

## Press Release

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Milestone reached in promoting sustainable palm oil production

### Helping smallholder farmers and preserving forests

Duesseldorf – 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](http://www.henkel.com/palm-oil)

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.

**Photo material is available at <http://www.henkel.com/press>**

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