

Particulars

About Your Organisation

Organisation Name

Henkel AG & Co. KGaA

Corporate Website Address

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Primary Activity or Product

- Manufacturer
-

Related Company(ies)

No

Membership

Membership Number	Membership Category	Membership Sector
4-0051-08-000-00	Ordinary	Consumer Goods Manufacturers

Consumer Goods Manufacturers

Operational Profile

1.1 Please state what your main activity(ies) is/are within manufacturing

- End-product manufacturer
- Home & Personal Care Goods
 - Laundry Detergents / Cleaning Products
- Own-brand

Operations and Certification Progress

2.1 Do you have a system for calculating how much palm oil and palm oil products you use?

Yes

2.2.1 Do you manufacture for:

Own Brand

2.2.2 Total volume of Refined Palm Oil or RBD Palm Oil used in the year:

12

2.2.3 Total volume of Palm Kernel Oil used in the year:

0

2.2.4 Total volume of other Palm Oil Derivatives and Fractions used in the year:

74,500

2.2.5 Total volume of all palm oil products you used in the year:

74,512

2.3 Palm oil volume used in the year in your own brands that is sourced through RSPO-certified physical supply chains:

In Your Own Brand

No	Description	Refined palm oil/RBD palm oil (Tonnes)	Palm Kernel Oil (Tonnes)	Palm based derivatives or fractions (Tonnes)
1	Book & Claim	-	-	18,663.00
2	Mass Balance	-	-	-
3	Segregated	-	-	-
4	Identity Preserved	-	-	-
5	Total volume of palm oil handled that is RSPO-certified	-	-	18,663.00

2.4.1 Volume of Palm Kernel Expeller used/ handled:

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2.4.2 What type of products do you use CSPO for?

At Henkel, we use less than 0.2 percent of the palm and palm kernel oil produced worldwide. The majority is palm kernel oil used for surfactants purchased from our suppliers.

Though we are at the end of a long supply chain, we strive to ensure that whenever palm and palm kernel oil are used in our products, they are derived from sustainably cultivated sources. For this reason, Henkel actively supports the development of sustainable palm and palm kernel oil supply chains.

2.5 What is the percentage of certified sustainable palm oil in the total palm oil your company sells in:

Europe 25%
India --%
China --%
South East Asia --%
North America 25%

2.6 What is the percentage of certified sustainable palm kernel oil in the total palm kernel oil your company sells in:

Europe 25%
India --%
China --%
South East Asia --%
North America 25%

Time-Bound Plan**3.1 Date expected to/or started to use any RSPO certified palm oil products - own brand**

2008

Comment:

Henkel has a long track record of engagement on sustainable palm and palm kernel oil production. Over the past decade, we have continually refined our approach based on new scientific findings and industry developments. We will continue to do so in the future.

We work closely with stakeholders to promote sustainable palm and palm kernel oil production. For example, we are working together with:

Roundtable on Sustainable Palm Oil (RSPO): Henkel has actively participated in the RSPO since 2003, and became an official member in April 2008. The RSPO's criteria and mechanisms for sustainable palm and palm kernel oil cover primary forest protection as well as social criteria. These criteria, however, are not considered adequate to ensure the protection of secondary forests and peat land. The RSPO criteria nevertheless represent an important foundation for the transition toward sustainable palm oil production.

Consumer Goods Forum: Henkel is a signatory to an initiative of the Consumer Goods Forum to fight global deforestation and protect biodiversity. The member companies have committed to take individual and joint action to stop global deforestation and achieve the goal of zero net deforestation by 2020.

Forum on Sustainable Palm Oil: Together with the German Association for International Cooperation (GIZ), industry partners and the World Wide Fund for Nature (WWF), our Laundry & Home Care business unit established the Forum on Sustainable Palm Oil in Germany in September 2013. The Forum aims to build on existing Roundtable on Sustainable Palm Oil (RSPO) standards to further improve the sustainability criteria for the production of palm and palm kernel oil in palm-growing countries.

The long-term goal of this initiative is to move the German, Austrian and Swiss markets toward certified sustainable palm and palm kernel oil.

Our suppliers: We maintain a dialog with ingredient suppliers to encourage them to convert their production operations to sustainable palm and palm kernel oil. Furthermore, since we purchase surfactants from ingredient suppliers, we are working with our partners to improve production practices and establish traceability of the palm and palm kernel oils they use.

3.2 Date expected to be using 100% RSPO certified palm oil products from any supply chain option - own brand

2020

Comment:

We are committed to zero net deforestation by 2020. This means that palm and palm kernel oil that we use should not contribute to deforestation of primary or secondary forests with significant ecological value. This includes "High Carbon Stock" forests and peat lands.

We seek to drive physical progress in the palm and palm kernel oil value chain, so as to prevent deforestation. We have come to the conclusion that purchasing Book & Claim certificates only will not be sufficient to prevent deforestation.

We are working with our partners to establish full traceability of palm and palm kernel oils used in ingredients for our products, such as surfactants, by 2020. We aim to ensure that all palm and palm kernel oil that we purchase is being cultivated sustainably.

Finally, our goal is to increase the supply of sustainable oil available on the market by a volume equal to Henkel's demand in 2020.

3.3 Date expected to be using 100% RSPO certified palm oil from physical supply chains (Identity Preserved, Segregated and/or Mass Balance) - own brand products

2020

Comment:

We are committed to zero net deforestation by 2020. This means that palm and palm kernel oil that we use should not contribute to deforestation of primary or secondary forests with significant ecological value. This includes "High Carbon Stock" forests and peat lands.

We seek to drive physical progress in the palm and palm kernel oil value chain, so as to prevent deforestation. We have come to the conclusion that purchasing Book & Claim certificates only will not be sufficient to prevent deforestation.

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Finally, our goal is to increase the supply of sustainable oil available on the market by a volume equal to Henkel's demand in 2020.

3.4 Do your (own brand) commitments cover your company's companies' global use of palm oil?

y

3.5 Does your company use palm oil in products in goods you manufacture on behalf of other companies?

n

When do you expect to actively promote the use of certified sustainable palm oil in other manufacturers' brands that you sell?

3.6 Which countries that your organization operates in do the above commitments cover?

Algeria, Argentina, Austria, Belgium, Brazil, Bulgaria, Canada, Cyprus, Czech Republic, Egypt, France, Germany, Greece, Honduras, Italy, Mexico, Netherlands, Poland, Portugal, Saudi Arabia, Slovenia, Spain, Switzerland, Turkey, United States

3.7 What are your interim milestones towards achieving RSPO certification commitment to your own-brands (year and progressive CSPO%) - please state annual targets/strategies

We worked toward this goal via the Book & Claim system. We began collaborating with the GreenPalm trading platform in 2008 so that the platform would cover palm kernel oil as well as palm oil, and then became the world's first company to purchase such certificates. Furthermore, in 2009, we made a commitment to cover 100% of the palm oil and 100% of the palm kernel oil used in our products with sustainability certificates by 2015.

However, in order to accelerate physical progress and the transformation of palm and palm kernel oil value chains, more tangible action is needed. As a concrete action, we are increasingly using Mass Balance palm and palm kernel oil, the majority of which we consume indirectly through ingredients like surfactants. A significant amount of the palm and palm kernel oil used in our products will be Mass Balance certified in 2015, and we intend to increase our purchase of Mass Balance-certified oils to cover 100% of our demand by 2020.

3.8 Date of first supply chain certification (planned or achieved)

2015

Trademark Related

4.1 Do you use or plan to use the RSPO trademark on your own brand products?

No

Please explain why

At Henkel, we use less than 0.2 percent of the palm and palm kernel oil produced worldwide. The majority is palm kernel oil used for surfactants purchased from our suppliers.

Though we are at the end of a long supply chain, we strive to ensure that whenever palm and palm kernel oil are used in our products, they are derived from sustainably cultivated sources. For this reason, Henkel actively supports the development of sustainable palm and palm kernel oil supply chains.

GHG Emissions

5.1 Are you currently assessing the GHG emissions from your operations?

Yes

5.2 Do you publicly report the GHG emissions of your operations?

Yes

Actions for Next Reporting Period

6.1 Outline actions that will be taken in the coming year to promote sustainable palm oil.

In addition to using Mass Balance-certified palm and palm kernel oil, we would like to increase our support for sustainable palm oil production with even more specific targeting of small farmers and local initiatives in palm-growing countries in the future. We need solutions and projects that enable small farmers to increase productivity on their plantations.

We aim to change the entire market in this way, so that only sustainably produced palm and palm kernel oil is available in the future.

The first example of this is the three-year program started in Honduras in the summer of 2013 by our Laundry & Home Care business unit, the Solidaridad development organization and other partners. Our common goal is to create a sustainable supply chain for palm and palm kernel oil that can be certified under the RSPO criteria. This project aims to help Honduras become the first country to change almost completely over to sustainable palm oil production.

The small farmers participating in the program will receive training and assistance in optimal agricultural practice and better plantation management until the end of 2015 to allow them to increase the productivity and yield of their plantations. Worker training covers the key areas of health and safety and supports application of the RSPO sustainability criteria. The WWF, Netherlands development organization SNV and Proforest are important partners in the project.

Reasons for Non-Disclosure of Information

7.1 If you have not disclosed any of the above information, please indicate the reasons why

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- Others:

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Application of Principles & Criteria for all members sectors

8.1 Related to your sourcing, do you have (a) policy/ies, that are in line with the RSPO P&C such as:

- Water, land, energy and carbon footprints
[M-Policies-to-PNC-waterland.pdf](#)
- Land Use Rights
[M-Policies-to-PNC-landuseright.pdf](#)
- Ethical conduct and human rights
[M-Policies-to-PNC-ethicalconducthr.pdf](#)
- Labour rights
[M-Policies-to-PNC-laborrights.pdf](#)
- Stakeholder engagement
[M-Policies-to-PNC-stakeholderengagement.pdf](#)

8.2 What steps will/has your organization taken to support these policies?**Together for Sustainability**

In 2012, Henkel and five other companies in the chemical industry established an initiative entitled "Together for Sustainability – The Chemical Initiative for Sustainable Supply Chains" (TfS). It is based on the principles of the United Nations Global Compact and the Responsible Care Initiative of the International Council of Chemical Associations (ICCA).

The Initiative's aim is to harmonize the increasingly complex supply chain management processes and to optimize the dialog between worldwide business partners. Above all, synergies are to be created, so that resources can be used more efficiently and with a minimum of administrative effort, not only among the member companies but with all of our shared suppliers. At the heart of the Initiative is the idea: "An audit for one is an audit for all."

In the future, suppliers will only need to pass one assessment or audit. These are performed by independent experts and an internet platform is then used to make the results available to all members of the Initiative for information and approval.

In 2013, the Initiative successfully completed a twelve-month pilot phase of assessments and audits for the global supply chains of the member companies. TfS members performed around 2,000 assessments and audits during the pilot phase. Around 30 main criteria were specified for TfS audits and around 40 qualified auditors identified.

The next step will be to expand the activities of the TfS initiative into other purchasing markets and acquire new members.

<http://www.tfs-initiative.com/>

Commitments to CSPO uptake

As you don't source 100% CSPO through physical supply chains (IP/SG/MB), please answer the following questions: Do you have plans to?

Yes

Please specify

We are working towards these goals by:

Converting to Mass Balance palm and palm kernel oil: The vast majority of the palm and palm kernel oil in our products is consumed indirectly through ingredients based on these oils (e.g. surfactants). We are working with our suppliers to ensure that a significant amount of it is Mass Balance-certified (i.e. a controlled mix of sustainable and conventional oil) in 2015. Furthermore, we intend to increase our purchase of Mass Balance-certified oils to cover 100% of our demand by 2020.

This replaces our previous commitment to cover all product ranges with Book & Claim certificates for sustainable palm and palm kernel oil by 2015. By purchasing Mass Balance oil (rather than palm and palm kernel oil certificates), we can contribute more efficiently to physical sustainable oil entering our value chain.

Improving traceability: We are establishing pilot projects to trace palm and palm kernel oil that we use back to the plantations in order to ensure the oil that we use is being cultivated sustainably.

Supporting plantations and smallholders: We are providing targeted support to plantations and smallholders in palm-growing countries to promote sustainable farming practices, improve livelihoods and ensure that sufficient volumes of sustainable oil are available on the market.

In 2013, our Laundry & Home Care business unit, Solidaridad and other partners started a three-year program aimed at improving the livelihoods of 7,500 small farmers and 5,000 workers in Honduras. We aim to increase our targeted support for smallholders in the future.

9.1 Do you have plans to immediately cover the gap using Book & Claim?

No

Please explain why

Our goal is that whenever palm and palm kernel oil are used in our products, they are derived from sustainably cultivated sources. We worked toward this goal via the Book & Claim system. We began collaborating with the GreenPalm trading platform in 2008 so that the platform would cover palm kernel oil as well as palm oil, and then became the world's first company to purchase such certificates. Furthermore, in 2009, we made a commitment to cover 100% of the palm oil and 100% of the palm kernel oil used in our products with sustainability certificates by 2015.

However, in order to accelerate physical progress and the transformation of palm and palm kernel oil value chains, more tangible action is needed. As a concrete action, we are increasingly using Mass Balance palm and palm kernel oil, the majority of which we consume indirectly through ingredients like surfactants. A significant amount of the palm and palm kernel oil used in our products will be Mass Balance certified in 2015, and we intend to increase our purchase of Mass Balance-certified oils to cover 100% of our demand by 2020.

The Mass Balance model will enable us to demonstrate our commitment to physical sustainable palm and palm kernel oil. It also enhances the physical flow of certified palm and palm kernel oil into our value chain.

Concession Map**Do you agree to share your concession maps with the RSPO?**

No

Please explain why

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Challenges

1 What significant economic, social or environmental obstacles have you encountered in the production, procurement, use and/or promotion of CSPO and what efforts did you make to mitigate or resolve them?

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2 How would you qualify RSPO standards as compared to other parallel standards?

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Cost Effective:

Yes

Robust:

No

Simpler to Comply to:

No

3 How has your organization supported the vision of RSPO to transform markets? (e.g. Funding; Engagement with key stakeholders; Business to business education/outreach)

In addition to using Mass Balance-certified palm and palm kernel oil, we would like to increase our support for sustainable palm oil production with even more specific targeting of small farmers and local initiatives in palm-growing countries in the future. We need solutions and projects that enable small farmers to increase productivity on their plantations.

We aim to change the entire market in this way, so that only sustainably produced palm and palm kernel oil is available in the future.

4 Other information on palm oil (sustainability reports, policies, other public information)

<http://www.henkel.com/sustainability/dialog-and-contacts/positions/palm-oil>
