

Press Release

February 22, 2018

Henkel publishes 2017 Sustainability Report

Henkel delivers strong sustainability performance in 2017

- Sustainability performance improved once more
- More than 50,000 employees serving as sustainability ambassadors
- Partnership launched to stop ocean plastic
- Leading positions in international indices and ratings

Düsseldorf – "In 2017, we made clear progress in implementing our sustainability strategy and reaching our sustainability targets. We are proud of the fact that many international rating agencies have recognized our achievements with excellent ratings and have acknowledged Henkel as one of the world's leading companies in the area of sustainability," said Kathrin Menges, Executive Vice President Human Resources and Chair of Henkel's Sustainability Council.

Creating sustainable value

Henkel wants to create sustainable value – for its customers, employees, shareholders and society. At the same time, it plans to triple its efficiency by 2030. In the 2017 fiscal year, the company once again made real progress towards achieving its medium-term targets for 2020 (compared to the base year 2010):

- Energy consumption and CO₂ emissions (per ton of product) were reduced by 24 percent.
- Waste volumes (per ton of product) shrank by 32 percent.
- Water consumption (per ton of product) was lowered by 24 percent.

LOCTITE TECHNOMELT TEROSON Schwarzkopf Dig Syoss Persil 🕖 Purex

- Occupational safety (per million hours worked) was improved by 17 percent.
- Net sales (per ton of product) increased by 5 percent.
- Overall, Henkel was able to improve the relationship between value created and environmental footprint by 43 percent compared to the base year 2010.
 By 2020, the company plans to increase its resource efficiency by 75 percent.

In light of the Paris Climate Agreement and the commitment made by the international community to limit global warming to significantly less than two degrees Celsius, Henkel is committed to making an active contribution to climate protection. To achieve this, the company is focusing on reducing the carbon footprint of its entire production by 75 percent by 2030. Henkel also strives to source 100 percent of the electricity for its production from renewable sources by 2030. Its interim target for this goal is to achieve 50 percent coverage by 2020. Henkel follows the long-term vision of becoming a climate-positive company.

More than 50,000 employees trained as sustainability ambassadors

"We mainly have our employees' immense dedication to thank for the progress we made in 2017," said Kathrin Menges. "Since 2012, we have trained more than 50,000 employees as sustainability ambassadors – which makes this program one of Henkel's largest further education initiatives to date. We don't simply want to pass on knowledge about sustainability to our employees. We also want to encourage them to share that knowledge with their colleagues, suppliers, customers and even school children in order to make a social contribution. That is an important step towards giving the topic of sustainability an even greater role to play in the day-to-day activities of every single employee."

Partnerships for more sustainability

In addition to its employees, Henkel also gets its partners throughout the value chain involved. For example, the company works together with Plastic Bank, a social enterprise aiming to stop ocean plastic and provide opportunities for people in poverty. At collection stations like the one in Haiti, local communities can turn in the plastic waste that they have collected and exchange it for money, donations in kind

or social services. This plastic is then processed for reuse as a recycled material to support the circular economy.

Leading position confirmed in indices and ratings

Henkel's sustainable business practices and efforts have also impressed independent sustainability experts, rating agencies and capital markets: Henkel is listed as industry group leader in the "Household and Personal Products" category in the Dow Jones Sustainability Indices, both World and Europe. Henkel also features in the following sustainability indices:

- ECPI Indices,
- Ethibel Sustainability Indices,
- Euronext Vigeo Eiris Sustainability Indices,
- FTSE4Good ethical index for the 17th consecutive year,
- Global Challenges Index,
- MSCI ESG Leaders and SRI Indices,
- STOXX Global ESG Leaders Indices.

In the ratings of Oekom Research and Sustainalytics, Henkel was recognized as the leading company in its industry.

More information on sustainability at Henkel is available at www.henkel.com/sustainability

About Henkel

Henkel operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market – across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Founded in 1876, Henkel looks back on more than 140 years of success. In 2017, Henkel reported sales of 20 billion euros and adjusted operating profit of around 3.5 billion euros. Combined sales of the respective top brands of the three business units – Loctite, Schwarzkopf and Persil – amounted to 6.4 billion euros. Henkel employs more than 53,000 people globally – a passionate and highly diverse team, united by a strong company culture, a common purpose to create sustainable value, and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel's preferred shares are listed in the German stock index DAX. For more information, please visit <u>www.henkel.com</u>.

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