



SOCIAL STANDARDS



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Foreword

The aim of the Henkel Social Standards is to define the ethical and social values we respect and our commitment to uphold human rights for our employees, customers, suppliers, investors and the communities in which we operate. These derive from our key corporate value: “We value, challenge and reward our people”. The Standards apply to Henkel’s business operations worldwide and are supplemented according to local legal requirements in order to legally safeguard their applicability.

Henkel supports the United Nations’ Universal Declaration of Human Rights and a number of globally recognized declarations for multinational enterprises. The promotion of these Social Standards internally and throughout all of Henkel’s business locations constitutes a natural extension of our Vision and Values, our Code of Conduct, our Purchasing Standards and our SHE Standards. These too are in force and enforced at all Henkel locations and apply to

Henkel’s business operations worldwide. Together, these Codes and Standards form the basis for the implementation of the United Nations Global Compact initiative to which Henkel committed in 2003.

In these Social Standards, Henkel has integrated central requirements derived from different public standards, e.g. the United Nations Global Compact, the OECD (Organization for Economic Cooperation and Development) Guidelines for Multinational Enterprises as well as the expectations set out in the United Nations Guiding Principles on Business and Human Rights etc. The Social Standards build on the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and the International Labour Organization (ILO) Conventions regarding Forced Labour (No. 29) and its Protocol, Freedom of Association and Protection of the Right to Organise (No. 87), Right to Organise and Collective Bargaining (No. 98),

Equal Remuneration (No. 100), Abolition of Forced Labour (No. 105), Discrimination (Employment and Occupation) (No. 111), Minimum Age (No. 138), Occupational Safety and Health (No. 155), Worst Forms of Child Labour (No. 182) and Promotional Framework for Occupational Safety and Health (No. 187).

Henkel is committed to strict adherence to international labor standards as a minimum, and local statutes where these are more stringent. Henkel uses these Standards as a framework for decision-making and constructive engagement within its sphere of influence, while respecting local legal requirements as well as the responsibility of governments to protect human rights.

Henkel Management Board
August 2023

Note:

This document was prepared and distributed electronically and is therefore valid without signature!

1. Implementation Procedure

- These principles are binding for Henkel's business operations worldwide and have to be supplemented by local legal requirements in order to legally safeguard their applicability.
- Management has to take appropriate measures to implement these principles and fulfill their responsibilities accordingly to ensure compliance.
- Henkel's employees are to be made aware of these principles in an appropriate form and have access to the Corporate Standards.
- External hotlines have been set up, through which employees and stakeholders, as well as all persons who are affected by Henkel's economic activities (e. g. customers, suppliers, providers or other affected parties) can (also anonymously) report possible misconduct. This is in particular but not limited to major infringements of our Codes and Standards. They should also be used where incidents cannot be cleared up directly with the employee concerned or a supervisor. The hotlines are run by independent companies.

- Non-retaliation policy fully applies as per Henkel's [Code of Conduct](#).
- In addition, the managers and specialists in the Human Resources department or the Corporate Compliance Office may provide advice in cases of doubt.
- Corporate Internal Audit includes these principles in its audit criteria for the assessments of Social Standards.

2. Working Hours, Wages and Leave Conditions

Goal

To respect the rights and entitlements of employees and provide fair working conditions.

Requirements

Henkel respects the right to rest and recuperation and provides its employees with fair compensation and benefits.

- The maximum work time of a normal work week must usually not exceed 48 hours, unless otherwise permissible by law. Exceptions to this rule apply only where both

of the following conditions exist: (I) National law allows work time exceeding this limit; and (II) a freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods. All overtime work undertaken must not exceed 12 hours per week. At least one day off must be granted per seven-day working period.

- Remuneration and benefits are to be offered taking into account local standards and practice. All employees must receive an adequate living wage¹. Compensation shall be reviewed on a regular basis, and considering job performance in a non-discriminatory manner.
- Remuneration must be paid as agreed and without undue delay. Deductions from remuneration must be clearly stated.
- Adequate vacation entitlement must be provided, and parental leave should be offered, taking into account local statutory requirements for both.

¹ As the term is defined in the German Act of Corporate Due Diligence in Supply Chains

3. Prevention of Discrimination and Harassment

Goal

Zero tolerance of discrimination and harassment.

Requirements

Equal treatment of its employees is a fundamental principle of Henkel's corporate policy.

- Any form of discrimination, bullying, or harassment must not be tolerated, relating to, but not limited to, race, ethnicity, color, gender, sexual orientation, gender identity, religion, political affiliation, trade union membership, disability, nationality, social origin or age.
- Discrimination based on the above criteria in hiring, remuneration, access to training, promotion, termination or retirement is unacceptable. HR processes that ensure the absence of such unequal treatment must be in place and appropriately documented.

4. Prevention of Child Labor, Forced Labor and Slavery

Goal

Zero tolerance of child labor, forced labor and slavery.

Requirements

Henkel follows a clear "zero tolerance for child labor and forced labor" policy worldwide.

- Employment of children under 15 years of age ("child") must not be accepted.
- A young worker is over the age of a child, as defined above, and under the age of 18. Exceptions to this definition apply only where applicable law provides for stricter regulations. Where young workers fall under compulsory education laws, they may work only outside of school hours.
- Any young worker's school, work and transportation time must not exceed a combined total of 10 hours per day and in no case must young workers work more than 8 hours a day. They may not work during night hours.
- Young workers must not be engaged in hazardous work which by its nature or type has or leads to adverse effects on the young workers' safety, health and moral development. Details on occupational health and safety are covered in the [SHE Standards](#).

- Any form of forced labor and slavery must not be tolerated. Extraction of labor from any person under the threat of any penalty and for which the said person has not offered himself voluntarily will not be tolerated.

5. Prevention of Conflicts of Interest and Corruption

Goal

To ensure fair business relationships, prevent conflicts of interest and combat corruption.

Requirements

Details are specified in Henkel's [Code of Conduct](#).

6. Freedom of Association and Collective Bargaining

Goal

To respect the rights of employees and freedom of association.

Requirements

Henkel is committed to an open and constructive dialogue with its employees and their representatives. Employees are free to join organizations of their choice to represent them. At locations where there are no representatives, or the employees' right to elect employee representatives is restricted by law, Henkel ensures an appropriate social dialogue between employees and management.

- Local regulations and statutes notwithstanding, the rights of employees to be represented by freely elected employee representatives must be respected.
- The right to collective bargaining must be respected and exercise thereof must not result in any sanctioning of employees.
- Elected employee representatives must be provided with necessary information and facilities, and must have adequate access to their clients.
- Employee representatives must not be subjected to discrimination.

7. Health and Safety

Goal

To ensure the health and safety of employees, contractors and visitors.

Requirements

Details are specified in Henkel's [SHE Standards](#).

8. Social Impacts and Assessment

Goal

To identify, analyze and assess relevant social impacts – including deleterious effects on human rights and basic employee rights, and also cases of corruption – and ensure that, where necessary, appropriate measures for remediation are duly initiated. This is to ensure, that all human rights, including those of local communities, are respected by all of Henkel's business operations worldwide.

Requirements

Henkel is responsible for identifying and assessing the social impacts of its business decisions.

- Activities, products and processes that have or can have significant adverse social impacts must be identified and assessed, including for any potential human rights risks. In the event of changes in material circumstances, such assessments must be appropriately reviewed.
- When appraising new operations or new projects, potential human rights risks must be included within the associated risk assessments and taken into account in relevant decision-making procedures. Henkel respects local, national, and international land, water and resource rights, including those of indigenous communities.
- Indications of impact must be documented and made available to the relevant decision-makers to avoid or minimize impairment.

9. Suppliers and Providers

Goal

To ensure that our standards are made transparent to our suppliers and providers for them to meet our ethical expectations.

Requirements

Details are specified in Henkel's [Responsible Sourcing Policy](#) and the [Code of Conduct](#) of the German Association of Materials Management, Purchasing, and Logistics (BME).

Note:

These “Henkel Social Standards” represent fundamental principles to which Henkel commits. This document shall however not be misinterpreted as providing an independent basis for assertion of contractual rights against Henkel.

Published by:

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