



# A CORPORATE PERSPECTIVE ON SUSTAINABLE PALM OIL

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The sustainable  
palm oil choice

Henkel

# LEADING POSITIONS IN INDUSTRIAL & CONSUMER BUSINESSES



ADHESIVE TECHNOLOGIES



BEAUTY CARE



LAUNDRY & HOME CARE

**LOCTITE**

**TECHNOMELT**

**BONDERITE**

Schwarzkopf

**Dial**

syoss

**Persil**

**all**

**Bref**

**Henkel**

# WHO WE ARE – A GLOBAL PLAYER



User of **PKO-derivatives** for Detergents/Surfactants in **Consumer Brands**

ROCKY HILL,  
CONNECTICUT, USA  
REGIONAL CENTER

STAMFORD  
CONNECTICUT, USA  
REGIONAL CENTER

DÜSSELDORF,  
GERMANY  
GLOBAL HEADQUARTERS

VIENNA,  
AUSTRIA  
REGIONAL CENTER

SHANGHAI,  
CHINA  
REGIONAL CENTER

DUBAI, UNITED  
ARAB EMIRATES  
REGIONAL CENTER

MEXICO CITY,  
MEXICO  
REGIONAL CENTER

SÃO PAULO,  
BRAZIL  
REGIONAL CENTER



# GROWING EXTERNAL DEMAND FOR ASSURANCE

➤ High risk related to **reputational losses** as a result of potential **deforestation** linkages



Customer/supplier  
specific mill lists &  
traceability back to  
plantation



Increasing **investor**  
**pressure** to accelerate  
sustainable palm  
agenda

Assurance towards  
customers by  
providing **RSPO SC**  
**certification** of  
respective  
productions sites



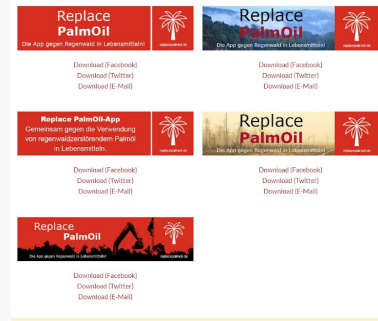
Expectation that a  
**roadmap** towards  
**Segregated** is shared



# REPLACE PALM OIL APP: INFLUENCING CUSTOMERS




- App for customers to tell companies to **refuse products with palm oil**/products linked to **deforestation**
- Customers influenced (negatively) regarding the usage of palm oil



## How it works:

- Download the **free Replace PalmOil** app to your phone or go to the app website.
- **Scan the food barcode** or enter the number under the barcode.
- Customer's opinion is passed on to the manufacturer or supplier of the food: the more news the companies get, the better..

- 
- Example of app demonstrates further dialog needed to better inform that replacing palm oil is not a sustainable option
  - Important to create awareness among customers





# OUR PALM STRATEGY 2025

## PALM STRATEGY 2025

### COMPLIANCE & CERTIFICATION

#### 100% responsibly sourced & externally assured

- Derivatives: RSPO MB certified by 2023 or externally assured
- RSPO SG certified where feasible
- Enforced policies ensuring NDPE compliance
- Supplier capacity building

### TRANSPARENCY & TRACEABILITY

#### 100% transparency & traceability

- Supply Chain mapping resulting in mandatory publication of mills
- Risk-based sourcing
- Technology-led initiatives



### SOCIAL IMPACT & NATURE CONSERVATION

#### Improved smallholder livelihoods and nature restoration

- Link physical flow of smallholder supply into Henkel supply chain
- Climate-smart agriculture
- Biodiversity impact
- Digital farming solutions



### NO DEFORESTATION & RESPECTING HUMAN RIGHTS

### SUPPORTING LIVELIHOODS

## PARTNERSHIPS FOR TRANSFORMATION



ASD  
ACTION FOR SUSTAINABLE DERIVATIVES

**Solidaridad**

**Henkel**

# ACTION FOR SUSTAINABLE DERIVATIVES



transitions

A collaborative organization  
facilitating the production and sharing of information,  
data and solutions  
to accelerate transformation of the overall sector

A shared objective & ambition:  
A palm derivatives supply chain that upholds  
NDPE principles, respects human rights &  
support local livelihoods



➤ Henkel joined industry initiative ASD as founding member



# SMALLHOLDERS

➤ Seven projects implemented up to 2020

## 100%

Increase in sustainable palm oil equal to Henkel's demand

Focus on:

- **Climate smart agricultural** practices
- **Social** inclusion
- Replanting and **nature conservation**

- 30,000 **smallholders** supported ✓
- 300 **hectares** under sustainable agricultural practices ✓
- > 100,000 **tons** sustainable palm ✓
- Up to 50% **yield** increase ✓



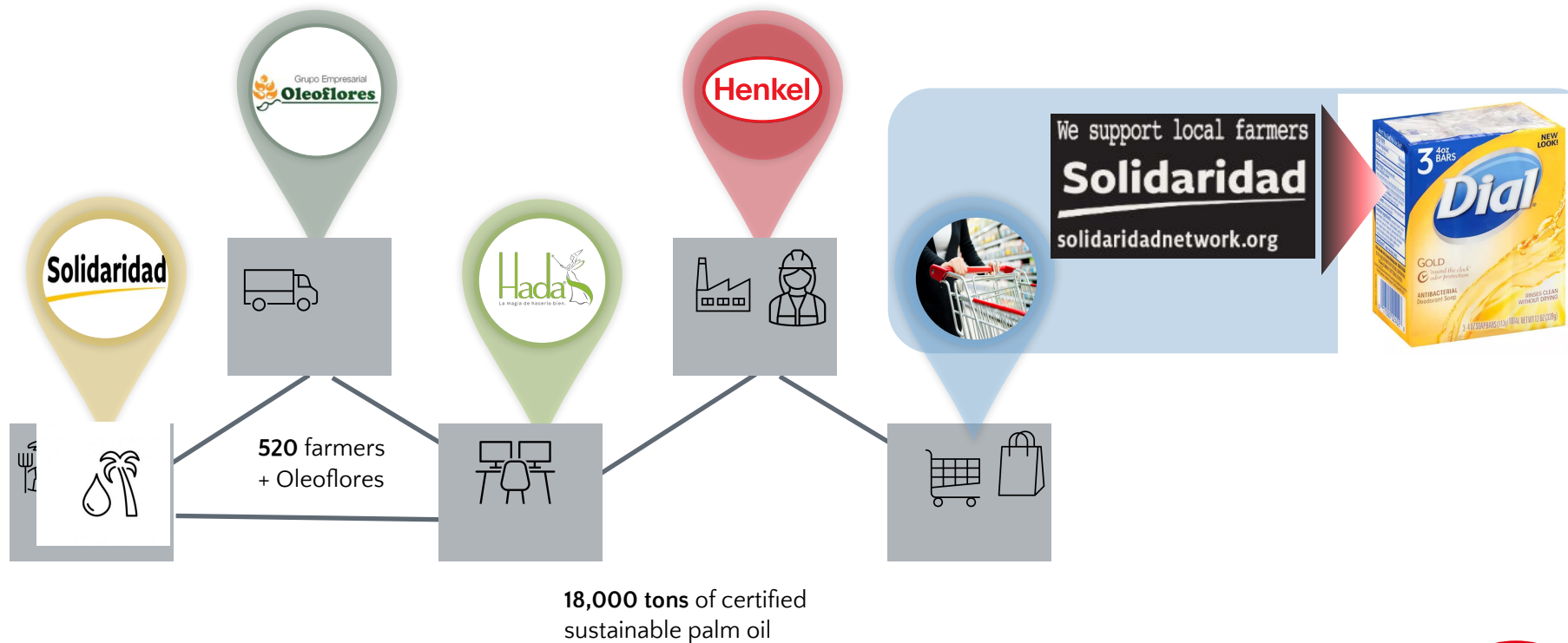
Partnership started in 2012

**Solidaridad**



# EXAMPLE COLOMBIA FARM2BAR

## FIRST PHYSICAL FLOW PROJECT INTO SC



# WHAT IMPROVEMENT NEEDS EXIST

19.3%

Certified  
by RSPO

14.8 million  
tonnes

Main Reasons:

- Market shortages
- Price development vegetable oils



## CHALLENGES

### *Switch from Transparency to Traceability*

- especially with the PKO different upstream production traceability features

### *Proactive HCS/HCV areas preservation*

- from responsive (grievances) to proactive areas preservation

### *Uptake of Certified Palm Oil*

- stagnation of the RSPO certified volumes of the global market for the last few years

### *Derivative sector facing inherent limitations*

- created by trading and spot market, dilution of volumes, diffuse supply chain and ingredients portfolio.

# OPTIONS & ALTERNATIVES



Strengthening of RSPO through stakeholder engagement



- RSPO **resolution to make MB scheme** more robust
- Upcoming directive will create additional push for **Human Rights and Climate preservation** features
- RSPO needs to **incorporate new requirements** to overcome barriers to EU market entry



Alternatives ensuring Due Diligence obligations



- Leveraging technology, e.g. satellites
- **On-the-ground investments** with proven measurable improvement and NDPE compliance
- Indonesia **nucleus estate and smallholder**: local implementation needs to accelerate



Further research in alternative feedstocks such agricultural waste streams or biotechnology



- Research in **alternative feedstocks** to reduce pressure on palm