

Particulars

About Your Organisation

1.1 Name of your organization

Henkel AG & Co. KGaA

1.2 What is/are the primary activity(ies) or product(s) of your organization?

- Oil Palm Growers
 - Palm Oil Processors and/or Traders
 - Consumer Goods Manufacturers
 - Retailers
 - Banks and Investors
 - Social or Development Organisations (Non Governmental Organisations)
 - Environmental or Nature Conservation Organisations (Non Governmental Organisations)
 - Affiliate Members
 - Supply Chain Associate
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1.3 Membership number

4-0837-17-000-00

1.4 Membership category

Ordinary

1.5 Membership sector

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
- Own-brand-Manufacturer

Operations and Certification Progress

2.1.1 In the markets where you operate, in which do you manufacture goods with palm oil and oil palm products?

- Applies Globally

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

Yes

2.1.3 Does this system only cover your own-brand or all the brands you manufacture?

own-brand

2.1.4 In the markets where you operate, in which do you calculate how much palm oil and oil palm product there is, in the goods you manufacture?

- Applies Globally

2.2.1 Total volume of Crude and Refined Palm Oil used in the year (Tonnes)

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2.2.2 Total volume of Crude and Refined Palm Kernel Oil used in the year (Tonnes)

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2.2.3 Total volume of Palm Kernel Expeller used in the year (Tonnes)

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2.2.4 Total volume of other palm-based Derivatives and Fractions used in the year (Tonnes)

120,000

2.2.5 Total volume of all palm oil and oil palm products used in the year (Tonnes)

120,000

2.3 Volume of palm oil and oil palm products used in the year in your own brand products that are RSPO-certified (in tonnes):

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.3.1 Book & Claim	-	-	-	3,259.00
2.3.2 Mass Balance	-	-	-	62,000.00
2.3.3 Segregated	-	-	-	-
2.3.4 Identity Preserved	-	-	-	-
2.3.5 Total volume	-	-	-	65,259.00

2.4 Volume of RSPO certified sustainable palm oil and oil palm products sold to other RSPO certified companies (in tonnes)

Description	Crude and Refined Palm Oil	Crude and Refined Palm Kernel Oil	Palm Kernel Expeller	Other palm-based derivatives and fractions
2.4.1 Book & Claim	-	-	-	-
2.4.2 Mass Balance	-	-	-	-
2.4.3 Segregated	-	-	-	-
2.4.4 Identity Preserved	-	-	-	-
2.4.5 Total volume	-	-	-	-

2.5 What is the percentage of RSPO certified sustainable palm oil and oil palm products in the total volume used by your company in the following regions:

2.5.1 Africa	--
2.5.2 Australasia	--
2.5.3 China	--
2.5.4 Europe	--
2.5.5 India	--
2.5.6 North America	--
2.5.7 South America	--
2.5.8 Indonesia	--
2.5.9 Malaysia	--
2.5.10 Middle East	--
2.5.11 Rest of Asia	--

Time-Bound Plan

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

2016

Comment:

The Mass Balance model enables us to demonstrate our commitment to physical sustainable palm and palm kernel oil by enhancing the physical flow of certified materials into our value chain. In February 2017, our global supply chain organization and additionally six of our production sites located in Western Europe were audited in line with the RSPO's supply chain certification standard, which promotes the use of sustainable palm oil along the entire value chain by fostering further transparency and open dialogue.

3.2 Date expected to/or started to use any RSPO certified sustainable palm oil and oil palm products in your own brand products

2008

Comment:

Cover 100 percent of our demand with Mass Balance certified oils: All palm and palm kernel oil used in our products should be derived from sustainably cultivated sources in line with the RSPO's Mass Balance model in 2020. To date, around 50 percent of the oil and derivatives used in our products have been certified according to this model.

3.3 Date expected to be using 100% RSPO certified sustainable palm oil and oil palm products from any supply chain option in your own brand products

2020

Comment:

Cover 100 percent of our demand with Mass Balance certified oils: All palm and palm kernel oil used in our products should be derived from sustainably cultivated sources in line with the RSPO's Mass Balance model in 2020. To date, around 50 percent of the oil and derivatives used in our products have been certified according to this model.

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

2020

Comment:

Cover 100 percent of our demand with Mass Balance certified oils: All palm and palm kernel oil used in our products should be derived from sustainably cultivated sources in line with the RSPO's Mass Balance model in 2020. To date, around 50 percent of the oil and derivatives used in our products have been certified according to this model.

3.5 In which markets where you operate do these commitments cover?

Applies Globally, Germany

3.6 Does your company use RSPO certified sustainable palm oil and oil palm products in goods you manufacture on behalf of other companies?

No

3.7 Does your company have a Time-Bound Plan to only use RSPO certified sustainable palm oil and oil palm products in the goods you manufacture on behalf of other companies brands?

No

Trademark Related**4.1 Do you use or plan to use the RSPO Trademark on your own brand of products?**

No

Please explain why

Our purchase of palm oil-related materials accounts for less than 0.2 percent of the palm oil and palm kernel oil produced worldwide. The majority of this is palm kernel oil, which forms the basis of the surfactants that we use in our detergent and cosmetic products. These materials are at the end of a long and often complex supply chain: For this reason, Henkel is committed to driving progress toward achieving sustainable practices across the palm oil industry – along the value chain.

Actions for Next Reporting Period**5.1 Outline actions that you will take in the coming year to promote the use of RSPO certified sustainable palm oil and oil palm products along the supply chain**

1. Cover 100 percent of our demand with Mass Balance certified oils: All palm and palm kernel oil used in our products should be derived from sustainably cultivated sources in line with the RSPO's Mass Balance model in 2020. To date, around 50 percent of the oil and derivatives used in our products have been certified according to this model.

2. Establish full traceability of palm oil and palm kernel oil used in our products: We aim to be able to trace the palm oil, palm kernel oil and derivatives we buy to known sources – first to the mill then to the plantation - by 2020, to be sure that they are indeed from sustainably managed resources. In pilot projects we conducted together with partners in 2016, we achieved a traceability rate of 60 percent.

3. Increase the supply of sustainable palm oil and palm kernel oil by a volume equal to Henkel's demand: We aim to increase the availability of sustainable palm oil and palm kernel oil on the market through collaborative projects that enable small farmers to certify their crops as sustainable, increase productivity and improve their livelihoods. By September 2016, we had already confirmed partnerships that increased the supply of sustainable palm oil and palm kernel oil on the global market by a volume equal to our total expected demand for these materials in 2016 – with more projects planned.

Reasons for Non-Disclosure of Information**6.1 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

7.1 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
 - Uploaded file: [M-Policies-to-PNC-waterland.pdf](#)
 - For administration purpose, attachment files are renamed automatically
 - Related link: <http://www.henkel.com/sustainability/strategy>
- Land Use Rights
 - Uploaded file: [M-Policies-to-PNC-landuseright.pdf](#)
 - For administration purpose, attachment files are renamed automatically
 - Related link: <http://www.henkel.com/sustainability/strategy>
- Ethical conduct and human rights
 - Uploaded file: [M-Policies-to-PNC-ethicalconducthr.pdf](#)
 - For administration purpose, attachment files are renamed automatically
 - Related link: <http://www.henkel.com/sustainability/strategy>
- Labour rights
 - Uploaded file: [M-Policies-to-PNC-laborrights.pdf](#)
 - For administration purpose, attachment files are renamed automatically
 - Related link: <http://www.henkel.com/sustainability/strategy>
- Stakeholder engagement
 - Uploaded file: [M-Policies-to-PNC-stakeholderengagement.pdf](#)
 - For administration purpose, attachment files are renamed automatically
 - Related link: <http://www.henkel.com/sustainability/strategy>
- None of the above

7.2 What best practice guidelines or information has your organization provided in the past year to facilitate the uptake of RSPO certified guidelines available in?

3. Increase the supply of sustainable palm oil and palm kernel oil by a volume equal to Henkel's demand: We aim to increase the availability of sustainable palm oil that enable small farmers to certify their crops as sustainable, increase productivity and improve their livelihoods. By September 2016, we had already increased the supply of palm kernel oil on the global market by a volume equal to our total expected demand for these materials in 2016 – with more projects planned.

<http://www.henkel.com/blob/739776/ea223436c05ffbdce4c495fdcd53c05a/data/2016-sustainability-report.pdf>

Uploaded files: [M-Practice-Guidelines](#)

Related Link: <http://www.henkel.com/sustainability/strategy>

GHG Emissions**8.1 Are you currently assessing the GHG emissions from your operations?**

Yes

Report file: [M-GHG-Emissions-Report.pdf](#)

Related link:

<http://www.henkel.com/blob/739776/ea223436c05ffbdce4c495fdcd53c05a/data/2016-sustainability-report.pdf>

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

Yes

Report file: [M-Public-GHG-Report.pdf](#)

Related link:

<http://www.henkel.com/blob/739776/ea223436c05ffbdce4c495fdcd53c05a/data/2016-sustainability-report.pdf>

Support for Smallholders

9.1 Are you currently supporting any independent smallholder groups?

Yes

Together with our partners Solidaridad and BASF we are working on making palm oil production in West Kalimantan, Indonesia more sustainable. In March 2017 Solidaridad opened a new office there together with the credit union Keling Kumang Group. Thanks to this cooperation, our partners can train palm oil smallholders in sustainable farming techniques and support them to improve their incomes.

Together with Solidaridad Henkel supports small-scale palm oil farmers also in other regions to produce according to sustainable farm management practices and move towards production in line with the international palm certification principles and criteria of the Round Table on Sustainable Palm Oil (RSPO). Within these joint projects farmers are trained in financial skills and good agricultural practices. Farmers and their families can thus improve their yields and their livelihoods, which also indirectly helps preserve forests.

Milestone reached in promoting sustainable palm oil production

Helping smallholder farmers and preserving forests

Henkel has agreed three additional partnerships to support plantations and smallholders in adopting sustainable palm-growing practices and improving their livelihoods. The partnerships in Indonesia, Mexico and Nigeria complement existing projects in Honduras and Indonesia, and represent an important step forward: Together, the five projects across four countries on three continents are expected to increase the global supply of sustainable palm oil by a volume equal to Henkel's demand.

The new partnerships support Henkel's commitment to going beyond buying certified palm oil. The company is entering into increasing numbers of projects that directly support the farmers who grow the oil palm fruit on small farms around the world. These activities pay into Henkel's strong commitment to sustainable palm oil: By 2020, the company aims to achieve zero net deforestation within its supply chain, ensure that all palm and palm kernel oil it purchases is cultivated sustainably, and increase the supply of sustainable oil available on the market by a volume equal to Henkel's demand in 2020. Henkel has already made substantial progress toward this ambition with the successful completion of a smallholder program in Honduras. The three-year program, completed in June 2016, increased yields by 25 percent and produced 500,000 tons of palm oil and palm kernel oil. The latest agreements mark a significant milestone, as Henkel has now identified and confirmed partnerships that will increase the supply of sustainable palm oil available on the global market by a volume equal to its total expected palm oil demand in 2016.

Direct training and support for smallholders

Small farms produce around 40 percent of the world's palm oil, but productivity on independent farms is estimated to be 40 percent lower than the average large farm. Henkel's approach empowers smallholder farmers to increase productivity on their plantations, preserve the forests and improve living conditions for people in the farming community. The programs supported by Henkel provide training in sustainable farming methods, efficient farm management, health and safety, and environmental and social impact management. Farmers are also shown how to make sure their produce complies with sustainable palm oil certification criteria, such as those from the Roundtable on Sustainable Palm Oil (RSPO). Smallholders also learn ways of improving palm fruit yields, which enables them to increase the amount of sustainable palm oil available on the market without the need to increase the amount of land used to grow the crop – and also raises the farmers' incomes.

Collaboration along the entire value chain

"We aim to change the entire market so that only sustainably produced palm and palm kernel oil is available in the future," says Kathrin Menges, Executive Vice President Human Resources and Chair of the Sustainability Council at Henkel. "Our collaborations for palm oil smallholders worldwide are central to this transformation, and reaching this landmark is an important indicator of our commitment to sustainable practices along the entire value chain. At Henkel, we believe it will only be possible to find solutions for sustainable palm oil products by working with partners from across industries around the world – and including smallholders in this transformation process."

Henkel cooperates with a range of partners to support its activities, including the international development organization Solidaridad. "It is of great importance that companies using palm oil products take responsibility beyond just buying certified sustainable palm oil," said Marieke Leegwater, program manager palm oil at Solidaridad. "Henkel's approach contributes to building inclusive and sustainable chains, and is expected to make a significant contribution to improve the livelihoods of independent oil palm farmers in some of the world's poorest regions."

Smallholder project in Honduras

One example of Henkel's approach in action is a program launched together with the World Wide Fund for Nature (WWF), SNV Netherlands Development Organization and the Proforest Initiative in Honduras. The ambitious program aimed at improving the

livelihoods of 17,500 small farmers and workers, and spanned 100,000 hectares across 80 percent of Honduras' palm oil cropland. By the time the three-year project was completed in June 2016, the farmers and companies participating in the project had increased their yields by 25 percent and produced 500,000 tons of palm oil and palm kernel oil – and the volume produced per year is the equivalent of more than half of Henkel's expected demand in 2016.

More information can be found at www.henkel.com/palm-oil

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?

High volatility for certified sustainable palm kernel oil in 2016, tightened market. Retailers and brand owners have set timelines for physical market transformation, we expect further expanding demand in 2017.

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

We work in close collaboration with all partners across the entire value chain and are a co-founder of the German Forum on sustainable palmoil as well as active member of the Consumer Goods Forum WG.

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

- No files were uploaded

Link: <http://www.henkel.com/press-and-media/press-releases-and-kits/2016-08-31-helping-smallholder-farmers-and-preserving-forests/706870>
