

Press release

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Fostering a sustainable palm oil value chain

Smallholder program in Honduras reached 17,500 small farmers and workers

Sustainable farming methods, efficient production and high standards in occupational health and safety are important criteria which sustainable palm oil plantations need to fulfill. Since 2013, Henkel and the international development organization Solidaridad have been supporting 17,500 small farmers and workers in Honduras with a three-year training program to comply with the criteria for certification. By October 2015, in total 500,000 tons of palm oil and palm kernel oil were produced by farmers and companies participating in the project – and their yields increased by more than 25 percent.

Direct training and support for smallholders

The goal of the program carried out by Solidaridad in cooperation with partners WWF, Proforest and SNV was to improve livelihoods of workers, farmers and their families and to build up sustainable palm oil supply chains for both palm oil and palm kernel oil that can be certified according to the criteria of the Roundtable on Sustainable Palm Oil (RSPO). The smallholders reached by the program received direct training and support on best cultural practices, improved farm management, health and safety topics as well as environmental and social impact management. With the project spanning across an area of 100,000 hectares, it has supported introducing sustainable practices in 80 percent of Honduras' palm oil cropland. It is one of the first projects that covered such a large share of the palm oil production area in one country.

Increasing the supply of sustainable oil

Henkel was the first consumer goods manufacturer to join and support the smallholder program started by eight Honduran companies and Solidaridad, the lead project coordinator. "We want to increase the supply of sustainable oil available on the market equivalent to our demand in 2020. To achieve this, we focus on supporting small farmers in the palm-growing countries. With the successful completion of the smallholder program in Honduras, we have already made substantial progress towards this ambition," says Kathrin Menges, Executive Vice President Human Resources and Chair of Henkel's Sustainability Council. "In addition to increasing the volume of palm oil produced by sustainably managed plantations, smallholder projects like this are also an opportunity to improve the livelihoods of the farmers and their families, increase the

productivity of their plantations and thus produce additional palm oil without the conversion of new land.”

“We are delighted with the support Henkel has given to this program. The project has allowed Solidaridad and its partners to work with ten palm oil mills in Honduras and their supplying smallholders to improve their practices and lay the foundations for their RSPO certification. Henkel understands that the only way we can create a truly sustainable supply chain is when companies support improvements on the ground and help to include smallholders and workers in this process,” says Michaelyn Baur, Regional Director Central America, Mexico & Caribbean at Solidaridad.

Driving physical progress in the palm and palm kernel oil value chain

Henkel has actively participated in the RSPO since 2003 and became an official member in 2008. The company wants to promote sustainable farming practices, improve the livelihoods of people involved in the palm oil supply chain and is committed to zero net deforestation by 2020. This means that the palm and palm kernel oil that Henkel uses should not contribute to deforestation of primary or secondary forests of significant ecological value. By converting to Mass Balance certified palm and palm kernel oil, improving traceability as well as supporting plantations and smallholders – such as the Solidaridad project in Honduras – Henkel focuses on driving physical progress in the palm and palm kernel oil value chain.

More information can be found at <http://www.henkel.com/sustainability/dialog-and-contacts/positions/palm-oil>.

About Henkel

Henkel operates worldwide with leading brands and technologies in three business units: Laundry & Home Care, Beauty Care and Adhesive Technologies. Founded in 1876, Henkel holds globally leading market positions, both in the consumer and in the industrial businesses, with well-known brands such as Persil, Schwarzkopf and Loctite. Henkel employs about 50,000 people and reported sales of 18.1 billion euros and adjusted operating profit of 2.9 billion euros in fiscal 2015. Henkel's preferred shares are listed in the German stock index DAX.

About Solidaridad

Solidaridad envisions a world in which all we produce, and all we consume, can sustain us while respecting the planet, each other and the next generations. The mission of Solidaridad is to bring together supply chain players and engage them with innovative solutions to improve production, ensuring the transition to a sustainable and inclusive economy that maximizes the benefit for all.

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

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