

Particulars

About Your Organisation

1.1 Member Name

Henkel AG & Co. KGaA

1.2 Membership number

4-0837-17-000-00

1.3 Membership sector

Consumer Goods Manufacturers

1.4 Membership category

Ordinary

1.5 Country

Germany

2.0 Does your company or organisation produce, process, consume or sell any palm oil or any products containing derivatives of palm oil?

Yes

2.1 Please select all description(s) that describe the palm oil-related activities of your company or organisation. Multiple selections are allowed, and not limited to the primary sector of the member's RSPO membership. You will be required to complete the relevant ACOP section based on your selection(s).

- I own and operate oil palm estate(s) and/or palm oil mill(s)
- I represent a palm oil Independent Smallholder farmer Group
- I own and operate independent palm oil mills
- I own and operate independent palm kernel crushing plants
- I trade or broker palm oil, palm kernel oil or related products
- I am a refiner of palm oil or palm kernel oil
- I am a processor of intermediate (B2B) palm oil, palm kernel oil or related ingredients
- I am a B2B distributor or wholesaler of palm oil, palm kernel oil or related products
- I manufacture consumer (B2C) products containing palm oil, palm kernel oil or related products. This includes products manufactured by 3rd party contractors.
- I retail consumer (B2C) products containing palm oil, palm kernel oil or related products
- I operate food retail outlets that use palm oil, palm kernel oil or related products
- I support the sustainable development of the palm oil industry as a conservation and environmental NGO
- I support the sustainable development of the palm oil industry as a social and human development NGO

Consumer Goods Manufacturers

1. Operational Profile

1.1 Please state your company's main activity within the palm oil supply chain.

- Food Good Manufacturer - own brand
- Food Good Manufacturer - third-party brand
- Home & Personal Care Good Manufacturer - own brand
- Home & Personal Care Good Manufacturer - third-party brand
- Ingredient Manufacturers
- Biofuels
- Other

Other

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2. Palm Oil and Certified Sustainable Palm Oil Consumption

Information in Section 2.0 - Palm Oil and Certified Sustainable Palm Oil Consumption - is a mandatory declaration in your ACOP. This includes volume data on palm oil, palm kernel oil and related products consumed, to enable the RSPO to accurately calculate uptake of individual members, sectors and RSPO members as a whole. ACOP reports without reported volume data will be considered as incomplete and will not be accepted. Incomplete ACOP reports may lead to suspension or termination of RSPO membership.

2.1 Please list down all operations and subsidiaries using palm oil, palm kernel oil and related products that are owned and/or managed by the member, including those under Group Membership

Worldwide locations and an international culture shape our global footprint
<https://www.henkel.com/company/global-presence>

2.1.1 In which markets does your company sell goods with palm oil and oil palm products?

Europe, North America, China, India, Malaysia, Indonesia, Africa, Latin America, Rest of the World _____

DL.2.0 In order to facilitate ease of reporting and transparency, RSPO members operating within the palm oil demand supply chain can now choose to report palm oil and palm oil product volumes on:

an aggregate level (as in previous ACOP reporting cycles) _____

2.2 Total volume of uncertified and certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products

Description	Tonnes
Total volume of crude palm oil (tonnes)	5844.0
Total volume of crude palm kernel oil (tonnes)	7572.0
Total volume of palm kernel expeller (tonnes)	0.0
Total volume of crude palm oil/palm kernel oil-based derivatives and fractions (tonnes)	96497.0
Total	109913.0

2.2.1 Please estimate the percentage of derivatives and fractions (reported in Question CG.2.2) derived from palm oil or from palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based derivatives.

Description	Percentage
Palm oil-based derivatives and fractions	28.0
Palm kernel oil-based derivatives and fractions	72.0

2.3 Please estimate the regional distribution of your company's uncertified and certified palm oil, palm kernel oil and related products sales (as declared in Question 2.2) in the following countries/regions. In cases where sales distribution data is not available, members may use manufacturing regions as a proxy for regional usage of certified volumes.

Countries/Regions	Percentage
Europe	58.0
North America	29.0
Malaysia	0.0
Indonesia	0.0
China	0.0
India	0.0
Latin America	3.0
Africa	5.0
Rest of World	5.0

2.4 Volume of RSPO-certified palm oil, palm kernel oil and related products purchased for use in your company's own-brand and third-party brand products in the year:

Description	Crude/Refined Palm Oil (CSPO)	Crude/Refined Palm Kernel Oil (CSPKO)	Palm Kernel Expeller (CSPKE)	Certified Derivatives and Fractions
RSPO Credits from Mill / Crusher	436.0	0.0	0.0	10178.0
RSPO Credits from Independent Smallholder	0.0	0.0	0.0	0.0
Mass Balance (MB)	5382.0	7572.0	0.0	85890.0
Segregated (SG)	0.0	0.0	0.0	0.0
Identity Preserved (IP)	0.0	0.0	0.0	0.0
Total	5818.0	7572.0	0.0	96068.0

2.4.1 Please estimate the percentage of RSPO-certified derivatives and fractions (reported in Question CG.2.4) derived from RSPO-certified palm oil or from RSPO-certified palm kernel oil. The default split for volumes is assumed to be 80% palm oil-based derivatives and 20% palm kernel oil-based

Description	Percentage
Certified Palm oil-based derivatives and fractions	29.0
Certified Palm kernel oil-based derivatives and fractions	71.0

2.5 According to the volume information you have provided in Question 2.2 and Question 2.4, your company's certified palm oil and palm oil products uptake is:

99.59%

2.5.1 Please provide additional information on your certified palm oil, palm kernel oil and related products uptake. This may include your usage of RSPO Credits to cover gaps in certified uptake, changes due to business environment, variations due to stock positions or efforts to support independent smallholders beyond volume commitments.

We have made considerable progress in this respect with a wide range of measures in recent years. In fiscal year 2020, we were able to source 90 percent of our total demand for palm oil and palm kernel oil, together with the derivatives mainly used by Henkel, as certified raw materials in line with the RSPO's Mass Balance model. In some markets, unfortunately, certified raw materials are still not available to us locally, due to insufficient demand in certain emerging markets. In these cases we join forces with our suppliers to look for solutions or, alternatively, we have to import raw materials, at a corresponding cost in terms of time and effort. Additionally, a number of derivatives of palm-kernel-oil-based raw materials that we use in comparatively small quantities are still not available as RSPO-certified products. In these circumstances, too, we maintain an intensive dialog with our suppliers. The challenges mentioned above were compounded in 2020 by delays in RSPO certification for some suppliers as a consequence of the COVID-19 pandemic. We are confident that we will make further progress in the transition to certified raw materials in the years ahead, yet we must acknowledge that full transition of our value chains to sustainable palm oil remains challenging. As a result, we offset the remaining portions via RSPO-Credits according to the Book & Claim model.

2.6 Please estimate the regional distribution of your company's RSPO certified palm oil and palm oil-products usage (as declared in Question CG.2.3) in the following countries/regions:

Countries/Regions	Percentage
Europe	58.0
North America	29.0
Malaysia	0.0
Indonesia	0.0
China	0.0
India	0.0
Latin America	3.0
Africa	5.0
Rest of World	5.0

3. TimeBound Plan

3.1 Which year did your company achieve (or expects to achieve) the RSPO supply chain certification?

2016

3.2 Which year did your company begin (or expects to begin) using RSPO-certified sustainable palm oil and palm oil products in own-brand products

2015

3.2.1 If the previous target year has not been met, please explain why.

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3.3 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from any supply chain option in own-brand products.

2020

3.3.1 If the previous target year has not been met, please explain why.

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3.4 Which year did your company begin (or expects to begin) using 100% RSPO-certified sustainable palm oil and palm oil products from physical supply chain options (Identity Preserved, Segregated and/or Mass Balance) in own-brand products.

2020

3.4.1 If the previous target year has not been met, please explain why.

In some markets, unfortunately, certified raw materials are still not available to us locally, due to insufficient demand in certain emerging markets. In these cases we join forces with our suppliers to look for solutions or, alternatively, we have to import raw materials, at a corresponding cost in terms of time and effort. Additionally, a number of derivatives of palm-kernel-oil-based raw materials that we use in comparatively small quantities are still not available as RSPO-certified products. In these circumstances, too, we maintain an intensive dialog with our suppliers. The challenges mentioned above were compounded in 2020 by delays in RSPO certification for some suppliers as a consequence of the COVID-19 pandemic. We are confident that we will make further progress in the transition to certified raw materials in the years ahead, yet we must acknowledge that full transition of our value chains to sustainable palm oil remains challenging. As a result, we offset the remaining portions via RSPO-Credits according to the Book & Claim model.

3.5 If the TimeBound Plan commitments declared above do not cover all countries in which the member operates, please explain why

Some countries have a limited availability of certified raw materials

4. Trademark Use

4.1 Does your company use or plan to use the RSPO Trademark in own-brand products?

No

4.3 Please explain why your company does not plan to use the RSPO Trademark in own-brand products

- Challenging reputation of palm oil
- Confusion among end-consumers
- Costs of changing labels
- Difficulty of applying for RSPO Trademark
- Lack of customer demand
- Limited label space
- Low consumer awareness
- Low usage of palm oil
- Risk of supply disruption
- Others

Others

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5. Actions for Next Reporting Period

5.1 Please outline activities that your company will take in the coming year to promote the production or consumption of certified sustainable palm oil (CSPO)

Based on our success so far, we have set ambitious goals for 2025. Building on existing certifications, we intend to develop our supply chains to ensure full NDPE compliance (No Deforestation, No Peat, No Exploitation). We aim to ensure that the palm oil and palm kernel oil used as ingredients in our products do not contribute to the deforestation of primary or secondary rainforests with significant ecological value. These include peat lands and other high-carbon stock areas. In addition, we intend to continuously develop traceability and transparency. We also aim to further improve the livelihoods of smallholders while playing our part in climate protection and adaptation to climate change.

The targets for 2025 are:

1. Cover 100 percent of our demand with oils whose responsible sourcing is certified or externally confirmed: We intend to continue driving forward the certification of our raw materials in line with the RSPO's Mass Balance model. We are also aiming at certification according to the RSPO's segregation model for the portion of palm oil and palm kernel oil that is directly sourced.
2. Establish full traceability and transparency of the palm oil and palm kernel oil used in our products: We have learned from our activities that the issue of transparency and traceability needs further development, especially for palm kernel-oil-based derivatives. We also find that cross-industry initiatives are needed to verify targets for zero net deforestation. With this in mind, we continue to pursue the goal of full transparency and traceability by 2025, together with our partners
3. Improve the livelihood of smallholders and protection of nature:

We are building on the success of our collaborative projects with smallholders and will continue strengthening our commitment to integrate raw materials from these smallholders into our supply chain. Greater consideration is also given to ecological aspects while supporting climate-friendly agriculture and a positive impact on biodiversity.

Shared Responsibility

The Board of Governors of the Roundtable on Sustainable Palm Oil approved new Shared Responsibility rules on 31 October 2019, requiring all members to share sustainability requirements and obligations. Reporting of Shared Responsibility indicators will be done through several channels, including ACOP. As the implementation of Shared Responsibility reporting is still on-going and in development, the Shared Responsibility section in ACOP is not yet final and may change in future ACOP cycles. For more information on Shared Responsibility, please go to <https://rspo.org/news-and-events/news/what-are-the-new-shared-responsibility-rules> or email the ACOP team at acop@rspo.org

Labour & Labour Rights

1.1 Does your company have a publicly-available policy covering Labour & Labour Rights?

Yes

1.1.1 Does the policy cover:

- No discrimination
- Wage and working conditions
- Freedom of association
- No child labour
- No harassment
- No forced or trafficked labour

Ethical Conduct & Human Rights

1.2 Does your company have a publicly-available Policy covering Ethical Conduct & Human Rights?

Yes

1.2.1 Does the policy cover:

- Recruitment
- Contractors
- Sub-Contractors & Third-Party Contractors

Land Use

1.3 Does your company have a publicly-available Policy covering Land Use?

No

Occupational Health & Safety

1.4 Does your company have a publicly-available Policy covering Occupational Health & Safety?

Yes

Climate Change & Greenhouse Gas (GHG)**1.5 Does your company have a publicly-available policy covering Climate Change & Greenhouse Gas (GHG)?**

Yes

1.5.1 Does the policy cover:

- Identification and assessment of GHG
- Monitored implementation plan to reduce or minimise GHG emissions

Complaints & Grievances**1.6 Does your company have a Complaints & Grievances Mechanism?**

Yes

1.6.1 Is your Complaints & Grievance mechanism in line with the principles of the RSPO's grievance mechanism, which are the elements of fairness, transparency, and impartiality?

Yes

Smallholders**1.7 Does your company support oil palm independent smallholder groups?**

Yes

1.7.1 Does this support cover:

- Fair and transparent dealings with Smallholders
- Improved Smallholder livelihoods

1.7.2 How is your company supporting them?

Together with the development organization Solidaridad, Henkel is addressing these challenges. It is currently engaged in seven initiatives in Colombia, Ghana, Honduras, Indonesia, Mexico, Nicaragua and Nigeria to find innovative, market-based solutions focused on increasing the yield for smallholders. The focus is on training in best practice approaches, including climate-friendly agriculture, along with exerting an influence on policy and involving stakeholders. To date, around 34,000 smallholders have been reached on some 305,000 hectares under cultivation.

Another project phase was completed with our support in West Kalimantan, Indonesia, in 2020. The project was launched in 2016 and has already provided support for a large number of smallholders on their path to certification by the RSPO. The scope of the project has now been expanded through input from Henkel and BASF. By training more than 2,000 smallholders in how to increase yields and prevent environmental damage through the right farming practices, yields have increased on average by up to 20 percent annually.

In addition, a new project was launched in Nigeria together with Solidaridad in 2020, which will involve building four nurseries for seedlings. Improved varieties will be grown in these nurseries, leading to an increase in crop yields while avoiding deforestation through new planting. The nurseries will be accompanied by training courses that teach sustainable land use practices and topics related to forest conservation. Special schools for women and young people are also being set up to promote them in agribusiness and to train them in entrepreneurial skills.

Sustainable Palm Oil Policy

1.8 Does your company have a publicly-available Policy covering the implementation of RSPO Shared Responsibility principles?

No

Waste Management

1.9 Does your company have a waste management plan?

Yes

Water Management

1.10 Does your company have a water management plan?

Yes

Energy Use

1.11 Does your company have an energy use plan covering fossil fuels and renewable energy?

Yes

RSPO Services and Support

1.12 Does your company provide services and support to the RSPO, eg. participation in RSPO Working Groups and Task Forces

Yes

Shared Responsibility Resourcing

1.13 Does your company have a plan to commit resources to ensure effective implementation of RSPO Shared Responsibility principles?

Yes

Challenges and Support

1.1 What significant obstacles or challenges has your company encountered in the promotion of certified sustainable palm oil (CSPO)? What efforts has your company taken to address these obstacles or challenges?

- Awareness of RSPO in the market
- Difficulties in the certification process
- Certification of smallholders
- Competition with non-RSPO members
- High costs in achieving or adhering to certification
- Human rights issues
- Insufficient demand for RSPO-certified palm oil
- Low usage of palm oil
- Reputation of palm oil in the market
- Reputation of RSPO in the market
- Supply issues
- Traceability issues
- No challenges faced
- Others

Others

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1.2 In addition to the actions already reported in this ACOP report, what other ways has your company supported the vision of the RSPO to transform markets to make sustainable palm oil the norm?

- Engagement with business partners or consumers on the use of CSPO
- Engagement with government agencies
- Promotion of CSPO outside of RSPO venues such as trade workshops or industry associations
- Promotion of physical CSPO
- Providing funding or support for CSPO development efforts
- Research & Development support
- Stakeholder engagement
- No actions taken
- Others

Others

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1.3 If your company has any other publicly-available reports or information regarding its palm oil-related policies and activities, please provide the links here

<https://www.henkel.com/resource/blob/1155326/fd0ed3d9b948c34945175c60be864bb9/data/2020-sustainability-report.pdf>