to measure the supplier's sustainability performance against a pre-defined set of audit criteria tailored to the requirements of the chemical industry. They include

management, environment, health & safety, labor & human rights, and governance topics. Audits comprise on-site examination covering, for example, production facilities, warehouses and office buildings.

During the initiative's pilot phase, TfS members have initiated about 2,000 assessments and audits. In the next phase of implementation, which draws on the learnings from the successful pilot phase, TfS will increase its activities to further procurement markets and will look to continue growing by onboarding new members.

Henkel operates worldwide with leading brands and technologies in three business areas: Laundry & Home Care, Beauty Care and Adhesive Technologies. Founded in 1876, Henkel holds globally leading market positions both in the consumer and industrial businesses with well-known brands such as Persil, Schwarzkopf and Loctite. Henkel employs about 47,000 people and reported sales of 16,510 million euros and adjusted operating profit of 2,335 million euros in fiscal 2012. Henkel's preferred shares are listed in the German stock index DAX.

Photo material is available at <http://www.henkel.com/press>

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