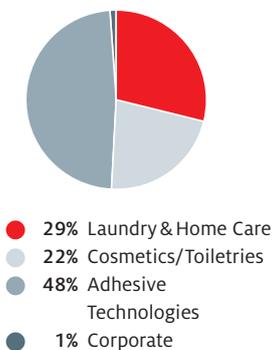


## Henkel worldwide What we do

- With production sites in **57 countries**, we promote economic and technological development as a local employer, purchaser and investor.
- The **approximately 48,000 employees** in our global team assume responsibility within their spheres of influence – in the company and in society.
- **Worldwide**, our brands and technologies make a major contribution to society in our five focal areas.



Sales by business sector



Corporate = sales and services not attributable to the business sectors.

### Development of our businesses

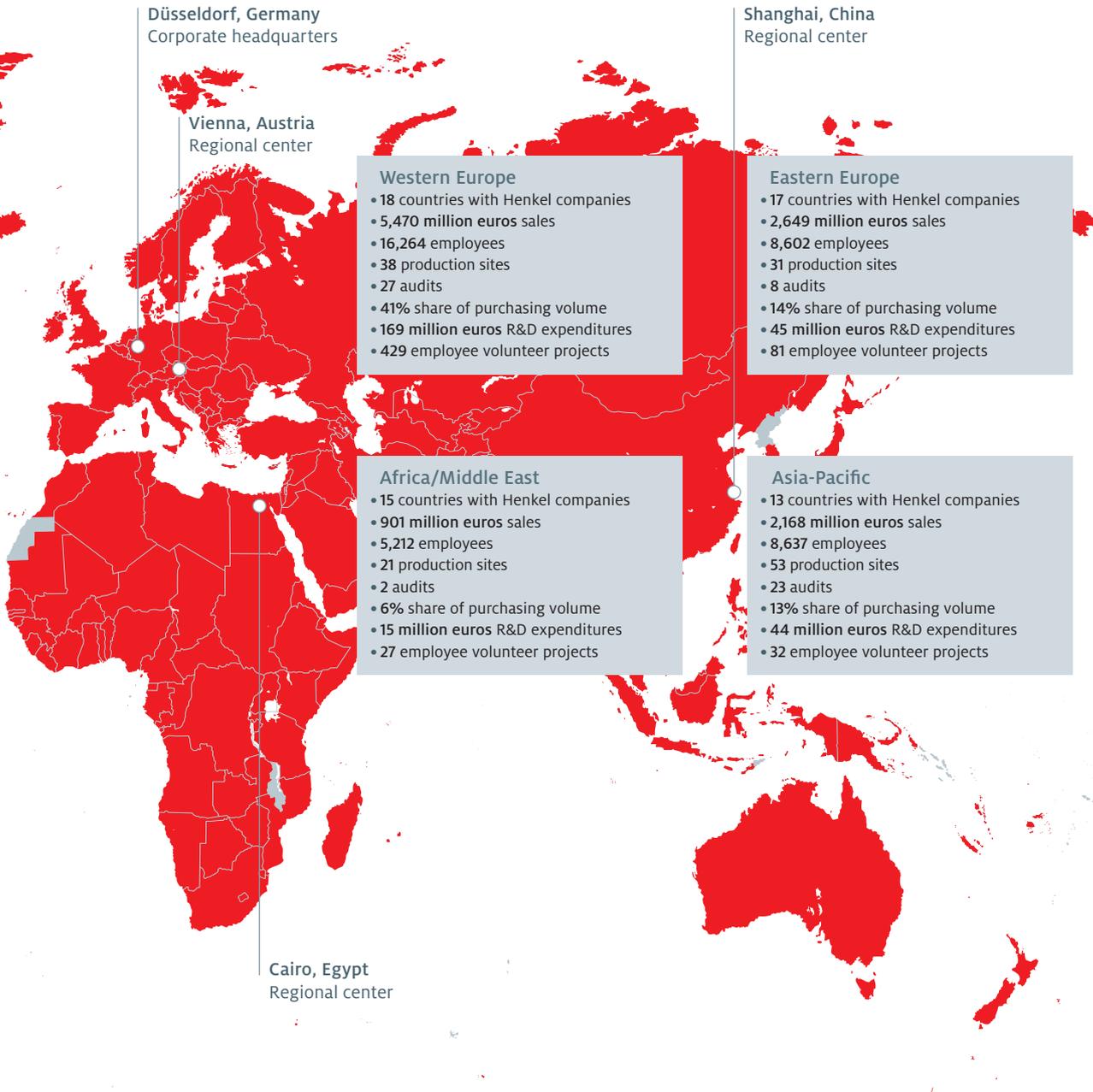
In fiscal 2010, Henkel's worldwide sales amounted to 15,092 million euros, 41 percent of which were generated in the growth regions of Eastern Europe, Africa/Middle East, Latin America, and Asia (excluding Japan). We intend to increase this figure to 45 percent by 2012. Some 53 percent of our global workforce are now based in the growth regions, where we currently source 23 percent of our global purchasing volume. We are therefore an important employer and local economic partner in these regions as well.

### Added value for society

The value added statement shows that most of the generated sales flow back into the global economy (see graphic at right). The major part – 57.6 percent – went to our employees in the form of wages and benefits. Central and local government received

10.5 percent as taxes, while lenders received 5.4 percent as interest payments. We paid 7.2 percent of sales as dividends to shareholders. The value added that remains in the company is available for investment in future growth.

Besides the wages and taxes they generate, our businesses and the associated value-creating activities contribute to regional development. We have production sites in 57 countries, and as local employers, purchasers and investors, we therefore promote economic and social progress. Through the transfer of knowledge and technologies, we foster responsible business practices on the part of our approximately 48,000 employees and our customers. Moreover, we actively support volunteer work that is carried out by our employees in all parts of the world.

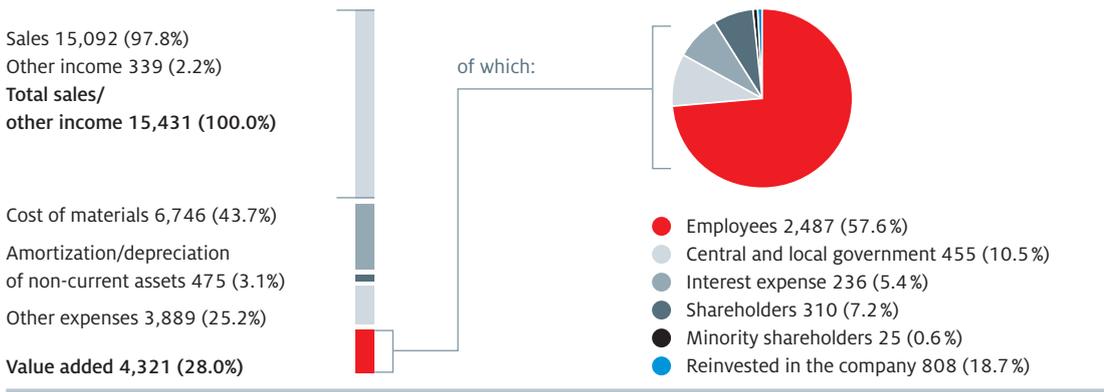


**Value added statement 2010**  
in million euros

More information on business performance:



Pages 47 to 49.



## Values and sustainability strategy

# What we stand for and what we want to achieve

Sustainability milestones at Henkel:



[www.henkel.com/sr2010](http://www.henkel.com/sr2010) | 2

We were able to achieve our sustainability targets ahead of schedule in 2010:



Inside cover.

Our strategic priorities:



Pages 41 and 42.



[www.henkel.com/sr2010](http://www.henkel.com/sr2010) | 3

Our five focal areas



[www.henkel.com/sr2010](http://www.henkel.com/sr2010) | 4

### Sustainability is a corporate value

Maintaining a balance between economic success, protection of the environment, and social responsibility has been fundamental to our corporate culture for decades, and this is reflected in our corporate values. Our pursuit of sustainability is both long-term and entrepreneurial in nature, covering all of our activities throughout the value chain. Having invested many years of focused effort in the cause of sustainable development, we have built up an excellent reputation as a company with globally leading positions in this arena. And we are determined to remain in the vanguard of sustainability. The foundation for this is provided by our 48,000 employees around the world, in whose minds the principles of sustainable development are firmly anchored, guiding their attitudes and actions. Our corporate values play a key role in this regard. They provide orientation for our daily decision-making and are therefore the basis for long-term corporate success rooted in clear value concepts.

### Contribution to our strategic priorities

We are convinced that sustainable business practices will contribute to the successful pursuit of our strategic priorities and thus to the long-term growth of our company. Our insistence that each new product must combine high quality with responsibility toward people and the environment results in more efficient products and improved technical solutions. Sustainability is therefore a key innovation driver and will enable us to achieve our full business potential. With our decades of experience in sustainable development, we are able to offer our customers and consumers solutions that are fit for the future and to position ourselves as a leading partner. Internally, responsible business practices strengthen both the identification of our employees with the company and their motivation.

### Our focal areas and targets for 2012

We systematically focus all our activities throughout the value chain on the challenges of sustainable development as they relate to our operations. We have grouped these sustainability challenges in five overarching focal areas: energy and climate, water and wastewater, materials and waste, health

and safety, and social progress. We aim at driving progress in these five focal areas through our business activities and our products.

As long ago as the 1980s, in our “Principles and Objectives of Environmental Protection and Safety,” we committed to promoting occupational health and safety, conserving resources, and reducing emissions. On the basis of the progress achieved by 2007, we defined corporate targets for 2012. Thanks to the high level of commitment of our employees, we were already able to achieve the targets for our production sites by 2010. We are convinced that the advances in both resource efficiency and cost-effectiveness will also make an important contribution toward achieving our 2012 financial targets. We have initiated the process of defining new sustainability targets for the coming years.

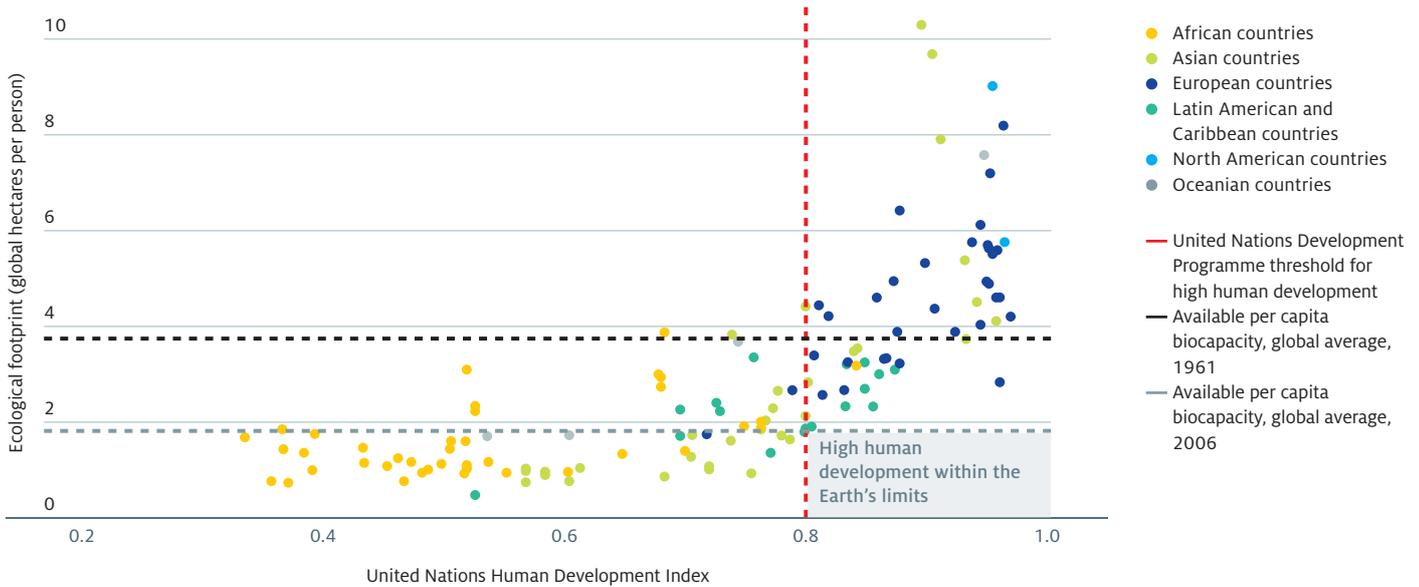
### Accepting global challenges

The global challenges of sustainable development are continuing to increase as a result of world population growth, rising standards of living and consumption, and the associated use of resources. Worldwide, growth and quality of life must be decoupled from resource consumption and emissions. We recognize this challenge and take it into account in our strategy. Our contribution as a

“We are committed to leadership in sustainability.”

We provide products, technologies and processes that meet the highest standards. We are committed to the safety and health of our employees, the protection of the environment and the quality of life in the communities in which we operate.

**Affluence and resource consumption: a double challenge**



The graphic shows the position of various countries on the basis of two parameters – their United Nations Human Development Index and their ecological footprint. The challenge for the population of the countries on the horizontal axis is to improve their quality of life without similarly increasing their resource consumption. The population of the countries on the vertical axis face the task of reducing their resource consumption without having to reduce their standard of life. Since forgoing quality of life and consumption is not a realistic solution in either situation, innovation is the key to reducing resource consumption to keep it within the Earth's ecological limits.

© Global Footprint Network 2009. Data from Global Footprint Network National Footprint Accounts, 2009; UNDP Human Development Report, 2009.

company is to develop innovative products and processes that consume fewer resources while still offering the same or better performance. This requires the concerted action and the knowledge of all participants along the value chain – from raw materials suppliers to end users.

**Shared task**

There is an indivisible link between our business success, our industrial customers, retail partners, and consumers. The same holds true for our efforts to achieve sustainable development. This is why we cooperate closely with our partners throughout the value chain. We regard the promotion of sustainable consumption as a key responsibility in the coming years. This requires not just the development of appropriate products, but also political support and

collaboration with consumers. We therefore strive continuously to raise awareness of this issue among actors at all levels through our involvement in associations, working groups and at conferences, by engaging in a dialogue with politicians and non-governmental organizations, and through product communication. In addition, we participate in national and international initiatives. Thanks to our many years of experience in sustainable business, we find we are much valued as partners in such collaborations.

**Stakeholder dialogue**

We view the dialogue with our stakeholders as an opportunity to identify the needs of our different markets at an early stage and to define the directions which our activities should take. Our dialogue with various stakeholders enables us to access new ideas for our company, which flow continuously into our strategy development and reporting.