

Stakeholder dialogue

Why an open dialogue is important for us

Basis for strategy and reporting

Viable solutions for sustainability can only be developed through a dialogue with all social groups – at the local, regional and international levels. We therefore continuously seek a dialogue with all stakeholders, including customers, consumers, suppliers, employees, shareholders, local communities, government authorities, associations, non-governmental organizations, and academia.

This dialogue shows us which aspects of sustainable development are of particular interest to individual stakeholder groups. The earlier and the more intensively we engage with the views of our stakeholders regarding future social challenges, the better and the more quickly we will be able to take these into account in our actions.

We have systematically integrated our stakeholder dialogue into all functions and business sectors.



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Carsten Tilger
Member of the Henkel Sustainability Council for Corporate Communications.

The complete interview with Carsten Tilger:



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“The variety of topics that interest our stakeholders and the information they request is constantly growing. Choosing the appropriate communication channels and suitable forms of presentation for each specific target group is therefore becoming more and more important. In all cases, we consider it essential to communicate in a way that is open, consistent and authentic. Only then can the complex topic of sustainability be communicated in a credible manner.”

This open exchange offers a basis for mutual understanding and an opportunity to attain social acceptance of our entrepreneurial actions. Furthermore, it is a source of new ideas for the company and allows us to identify potential risks that may be associated with our actions at an early stage. The stakeholder dialogue thus makes an important contribution to our innovation management and risk management and forms the basis for the further development of our sustainability strategy and our sustainability reporting.

Integrated dialogue

Although the issues associated with sustainability are global, regional priorities and perspectives differ widely. We have therefore integrated our dialogue with stakeholders into our business sectors, functions, and regions. In this way, we ensure that

local and regional challenges are discussed by the appropriate experts in our company and the stakeholder groups involved. We develop strategies and solutions at the very place where they will be assessed and put into practice.

The instruments, themes, duration and intensity of the dialogue are aligned to the individual stakeholder groups and their specific issues. In 2010, Henkel employees took part in more than 120 sustainability events in 25 countries.

Strengthening awareness of sustainability

The daily conduct of our approximately 48,000 employees plays a key role in ensuring that sustainability does not remain merely an abstract intention. Only if all employees know and understand the principles of sustainability will they become a guideline to behavior and decision-making in day-to-day work. It is for this reason that, in the course of the Vision and Values workshops conducted in 2010, all Henkel employees defined what our “sustainability” corporate value means for them, for their team, and for Henkel, see **SR** Page 30.

Furthermore, through regular communication – such as in employee newspapers or various training programs – we point out the diverse areas where sustainability can provide inspiration in each employee's own job. Work modules on sustainability are also an inherent part of our vocational and advanced training programs. In cross-functional workshops on specific topics – such as logistics, packaging or purchasing – our employees not only create a shared knowledge base, but ensure that the solutions developed take into account all aspects of sustainable development.

The employees themselves also initiate projects worldwide designed to intensify the awareness of their co-workers and of external stakeholders. In Brazil, for example, a fashion show entitled “Trash to Fashion” is organized annually to draw attention to the topics of waste and recycling.

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In June 2010, the Board of Trustees of the Global Institute of Sustainability of Arizona State University, USA, convened at Henkel in Düsseldorf. Experts from industry, trade, academia, and the political scene shared their views on the meeting's topic of "Sustainability is a Global Enterprise."



A delegation from the Chinese Ministry of Trade visited Henkel in Düsseldorf in September 2010 to exchange information regarding the efficient use of energy, methods of reducing carbon dioxide emissions, and socially responsible business practices.



In December, Antonio Tajani (second from right), the European Commissioner for Industry and Entrepreneurship, spoke with Chief Financial Officer Dr. Lothar Steinebach (third from right) and the designated Executive Vice President Laundry & Home Care, Bruno Piacenza (right), about sustainability and the impact of various aspects of planned legislation on Henkel's daily business.

Dialogue with international experts

Exchanges with international sustainability experts help us to align our activities to sustainable development. In 2010, too, Henkel representatives in many countries participated in a dialogue with experts from the realms of politics, business and academia (see photos above).

Participation in international initiatives

On both national and international levels, Henkel participates in a wide variety of projects, topical initiatives, and symposia, to make active contributions in the shared task of shaping sustainable development. This also includes engagement in industrial associations and policy-making workgroups. For example, Henkel supports the initiative "Code of Responsible Conduct for Business" in Germany. www.henkel.com/sr2010 | 53

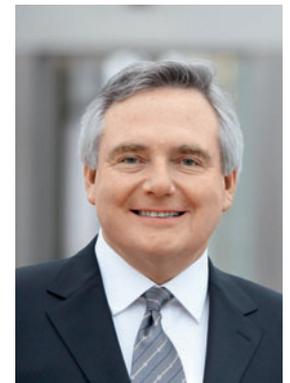
Policy decisions require expert input by all stakeholders if fair, responsible and balanced solutions are to be found. To provide clear guidelines for our involvement in policy-making workgroups, we introduced our "Representation of Interests in Public Affairs" standard in 2010, see **SR** Page 6. Furthermore, Henkel has been listed in the Transparency Register of the European Union since 2010. www.henkel.com/sr2010 | 54

Education for sustainable development

Henkel places great importance on reaching out beyond its own direct sphere of influence when

"In the course of political decision-making processes, politicians and regulators often seek the expertise of companies – above all to ensure that the planned legislation can be implemented in practice and that the desired steering effects can indeed be achieved. This exchange gives us an opportunity to communicate our own interests and experiences. The basic prerequisite is that the dialogue must be open and transparent."

addressing sustainability issues. We therefore again initiated a large number of projects and actions in 2010, especially centering around the topic of "education for sustainable development." These included a workshop with students at Bocconi University in Milan, Italy, on "Building a Vision for Sustainable Consumption in 2050." In Germany, Italy and India, Henkel has been holding nationwide school competitions for years. In 2010, for example, Henkel again presented the Henkel Enviro Care Award in India for students participating in the Henkel EcoPetition on the topic of reducing and reusing resources in our daily lives. www.henkel.com/sr2010 | 56



Dr. Peter Florenz
Member of the Henkel Sustainability Council for Governmental Relations.

The complete interview with Dr. Peter Florenz:

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