

## A global team – winning together

Sustainability Report 2009

## Sustainability performance, contents, scope of report

### Sustainability performance from 2005 to 2009

Environmental indicators per metric ton of output

Wastewater load (COD emissions)	-11%	M
Waste	-12%	<u>الا</u>
Carbon dioxide (CO <sub>2</sub> )	-25%	<u>الا</u>
Energy	-26%	<u>الا</u>
Water	-37%	M
Occupational accidents (per million hours worked)	-57%	M
Volatile organic compounds (VOC)	-59%	M
Sulfur dioxide (SO <sub>2</sub> )	-77%	М
Heavy metals	+15%	7

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### Further information

In many places in this Sustainability Report, you will find references to further information in the Sustainability Report itself, in the Annual Report, and on our Internet site. All Internet references in the report are provided with a reference number. To view them, go to *henkel.com/sr2009*. There you will find a list of all the references with their associated numbers. Additionally, our Internet site offers access to all of the Environment Reports and Sustainability Reports that have been published since 1992, which are also available as downloads.







Our Internet site provides up-to-date information on many different sustainability aspects. If your cell phone has the appropriate software, photographing the adjacent Quick Response Code gives you direct access to our Internet "News" page.

### Business performance from 2005 to 2009



and gains as well as restructuring costs

### Scope of this report

As early as 1992, Henkel published its first Environment Report. It was subsequently developed and refined, evolving into today's annual Sustainability Report. Together with our Annual Report and our Internet site henkel.com/ sustainability, it makes up an integrated corporate reporting concept. Where appropriate, we therefore provide references to additional information in Henkel publications

SR Page 41.

This Sustainability Report covers the key ecological and social developments in fiscal 2009. Since we joined the United Nations Global Compact in 2003, our Sustainability Report has also served as the basis for the required annual progress report. We provide basic information on the Internet.

The contents of the Report reflect the Henkel-relevant and material challenges of sustainable development. The selected topics include the results of our continuous dialogue with a large circle of stakeholders. Especially close consideration was given to the dialogue with international sustainability experts, the requirements of the European Chemical Industry Council (CEFIC), the criteria of various finance- and sustainability-oriented rating agencies, and the guidelines of the Global Reporting Initiative (GRI). A detailed GRI index, with links, can be found on the Internet.

www henkel.com/sr2009  $\rightarrow$  1

The Sustainability Report covers all the companies included in the consolidated financial statements. The production-related environmental indicators were determined using data from production sites in 57 countries. They account for more than 95 percent of the company's worldwide production volume. Henkel openly reports on serious occupational incidents, should any have occurred in the reporting period, and the measures taken in response. Occupational accidents are registered using a globally uniform reporting system. The coverage extends to 99 percent of Henkel employees. The social indicators, which are included for the first time in 2009, cover some 95 percent of our employees.

### A global team – winning together



Dear Exades,

In the midst of the worst economic crisis in decades, 2009 was a challenging year for us as well. Despite the difficult situation, sustainability and social responsibility nevertheless remain long-term success factors and innovation drivers for Henkel.

Conditions in our markets changed, and we had to respond decisively. Unfortunately, these measures included letting some of our employees go. This was painful for us, but it was essential if we were to ensure our company's long-term competitiveness and our ability to operate sustainably. Only a company that is economically successful can act in an ecologically and socially responsible manner.

For 133 years, through our brands and technologies, we have been working to meet the needs of people today without compromising the development opportunities of future generations. World population is growing, and the average standard of living and the related consumption are increasing. As a result, more and more resources are being consumed, while emissions are rising globally. Doing our part to promote sustainable consumption will therefore remain one of our priorities.

Our ambition is to combine the best possible product quality with effective environmental protection and social responsibility. To achieve this, our teams all over the world work closely with our retail and industrial customers, with our suppliers, and with research institutions. Our objective is to develop a shared strategic orientation toward sustainability. Sustainability is one of Henkel's outstanding attributes. We intend to further expand our leadership role here. To achieve this, we have focused our innovation processes on sustainability throughout the company. This enables us to fulfill our declared commitment: All new products from Henkel contribute to sustainable development in at least one of our five focal areas: energy and climate; water and wastewater; materials and waste; health and safety; and social progress. Through our product information, we make our customers and consumers aware of this added value.

Our employees are essential to our company's sustainable development. Therefore, we constantly invest in the training and continuing education of our staff. This is how we ensure that our global team will be able to meet the challenges ahead, working with our industrial and retail partners all over the world – because we can only achieve global success together.

Kasper Rorsted Chairman of the Management Board

## Henkel worldwide

# Our global team makes positive contributions to regional development worldwide.

### » 133 years of continuous engagement with the theme of sustainability and corporate social responsibility (CSR) at Henkel.

» Some **50,000** employees accept responsibility within their sphere of influence and make a vital contribution to sustainability.

» People **WOrldwide** trust in innovative brands and technologies from Henkel.

### North America

- 2 countries with Henkel companies 2,512 million euros sales<sup>1)</sup>
- » 5,714 employees
- » 35 production sites
- **12** audits
- » 18% share of purchasing volume
- » 66 million euros investments
- » 76 million euros R&D expenditures
- » 102 employee volunteer projects

Scottsdale, Arizona, USA Regional center

Mexico City, Mexico Regional center

### Strategies for growth markets

In 2009, the growth regions of Eastern Europe, Africa/Middle East, Latin America, and Asia (excluding Japan) accounted for 38 percent of Henkel's sales. We intend to increase this figure to 45 percent by 2012. Some 54 percent of our workforce is currently employed in these regions, where the share of our global purchasing volume is 27 percent. In many places we are therefore an important employer and local economic partner. In growth regions in particular, the question of the social added value of products takes on greater significance. For us, products aligned to the needs of consumers in the lower income brackets not only have enormous economic potential, but also make a positive social contribution in terms of household hygiene, for example, and hence health. We therefore adapt our products to local conditions, different income levels, infrastructures, or cultural needs, so that our performance and our quality are accessible to the broadest possible group of people.

www henkel.com/sr2009  $\rightarrow$  2

### Latin America

- » 14 countries with Henkel companies
- » 833 million euros sales<sup>1)</sup>
- » 4,002 employees» 17 production sites
- » 5 audits
- » 5% share of purchasing volume
- » **15 million euros** investments
- » 21 million euros R&D expenditures
- » 144 employee volunteer projects

Connecticut, USA

Regional center

Rocky Hill,

São Paulo, Brazil Regional center

### Sales by business sector





<sup>1)</sup> By location of customer, excluding Corporate (210 million euros)



wwwwwwwwww.henkel.com/sr2009 → 3

Value added statement 2009

in million euros

Sales 13,573 (99.5%) Other income 62 (0.5%) Total sales/other income 13,635 (100.0%) Cost of materials 5,900 (43.3%) Amortization/depreciation of non-current assets 545 (4.0%) Other expenses 3,620 (26.5%) Value added 3,570 (26.2%)

## Our values and sustainability strategy

Working as a team with our employees, consumers, industrial customers and retailers, we drive change toward sustainability – worldwide, today and tomorrow.

### Comprehensive commitment to sustainability

We conduct our business in a sustainable and socially responsible manner. This principle has been an integral part of our corporate values for many decades. We provide products, technologies and processes that satisfy the highest expectations. We are committed to the safety and health of our employees, protecting the environment and the quality of life in all regions in which we operate. We generate our sales and profits by acting responsibly in all of our activities – throughout the entire value chain. The fundamental aspiration of harmonizing economy, ecology and social responsibility is firmly anchored in our corporate identity and therefore in our philosophy in word and action. This "DNA" has given us an excellent reputation as a company and leading market positions around the world. We will therefore continue to promote sustainable development throughout our company – on a global scale. Each of our 50,000 employees around the world bears responsibility for this effort each day within his or her sphere of influence.

### Strategic focus on sustainability

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. In these, we also see the main impacts of our actions. The importance of these focal areas will increase even further with continued growth in the world's population and the rise in average standards of living and the associated levels of consumption. We therefore aim at driving progress in



### Focal areas and targets for 2012

<sup>1)</sup> Targets per metric ton of output, base year: 2007

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### Sustainability as a market success factor

Henkel promises to conduct its worldwide business in a sustainable and socially responsible manner. Our brands fulfill this promise by combining top brand quality with contributions to sustainable development. The common focus on central challenges and market-specific implementation strengthens trust in our brands and technologies and therefore in our company.

these five focal areas through our business activities and our products. At the heart of all our actions are our Vision and Values. 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 have defined new corporate targets for 2012. Environmental protection and safety are safety.

### **Contributions to our strategic priorities**

We are convinced that our continued focus on sustainability will help to grow the long-term value of our company and to realize our strategic priorities AB Pages 35 to 36. Corporate social responsibility strengthens the motivation of our employees and their identification with the company and thereby creates the basis for a strong global team. Our insistence that each new product must combine excellent performance with responsibility toward people and the environment results in increasingly efficient products and improved technical solutions. Sustainability is therefore a key innovation driver and is crucial to achieving our full business potential. Our decades of experience in sustainability enable us to offer effective solutions to our customers and to position ourselves as a leading partner. At the same time, the interplay between corporate and brand levels strengthens our credibility and assures our acceptance **SR** See illustration at top.

### Sustainability as a societal challenge

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 to jointly address the overall challenge that sustainable development poses to society as a whole. We use our experience and our role as a sustainability leader to actively contribute to the debate regarding sustainable lifestyles of future generations. We express this engagement in national and international associations, working groups and at conferences - for example in the World Business Council for Sustainable Development (WBCSD), the multi-stakeholder initiative "Forum Waschen" (washing forum), the UNEP/Wuppertal Institute Collaborating Centre for Sustainable Production and Consumption (CSCP), and in the Consumer Goods Forum, which was established in 2009.

### Stakeholder dialogue

The (Henkel) Sustainability Report 2009 5

## Responsibility throughout the value chain

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Our sustainability strategy covers all stages of the value chain. The objective of our global team is to improve the sustainability performance of our company and our products in all respects.

### 1. Research & development

Innovations are the basis for our economic success and key to sustainable development. This requires a high degree of innovativeness. In 2009, Henkel employed about 2,800 people and invested 396 million euros in research and development. Since 2008, the Henkel focal areas have been systematically anchored in our company-wide standardized innovation process. This enables us to fulfill our commitment: All new products contribute to sustainable development in at least one focal area **SP** Page 4, **AP** Pages 53 to 55. **Context**/mathematical/second

### 2. Product safety

Customers and consumers can be certain that Henkel products are safe when used as intended. Our raw materials and finished products are subjected to numerous tests and studies. The compatibility of raw materials with health and the environment is assessed extensively during the research and development phase. A risk assessment is carried out for each new product and process. The use of substances with certain dangerous properties is precluded for specific applications from the very start. Henkel does not perform animal testing, unless this is stipulated by legal regulations and no accepted alternative test methods are available. Henkel has been carrying out successful research for the purpose of developing alternative test methods since the early 1980s.

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### 3. Raw materials

Henke

Sustainability extends to the responsible management of raw materials, the conservation of natural resources and biodiversity. We have used ingredients based on renewable raw materials for many years to optimize the overall characteristics of our products, wherever this is compatible with ecological, economic and social considerations. A core objective is to replace ingredients derived from mineral oil. Renewable raw materials are already key ingredients in many of our products. *henkel.com/sr2009*  $\rightarrow$  8

Henkel

### 4. Production

The continuous improvement of our processes and site structures, as well as the reduction of resource consumption and environmental burdens, are an important part of our promise of quality. The transfer of knowledge and new technologies between our sites enables us to roll out safe and resourceconserving production processes worldwide. We are thus able to make a major contribution toward achieving our occupational safety and environment aims. Through the achieved savings in energy consumption and the associated reduction in carbon dioxide emissions, we are actively contributing to climate protection  $\square$  Pages 4 and 5, 12 to 17.  $\square$  henkel.com/ sr2009  $\rightarrow$  9

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### 5. Logistics

We are looking closely at the transport and storage of our products, as well as business trips and company cars, in a determined effort to find ways to achieve an across-the-board improvement in our operational carbon footprint. In particular, we are working to reduce the complexity of our distribution network and to expand shipping cooperations with other companies. This way, we ensure that our products always reach the customer by the most efficient route. One of the criteria for selecting our logistics partners is the energy efficiency of their vehicle fleet  $\[ SB Pages 14 and 15. \] \[ Sm Pages 14 and 15. \] \[ Sm Pages 10 \] \] \] \]$ 

### 6. Use: Fostering sustainable consumption

In the effort to achieve sustainability, the roles of companies, customers and consumers are closely interwoven. This is because the ecological footprint of many consumer goods depends not only on production factors but also, and to a very large extent, on their efficient use by consumers. Henkel's brands and technologies are used daily in millions of households and industrial processes. Our products therefore have great potential to make positive contributions toward social challenges such as climate change, resource conservation, and hygiene. They enable customers and consumers to make more efficient use of valuable resources such as energy and water. Through targeted communication, we also try to promote the idea of sustainable consumption among customers and consumers, thus helping them to use our products responsibly arget 28 Pages 18 to 29. Images henkel.com/sr2009  $\rightarrow$  11

### 7. Packaging and disposal

Household detergents and cleaners as well as cosmetics and toiletries pass into sewage systems after use. They are formulated by Henkel so that their use will not impact on the aquatic environment. Wastewater from industrial applications is pretreated using state-of-the-art technology to remove harmful substances and professionally disposed of. To reduce the volume of packaging waste for our customers and consumers, we develop innovative packaging solutions. Throughout the company, we follow three principles here – prevention, reduction, recycling. In henkel.com/sr2009  $\rightarrow$  12

## Standards and management

Only honest business is good business. Our codes and standards apply worldwide for all employees, sites, suppliers and other business partners.

### Management based on globally uniform standards

From our Vision and our Corporate Values, we have formulated globally binding behavioral rules which are specified in a series of codes and standards. In all business areas and cultures in which we operate, they provide guidance for the behavior and actions of all of our employees.

The Code of Conduct contains general corporate principles and behavioral rules. It helps employees to respond correctly and appropriately in everyday situations when faced with ethical and legal issues. In 2008, it was supplemented by detailed guidelines providing instructions for our employees on how to handle situations involving businessrelated conflicts of interest, gifts, and individual invitations. They underline the strict ban on all forms of bribery, acceptance of advantages and other unfair business practices.

The Code of Teamwork and Leadership provides guidance for the conduct of managerial and non-managerial staff at all levels.



### Henkel-wide data protection workshop

In November 2009, all Henkel data protection officers came together for a one-day workshop in Düsseldorf to discuss how to manage employee, customer and consumer data more efficiently. Together they drafted a corporate data protection guideline, which incorporates the latest international legal requirements. The Code of Corporate Sustainability describes our principles in regard to sustainable business practices and corporate social responsibility. It is given concrete form by companywide standards for safety, health and the environment, purchasing standards, and social standards. In the social standards we have integrated central requirements derived from the Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD), the Social Accountability Standard (SA 8000), and the guidelines of the International Labor Organization (ILO). Implemente to the International Labor Organization (ILO).

Together, the codes and standards are the basis for Henkel's implementation of the United Nations Global Compact initiative. - henkel.com/sr2009  $\rightarrow$  14

### **Clearly defined responsibilities**

Our globally applicable codes and standards are supported by integrated management systems and an organizational structure with clearly defined responsibilities

### See diagram on page 9.

The Chief Compliance Officer steers the application and further development of our codes and standards. He also monitors the implementation of internal and external requirements and reports on compliance directly to the Management Board Chairman. In so doing, he is supported by the internal audit department, which he heads, and by some 50 locally appointed compliance officers all over the world. They organize regionally coordinated training courses to ensure that information flows smoothly, and that requirements are acted on and implemented. They also report violations and the actions taken in response. In view of the increasing complexity of international data protection regulations, our corporate data protection officer has been part of our compliance organization since 2009, with responsibility for steering this theme centrally for Henkel. www henkel.com/sr2009  $\rightarrow$  15

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### Organization for sustainability



The Henkel Management Board bears overall responsibility for our sustainability policy. The Sustainability Council, whose members are drawn from all areas of the company, is headed by the Chairman of the Management Board. As a central decision-making body, it steers Henkel's global sustainability activities. Its members represent the business sectors and all corporate functions.  $members/r2009 \rightarrow 16$ 

### Clear rejection of unfair business practices

Henkel operates in a variety of markets and regions with diverse legal systems, social standards and customs. The offering and acceptance of personal advantages, for example, is looked upon very differently from region to region. Many of our employees work in countries where, according to surveys by organizations such as Transparency International, there is a high risk of encountering corrupt practices. Henkel resolutely opposes infringement of laws, standards and regulations. Our Code of Conduct clearly specifies the conduct that is expected of all Henkel employees. To avoid any uncertainties or conflicts in everyday work situations, our compliance training centers around courses and communication measures that are tailored to the individual regions.

### Corporate governance at Henkel

Taking into account the special aspects specific to its legal form and articles of association, Henkel AG & Co. KGaA complies with the main recommendations of the German Corporate Governance Code, with two exceptions. The remuneration of the Management Board also complies with its guidelines. We publish comprehensive information, such as the details of the declaration of compliance and the remuneration report, in our Annual Report and on the Internet  $\[ AB \] Pages 22 to 26. \[ \] mm \] henkel.com/sr2009 \rightarrow 17 \]$  Compliance issues are addressed in depth as early as the official welcoming seminar for new managers. They are also an integral part of all seminars of the Henkel Global Academy. Regular training courses organized by the Corporate Internal Audit department familiarize our top managers

with Henkel's corporate standards. Newsletters for special target groups and articles in employee newspapers make a further contribution to knowl-



edge transfer in this area. We also make increasing use of e-Learning to cover a wide range of themes and simulate everyday decision-making situations. 100 percent of our top managers completed the new compliance e-Training course in 2009. Furthermore, since 2009, every manager has to confirm, as part of the target achievement discussions, that he or she has complied with all applicable standards and legislation.

In all areas in which antitrust legislation is of particular relevance, such as marketing, sales and distribution, and purchasing, we organize regular training courses. We continued to do so in 2009, during which about 700 more employees underwent training in Europe and Asia. The majority of our employees from the relevant areas have therefore by now attended courses in antitrust legislation.



Interview with Dirk-Stephan Koedijk, member of the Henkel Sustainability Council, who represents Compliance

Since late 2007, you have watched over Henkel values worldwide in your capacity as Chief Compliance Officer. Why does Henkel need an organization such as yours? Dirk-Stephan Koedijk: In carrying out our global business activities, we are confronted by different legal and value systems. It is therefore only sensible to advise and support our employees with regard to their conduct. Moreover, we are convinced that, in the long term, only honest business is good business. It acts as positive marketing and makes Henkel an attractive partner. For employees, too, an honest work environment is extremely important. Dishonest practices would damage our company's reputation and harm us economically. We therefore resolutely oppose any violation of our standards in the form of corruption or unfair competition, for example. This also applies in regions where such practices might be regarded as normal.

## In 2009, Henkel terminated 67 employee contracts for violations of the Code of Conduct. What where the most frequent causes?

**Dirk-Stephan Koedijk:** There is always a risk of theft, fraud, bribery, tax evasion, and disregard for laws and standards. During a normal working day, however, the most frequent problem is conflict of interest. When people accept gifts, for example, this may influence their impartiality when making decisions. This is why we provide advice and training at an early stage, to ensure that such conflicts do not occur to begin with. All employees are welcome to contact me and my team at any time. We respond to their inquiries within 24 hours.

#### Where do you see future challenges?

Dirk-Stephan Koedijk: We already have excellent regulations in place. What we need to work on is globally uniform understanding. We will continue to promote this through training courses, communication and regular audits. At Henkel, zero tolerance is not an empty phrase. We do all our business in an ethical and legally impeccable manner. No one at Henkel may ignore this with impunity. It is also our duty, as a globally operating company, to take responsibility for our supply chains. We will be integrating our suppliers and other business partners even more closely into our compliance checks.

### Implementation of our standards

Regular audits at our production and administration sites and, increasingly, audits of our subcontractors and logistics centers are important for the implementation of our environment and social standards. In 2009, we carried out a total of 110 audits. Integrated safety, health and environment (SHE) audits took place at a total of 35 sites, where we initiated 502 binding corrective actions. The identified shortcomings included, for example, the absence of the prescribed personal protective equipment and poorly accessible escape routes. These cases underline the need to continuously raise awareness of safety measures are *Page 14*.

In the course of audits, a total of approximately 2,130 individual actions were agreed with Accounting, Purchasing, Sales/Distribution, Marketing, Information Technology and Production, in order to make processes and workflows even safer and more efficient. Implementation of the agreed actions and the widespread communication of examples of best practice are steered and monitored by our Corporate Internal Audit department.

Since 2007, our internal reporting and complaints channels have been augmented by a compliance hotline, which was set up to enable employees to report major infringements of our codes and standards. It is run by an independent external provider and is currently available in 38 countries. Regular evaluations show, however, that very few complaints are reported via the hotline. The established internal reporting channels and direct contact points in the company are still used much more frequently.

### Zero tolerance for violations of regulations

Improper conduct is never in Henkel's interest. It undermines fair competition and damages our trustworthiness and reputation. Not least, our employees attach great importance to a correct and ethically impeccable business environment. Unfortunately, determined perpetrators of fraud can identify loopholes in compliance systems – as Henkel had to recognize in 2009, when fake contracts with fraudulent intentions came to light. In the interests of clearing up the case as quickly as possible, Henkel cooperated closely with the public prosecutor's office. We react forcefully to violations of laws, codes and standards. Where necessary, we initiate appropriate disciplinary measures. In 2009, 18 employees received written warnings, and 67 contracts were terminated. Implementation to the system of the sys

## **Purchasing and supplier management**

### What we expect from our suppliers

Companies have an obligation to take responsibility for their supply chains. We expect our suppliers to conform to our standards of corporate ethics. In selecting our suppliers, we therefore consider their performance in regard to sustainability and corporate social responsibility. This procedure is based on our corporate purchasing standards and our safety, health and environment standards, which we already formulated in 1997. If henkel.com/sr2009  $\rightarrow$  19

### Assessment of our supplier base

Our supplier base currently includes suppliers and other business partners from about 104 countries. Approximately 80 percent of our purchasing volume is sourced from coun-

80% of our purchasing volume comes from OECD countries tries in the Organization for Economic Cooperation and Development (OECD). We have, however, started to focus to a greater extent on opening up new purchasing markets in states

that are not OECD members. This will not affect the demands we make on our suppliers and other business partners. However, our supplier assessments will focus more on the risks associated with supplier countries than on the level of the purchasing volume.

### Supplier assessment instruments and status in 2009

Our supplier assessment is a multiple stage process, which makes use of four instruments: supplier code, self-assessment, audits, and further development:

- » Supplier code: The most important aspect of our work in 2009 was the introduction of a globally applicable supplier code as a basis for all contractual relationships. This is part of a cross-sectoral initiative of the German Association Materials Management, Purchasing and Logistics (BME). The code is based on the ten principles of the United Nations Global Compact and can therefore be used internationally. In the future, recognition of the supplier code, and therefore of the principles of the Global Compact, will be a prerequisite for new suppliers that wish to enter into a contractual relationship with Henkel.
- » Self-assessment: In addition, we pursue a strategy of supplier self-assessment on the basis of sector-specific questionnaires. These underline our expectations in the areas of safety, health, environment, quality, human rights, employee standards, and anti-corruption. In 2009, 74 percent of our assessed suppliers and other business partners satisfied our sustainability criteria, while the other 26 percent agreed to implement further improvement measures

in regard to individual criteria. If we identify any unacceptable business practices, we may terminate the business relationship as an ultimate consequence.

- » Audits and risk assessment: The systematic expansion of the audit program for our supplier chain will be the main focus of our work in the coming years. We aim to increase the percentage of our purchasing volume sourced from audited suppliers year by year until 2012. The risk assessment will be focused more closely on the countries identified by international institutions as being associated with heightened levels of risk.
- » Further development: The aim of carrying out supplier assessments is not to safeguard ourselves formally against risks to our reputation or legal claims. Rather, we aim to work together purposefully to improve sustainability in our supply chain – for example, through knowledge transfer and continued education about process optimizations, resource efficiency, and environmental and social standards. This includes our engagement in the Round Table for Sustainable Palm Oil (RSPO) to promote a certification and marketing model for palm kernel oil from sustainably cultivated palm trees. In 2008, we purchased such certificates for the first time. We plan to build on this by taking further steps to focus our product portfolio completely on certified sustainable palm and palm kernel oil by 2015 **S1** *Pages 20 and 21*.

### Firmly embedded purchasing management standards

To truly assume responsibility worldwide, it is essential for the principles of sustainability to be understood and internalized throughout our purchasing organization. We have therefore set up a worldwide training program for our Purchasing Management Standards, which were revised in 2009. First of all, six regional training courses were organized to explain the new guidelines, including the mandatory requirements on the sustainability profile of our suppliers, to the responsible managers in the various countries. Local training courses were then held to impart the content to more than 90 percent of our purchasing employees. In 2010, the training measures will be continued in greater detail.

## **Production and logistics**

## With production sites in 57 countries, we stimulate economic development as a local employer and contractor.

### Efficient production as part of our promise of quality

Henkel has production sites in 57 countries. We also have administration, research and marketing and sales sites, warehouses, and logistics centers in many countries. As a local employer and contractor, we are thus able to stimulate the economic development of various regions. Efficient and modern production sites are a prerequisite for the production of high-quality brands and technologies. The continuous improvement of our processes and site structures, as well as the reduction of resource consumption and environmental burdens, are an important part of our promise of quality. This includes the worldwide transfer of knowledge and new technologies.





### Water saving competition

Using modern water meters, the team at the Kilsyth plant in Australia determined the main water consumption points in the production and administration areas. Numerous improvement measures were then initiated, ranging from employee training courses on the economical use of water to the reutilization of rinse water in production. Three new tanks now collect up to 75,000 liters of rainwater, which is used in production instead of precious drinking water. As a result of these measures, water consumption has been cut by 42 percent.

## Company-wide steering instruments and regional action programs

Excellence in Site Services (EISS) is one of our worldwide efficiency programs. Since 2006, it has helped us to increase the productivity, quality and safety of our sites, while simultaneously reducing resource consumption, waste, and maintenance costs. Comprehensive analyses and simulations often provide a basis for local improvement measures. As a

result of the EISS program, we have identified 731 individual measures at our sites worldwide, in the fields of energy, water, waste, building manage-



ment, safety, health and the environment, and plant logistics. In addition, our business sectors set up specific programs for achieving our environment targets **SR** Page 4. Since 2006, we have carried out analyses of the processes in our Cosmetics plants as part of our Total Productive Management Plus program. The aim is to identify and eliminate losses in all areas of production. Plants and supply networks are continuously analyzed and modified in the Laundry & Home Care and Adhesive Technologies business sectors as well. Production in the geographical vicinity of the customers, together with economies of scale, help to ensure the optimal use of resources. In 2009 alone, as a result of our worldwide programs, cuts were achieved in energy consumption at 39 percent of our sites, in water consumption at 49 percent, and in waste at 48 percent. We were thus able to further improve our performance on important sustainability indicators in 2009

### SR See inside cover and pages 16 and 17.

Through regular workshops and intensive communication, we ensure a timely exchange of best practice approaches, so that knowledge and experience can be passed on internationally.

### **Globally applicable standards**

Our safety, health and environment standards (SHE Standards) and our Social Standards apply to all of our sites worldwide. They are part of the due diligence procedure undertaken before we buy into a company. On the basis of the results, we draw up detailed action plans to raise newly acquired sites to the level of the Henkel standards where necessary. We carry out regular audits to ensure that our standards are properly implemented **sn** Page 10. To gain an integrated view of our regions, we are steadily expanding our audits to cover subcontractors and logistics centers as well. Our sites also carry out self-assessments whenever new standards are introduced. We have our environmental management systems at the individual sites externally certified, if this yields competitive advantages. At the end of 2009, about 58 percent of the production volume came from sites certified to the international ISO 14001 environmental management standard.



### Company-wide audit program to check compliance with standards

We carry out regular audits to ensure that our environmental and social standards are properly implemented at our production and administration sites, and are increasingly expanding these audits to cover our subcontractors and logistics centers as well. The audits are a key instrument for identifying risks and potential improvements.

#### tribution .

Focal area	ributions to increasing resource-efficiency Contribution
Č	Chonburi, Thailand: Startup of the site's wastewater treatment plant. This enables wastewater from the cosmetics production units to be filtered before it is discharged into the municipal wastewater treatment plant. Result: Reduction of 62 percent in the organic load of wastewater.
达 🖄	Auckland, New Lynn, New Zealand: A variety of process improvements, together with information campaigns on water and waste, to raise employees' awareness of the need to handle resources responsibly. Result: Reduction of 40 percent in water consumption and 5 percent in waste.
\$ <u>~</u>	Guangzhou, China: Installation of new air compressors for the technical laboratory areas. Result: Reduction of 70 percent in the unit's energy consumption.
ڬ 😌	Ankara, Turkey: Comprehensive analysis and overhaul of the existing plant for the generation of deionized water used in the production of liquid laundry detergents. Result: The new process cut the plant's energy and water consumption by, respectively, 67 and 36 percent.
÷	Vienna, Austria: Numerous projects for boosting energy efficiency. These included changing the lighting fixtures in two production lines, the installation of heat exchangers for steam generation, and switching to automatic control of the compresso ventilation and the air-conditioning systems. Result: Reduction of 22 percent in energy consumption.
<u>نې</u>	Körösladány, Hungary: Comprehensive efficiency and training measures, including the installation of fast rolling gates to avoid heat losses, and adjustment of the steam generation capacity. Result: Reduction of 24 percent in energy consumption and 25 percent in waste.
ۆ خ	Maribor, Slovenia: Weekly monitoring of the water and energy consumption of the production lines. The resulting measures included renewing the hot water network, the complete recycling of the steam condensate, and pressure optimization in the steam and compressed air generation systems. Result: Reduction of 22 percent in water consumption and 12 percent in energy consumption.
2	Salisbury, North Carolina, USA: Implementation of a project to minimize hazardous waste. Liquid wastes from adhesives production are delivered to customers in the USA for reutilization in their production facilities, e.g. for cleaning production lines. Result: Reduction of 35 percent in hazardous waste.
0	La Grange, Georgia, USA: Expansion and systemization of recycling measures for production waste at the site. Result: Reduction of 37 percent in waste.
<sup>1</sup>	Sabana Grande, Puerto Rico: Implementation of various pilot projects to increase energy efficiency. These include the installation of solar tube systems that reflect sunlight from the roof into building interiors. Result: Reduction of 60 percent in the energy consumption of the test building.

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Since the beginning of 2010, Henkel has been shipping its cosmetics products by rail within Germany. Here, the first train rolls into the Cosmetics logistics center in Monheim near Düsseldorf. About 86,000 metric tons of cosmetic products will be transported in this way every year, thus reducing annual carbon dioxide emissions by some 7,000 metric tons.

## Avoidance of CO<sub>2</sub> emissions through intermodal transport

Since 2008, we have been working with European logistics partners to gradually build up our intermodal transport routes for the efficient transport of products by means of different modes of transport.

In 2009, for example, about 300,000 of the kilometers traveled by our laundry detergents in their journey from our productions site in Düsseldorf to our warehouses in Lomazzo and Ferentino in Italy and Vienna in Austria were covered by rail instead of by road. This reduces the annual emissions of carbon dioxide by about 55 percent. For 2010, we and our logistics partners have already identified other European routes that are suitable for switching product transport to rail. In the USA, too, we are increasing the proportion of intermodal transport routes.

### Training and knowledge transfer

Through the transfer of knowledge and technology among our sites, we assure the global use of safe, efficient and resource-conserving production processes. This goes hand in hand with the introduction of modern management methods and professional development and qualification programs for our employees. Leadership behavior as well as the training of staff and raising their awareness all play key roles in Henkel's successful focus on sustainability.

### Occupational incidents in 2009

In 2009, no serious occupational incidents occurred at any of the Henkel sites. We recorded three relatively minor incidents. In two cases, small amounts of wastewater or emissions with potentially adverse effects were released. In one case, our safety precautions turned out to be insufficient.

» At our site in **Hino**, **Japan**, wastewater from an overflown tank spilled into a nearby ditch. The affected areas were cleaned up immediately.

» At **Ballyfermot**, **Ireland**, four kilograms of gas from adhesives production were emitted during cylinder changeover. In line with the existing emergency procedures we ensured that our employees were appropriately evacuated and that neighbors were informed of the incident.

» After a fire incident within our production facility at **St. Louis**, **Missouri**, **USA**, four workers were injured during the subsequent clean-up work.

All incidents were reported to the local authorities and thoroughly investigated. Final safety analyses confirmed that no lasting adverse environmental impacts occurred. A list of preventive actions was drawn up to avoid the occurrence of such incidents in the future. Since 2007, we have therefore given high priority to a special training program on Safety, Health and Environment (SHE) Leadership. The program content ranges from risk assessment to emergency management and management systems. So far, we have carried out nine three-day SHE Leadership seminars, which were attended by a total of more than 180 site and production managers from Asia, Africa, Europe, and the Americas. The November 2009 seminar in Chicago, USA, was aimed particularly at the plant managers of the National Starch businesses acquired in the spring of 2008. In total, about 80 percent of the worldwide site and production managers have already attended our SHE Leadership seminars.

### Logistics planning: An equation with many variables

Throughout Henkel, we are working to simplify our logistics structures and develop efficient and environmentally compatible logistics concepts. In most cases, our logistics planning is tailored to the nature of the final products to be transported. For relatively bulky products, we reduce the transport mileage and the resulting environmental burden by maintaining regional production sites. This applies especially to our laundry detergents and household cleaners, and to some cosmetics and adhesives. More compact products with a low specific weight make fewer demands on transport, so we produce them centrally in large quantities wherever possible. Our instant adhesives, for example, are produced at just a few sites worldwide. One of the criteria for selecting our logistics partners is the energy efficiency of their vehicle fleets.

### Logistics as part of our operational carbon footprint

The basis for effective action is the continuous improvement and completion of our emission data. We established comprehensive management systems for our production operations many years ago. These cover both our own carbon dioxide emissions and the emissions resulting from the generation of energy bought from third parties **SP** Page 16. Measurement of the carbon dioxide emissions associated with the transport of our products or with business trips is far more difficult, however, as the system boundaries, basic data, methods and procedures are much less well defined. For example, the fuel consumption of each truck, its capacity utilization, and each traveled kilometer must be known exactly in order to calculate the transport emissions.

Estimates based on average values, emission factors, and secondary data from existing life cycle databases, indicate that the annual carbon dioxide emissions attributable to the transport of our products amount to approximately 500,000 metric tons. For business trips, we estimate a figure of about 150,000 metric tons per year. Regarding our logistics operations, we are working intensively to develop our data systems further so that we can determine the amount of emissions more exactly and check the effectiveness of measures undertaken to reduce them.

### Different starting points for overall improvement

We are looking closely at the development, production, transport and storage of our products, as well as business trips and company cars, in a determined effort to find ways to achieve an across-the-board improvement in our operational carbon footprint. In 2009, as part of the Supply Chain Optimization Project, we focused on simplifying the structures of our finished products warehouses in the USA. As a result, we were able to reduce the transport mileage between the various intermediate warehouses by 35 percent. This is equivalent to avoiding the emission of almost 2,000 metric tons of carbon dioxide. Wherever possible, we improve truck capacity utilization by increasing the number of delivery units and the shipment weight or by grouping different consignments - also with those of suppliers of similar products. We aim to cooperate with our retail partners to identify potential for improvements, and therefore participate in, for example, the European Efficient Consumer **Response initiative.** when  $kel.com/sr2009 \rightarrow 21$ 



Interview with Dr. Andreas Bruns, member of the Henkel Sustainability Council, who represents Infrastructure Services as well as safety, health and the environment (Corporate SHE)

### The value of sustainability is often a subject of debate. Will Henkel stick to its environmental targets despite the economic crisis?

Andreas Bruns: Just like our financial targets, our environmental targets for energy, water and waste reductions for 2012 are fixed. And not purely on ecological grounds, but also for economic reasons. In economically difficult times in particular, when energy and raw material costs are rising, every euro counts that we can save on the costs of raw materials, water, energy, or waste disposal. The efficiency improvements of the past ten years have saved us about 200 million euros simply by lowering our energy requirements.

## What do you see as the biggest challenges for achieving the targets?

Andreas Bruns: These targets are ambitious above all for sites whose production plants had already achieved a high level of efficiency. Difficulties arise when one of our improvements causes a new problem to appear elsewhere. As an example, the switch to concentrated liquid laundry detergents enabled us to achieve considerable savings in water and materials in our production facilities. On the other hand, relative energy consumption – i.e. per metric ton of output – increased, as the energy consumed is distributed over a smaller weight of output.

## How are Henkel's production operations contributing to climate protection?

Andreas Bruns: Our focus is basically on the efficient provision and utilization of energy, to prevent climate-damaging emissions in the first place. Our combined heat and power plant in Düsseldorf, for example, has an extremely high degree of efficiency of about 85 percent. We are also looking into where the use of power from renewable energy sources makes economic sense and can make a contribution to climate protection. However, we always put efficiency and energy savings first. This is why we only consider the use of green electricity and the neutralization of carbon dioxide by purchasing certificates when all other options have been exhausted.

## **Environmental indicators**

### Transparency

The indicators we use throughout the Company offer transparency in many respects. They help us to identify potential improvements, steer programs, monitor target achievement, and inform the public about our performance and progress in compact form. Our indicators are based on the environmental indicators of the European Chemical Industry Council (CEFIC). In the Sustainability Report, we focus on the publication of globally relevant core indicators. Control values that are less relevant for us are published on the Internet only. *henkel.com/sr2009*  $\rightarrow$  22

### A worldwide picture

The production-related data were determined at 193 Henkel sites in 57 countries. Data relating to the National Starch sites have been included in our reporting since 2008, the year they were acquired. The data represent more than 95 percent of our worldwide production volume in 2009. The data are validated centrally for year-end reporting and also verified locally within the framework of our international audit program  $\[ \begin{aligned} \mbox{structure} Page 10. Any differences in data discovered or reported at a later date are corrected retroactively in our reporting system. \[ \begin{aligned} \mbox{structure} henkel.com/sr2009 $> 23 \end{aligned} \end{aligned}$ 

### A comparable basis

Henkel is constantly changing, and with it the number of sites contributing data to the environmental indicators: from 158 in 2005 to 193 in 2009. As part of our worldwide restructuring program, we sold, merged or closed 33 sites in 2009. As these changes do not occur at a uniform rate, there are jumps in the figures. To ensure the comparability of the annual data, we also plot index curves.

The index curve on the graphs shows the progress of the specific environmental indicators relative to the volume of production (per metric ton of output). The base for these index curves is the year 2005 (= 100 percent).

### Production volumes

**Energy consumption** 

In thousand metric tons



The production volume dropped in 2009 as a result of site closures and declining demand over the year in the industrial business.



Bought-in energy is electricity, steam and district heating that is generated outside the sites.

### Carbon dioxide emissions



Carbon dioxide emissions from bought-in energy Henkel's own carbon dioxide emissions

Energy generation accounts for almost all of the carbon dioxide released as a result of Henkel activities. The given values include carbon dioxide formed during the generation of bought-in energy at non-Henkel sites.

Sulfur dioxide emissions



Sulfur dioxide emissions are decreasing due to changes in the fuel mix at certain sites.

### Water consumption and volume of wastewater In thousand cubic meters



Water consumption Volume of wastewater The values include all water, whether bought-in or extracted from Henkel's own sources. Most of this water is process water. Because water is lost by evaporation and water is contained in many products, the volume of wastewater is smaller than the volume of water consumed.



Lead, chromium, copper, nickel\*
Zinc

Emissions of heavy metals to wastewater

The rise to the 2008 to 2009 levels is primarily due to the acquisition of the National Starch businesses in 2008 and the improved data acquisition at certain sites. As zinc is usually less harmful than other heavy metals in terms of its effects on the environment, the zinc load is shown separately. \* Particularly hazardous heavy metals, such as mercury and cadmium, are not relevant in our production.

### Emissions of volatile organic compounds



The high level in 2005 is primarily due to acquisitions. Since 2007, additional measures have been implemented to reduce emissions of volatile organic compounds.

### COD emissions to wastewater





Chemical oxygen demand (COD): Measure of the pollution of wastewater with organic substances.

### Waste for recycling and disposal

In thousand metric tons



Hazardous waste for disposal

"Hazardous waste for disposal" includes all kinds of waste that are classified as hazardous under the laws of the respective countries and the hazardous wastes listed in the Basel Convention of 1989.

Because individual countries continue to extend their list of hazardous wastes, it is possible for the volume of hazardous waste to increase without any change having occurred in the waste situation at Henkel. For us, the combination of "Quality & Responsibility" is the innovation driver of the future. Our products and our communication promote innovative, sustainable consumption worldwide.

Our laundry detergents and household cleaners must deliver the best possible performance allied with the greatest possible environmental compatibility. The "Performance based on Sustainability" team implements this strategy.

### From the left:

### **Uwe Bergmann** is company-wide coordinator for sustainability/corporate social responsibility.

### Dr. Roland Schröder

is responsible for sustainability and product safety in the Laundry & Home Care business sector's research and development.

### Franz Speer

works with retailers to develop sustainable assortment and process solutions for laundry detergents and household cleaners.

### Sabine Röltgen

steers the digital communications for the Laundry & Home Care business sector. **Dr. Ute Krupp** is responsible for Henkel's sustainability communications.

Thomas Schuffenhauer coordinates the "Performance based on Sustainability" team. **Dr. Gottfried-Peter Engels** carries out market research on sustainable consumption.

## Laundry & Home Care

Our laundry detergents and household cleaners must combine the premium performance of our brands with responsibility toward people and the environment. We refer to this combination as "Performance based on Sustainability." Our objective is to set new quality standards in the market through our combination of performance and responsibility. For us, this strategy is the central innovation driver of the future. And it offers a clear strategic competitive advan-

of our product concepts are aligned to our "Performance based on Sustainability" strategy tage, which in the long term will further strengthen our position in the laundry detergent and household cleaner market. "Performance based on Sustainability" therefore applies

to 100 percent of the product concepts in our innovation pipeline. The focus is not necessarily on the development of green products, but rather on offering more intelligent solutions. The basis for this is an exact analysis of our value chains. For all our laundry and home care product categories, we have carried out life cycle analyses on sample products to enable us to identify suitable starting points for improvements.

### Vision 2050: Innovations for sustainable lifestyles

The growth in world population and the steady increase in the average standard of living call for a radical reassessment of our production methods and consumption. To drive change in the laundry detergent and household cleaners



Christian-André Weinberger, initiator and strategic leader of the "Performance based on Sustainability" team, explains the significance of innovative sustainable consumption at the Copenhagen Business Day during the United Nations' climate conference.

sector, we draw on our many years of experience and our leading role in the field of sustainability See below. Our innovations are used daily in millions of households, and therefore offer great potential to actively help to shape the sustainable lifestyles of tomorrow. We work to develop products that enable consumers to make more efficient use of energy and water. Our laundry detergent Persil ActicPower, for example, is based on technology that enables enzymes to act at low temperatures, and therefore performs effectively even at 15 degrees Celsius. And our dishwasher detergent Somat 9 delivers excellent cleaning performance at just 40 degrees Celsius. Energy savings of up to 20 percent



Throughout the company's history, Henkel researchers have repeatedly demonstrated the importance of innovations for sustainable development. Persil phosphate-free and Persil Megaperls are pioneering landmarks that clearly improved the environmental compatibility and resource conservation of laundry washing. Today's Persil Gold and Persil ActicPower reach their full washing power at low temperatures. We draw on our many years of experience to develop the sustainable products of the future.  $\frac{1}{2}$  henkel.com/sr2009  $\rightarrow$  24

### A leader for decades: Contributions to sustainable development



The QR code is simply photographed using a mobile phone with appropriate recognition software, and accesses Persil's mobile Internet site.

## Accessible by mobile phone: Information on sustainability

How can consumers find out how environmentally and socially compatible the products they purchase every day are? What should they keep in mind when they use them? Innovative communication technologies provide answers to these questions, right at the shelf.

With the help of Quick Response Codes, which can be found on an increasing number of our laundry detergent and household cleaner packagings since the beginning of 2010, consumers can use their mobile phones to directly access mobile Internet sites. We provide a variety of information on sustainability online – including, for example, a carbon dioxide calculator.

Fast and direct access to information makes it much easier to make responsible purchasing decisions while shopping. Henkel is the first company in the consumer goods sector to provide consumer information in this form, with the aim of promoting sustainable consumption. are achieved over comparable programs that require temperatures of 50 or 55 degrees Celsius.

## Working together for innovative, sustainable consumption

Sustainable consumption can only be achieved if we all work together. Communication with our consumers is therefore just as important as the development of sustainable products. Through the "Quality & Responsibility" logo printed on our laundry detergents and household cleaners since 2008, we aim to make it easier for consumers to reach responsible purchasing decisions. The logo indicates to consumers that, by buying this product, they will not only obtain superior performance but a sustainable solution as well. As the first company in the consumer goods sector to do so, beginning in 2010, Henkel will use Quick Response Codes to stimulate responsible product use SP See box at left.

### **Responsible management of raw materials**

Henkel has been using ingredients based on renewable raw materials for decades. The washing active substances (surfactants) in our laundry detergents and household cleaners, for example, are derived from renewable raw materials such as palm kernel oil. Since 2003, we have therefore actively participated in the Round Table for Sustainable Palm Oil (RSPO) rspo.org. In 2008, we were the first company worldwide to purchase certificates for sustainable palm kernel oil – for our Terra Activ brand products St See product example,

### Purex Complete 3-in-1 Laundry Sheets

Purex Complete 3-in-1 Laundry Sheets have taken laundry detergent concentrates to a new level in the USA. Thanks to the 10 times concentrated detergent formula, one laundry sheet contains all of the detergent, softener and anti-static needed for one wash cycle and the following dryer cycle. The low weight and volume reduce the carbon dioxide emissions associated with transport by almost 70 percent, and the Laundry Sheet refill pouch generates 45 percent less packaging waste – in both cases, in comparison with a bottle of a conventional laundry detergent concentrate.



## Terra Activ – high-performing and environmentally compatible



The Terra Activ laundry detergents launched in 2009 are also characterized by an ideal combination of excellent performance and outstanding environmental compatibility. More than 60 percent of the surfactant ingredients (washing active substances) are based on renewable raw materials that are readily, rapidly and completely biodegradable. Thanks to their high washing power, Terra Activ laundry detergents demonstrate top cleaning performance even at 20 degrees Celsius.

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page 20. As a result, palm kernel oil from sustainably managed plantations was integrated into the supply chain for the production of surfactants for the first time. We now plan to build on this by aligning our overall product portfolio to certified sustainable palm oil and palm kernel oil by 2015. henkel.com/sr2009  $\rightarrow$  25

### Efficient use of materials

We contribute to the efficient use of materials by improving our product packagings and using recyclable materials. We offer consumers dosage aids, concentrates, and refill packs. For example, a variety of refill pouches with formulations in up to three-fold concentrations are available for our Biff, Bref and Sidolin household cleaner brands. In comparison with the original packaging, about 90 percent less plastic is needed for their production. They also reduce water consumption, freight packaging, and transport weight.

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### Contributions to hygiene and health in the home

Hygiene is of crucial importance for human health throughout the world. Here, too, we make an important contribution in all of our markets through our laundry detergents and household cleaners. A key priority is the adaptation of our products to local consumer requirements and local conditions. Since 2009, for example, we have offered laundry detergents containing special antibacterial agents in many south European markets and in India. The same applies to newly launched household cleaners on the Latin American markets.  $\square$  henkel.com/sr2009  $\rightarrow$  27

### Henko with antibacterial Neem

In India, our Henko laundry detergent with antibacterial Neem protects laundry gently against bacteria. Neem is a natural raw material obtained from the native Neem trees, and it is well known in India for its antibacterial effect and skin compatibility. To make the product performance accessible to consumers with low purchasing power as well, Henko with antibacterial Neem is also available in single-use packs and as a soap bar.





Interview with Christian-André Weinberger and Prof. Dr. Thomas Müller-Kirschbaum, the members of the Henkel Sustainability Council who represent the Laundry & Home Care business sector

At Henkel, each new product is to make a contribution in at least one of the company's focal areas. Why is this so important? Christian-André Weinberger: Innovations are the key to sustainable development. Populations, living standards and consumption are growing worldwide. As a result, more resources are being consumed and emissions are increasing. We therefore have to develop solutions that disassociate growth and quality of life from resource consumption. This is the promise of our "Performance based on Sustainability" strategy: Each new product must be manufactured more efficiently or be more economical to use than its predecessor – while still providing consumers with top performance.

You also focus increasingly on the use of ingredients derived from renewable raw materials. What is your objective? Thomas Müller-Kirschbaum: Mineral oil is a finite, carbon-dioxideintensive, fossil fuel, which must be conserved. One of the core aims of our researchers is and will remain the replacement of mineral-oil-based ingredients. However, we do not simply switch to renewable raw materials without considering the consequences. We must always be sure that we are improving the situation from an ecological, economic and social point of view. We assess these aspects early on in the innovation process, for example with our Smart Carbon Index. This incorporates performance and environmental parameters such as energy consumption and biodegradability – which have an impact on carbon dioxide emissions and biodiversity – and thus demonstrates the Quality & Responsibility principle.

## Your engagement in the Round Table for Sustainable Palm Oil (RSPO) has attracted criticism as well as praise. Are you on the right track?

Christian-André Weinberger: Yes. And we are clearly viewed as leading the way successfully here. Of course, we are also aware that the RSPO has critics as well as supporters. For us, however, the RSPO is not an end in itself, but the means to an end. If we and the other groups represented in the RSPO were to terminate our involvement, there would be no chance of improving the situation in regions where oil palms are cultivated. The objective is to work together so that, when palm oil or palm kernel oil is used as a basis for ingredients, this oil comes from certified sustainable palm oil cultivation. We will continue to pursue this objective within the framework of Quality & Responsibility. Our products are optimally designed to improve their ecological footprint. Through them, we support the trend toward health- and environment-conscious lifestyles.

Interdisciplinary and international collaboration is especially important when it comes to optimizing ecological footprints. This is the only way to consider all aspects and to exploit their full optimization potential. It also ensures that the greatest possible number of consumers will be able to benefit from our innovations. Pictured here in a project discussion is one of the international teams from the Cosmetics/Toiletries business sector.

### From the left:

**Susanne Cornelius** heads the Body Care business unit. **Dr. Andrea Sättler** is in charge of international product development for skin and body care products. **Scott Moffitt** *is responsible for the Body Care business in North America.* 

## **Cosmetics/Toiletries**

Our cosmetics and toiletries contribute daily to hygiene and personal well-being in many countries. Consumer-relevance, efficacy and excellent compatibility are the main prerequisites for the long-term success of our products. In addition, ecological and social criteria are playing an ever more important role in influencing consumers' purchasing decisions. With our innovations, we offer effective cosmetic products that simultaneously support the trend toward environment- and health-conscious lifestyles. From the very beginning, our developers make use of the results of product life cycle analyses. This enables us to link innovative ideas with contributions to our focal areas.

### Top priority: Product and consumer safety

Only cosmetic products that are well tolerated and safe to use can win the long-term trust of our consumers. This is why the highest priority is attached to health compatibility during product development. This includes consideration of the needs of people with allergies or sensitive skin. In 2009, we worked closely with the European Centre for Allergy Research Foundation (ECARF) and other external partners, including dermatologists of the Charité University Hospital in Berlin, to further improve this aspect of our products.  $\Box$  ecarf.org

All cosmetic products and their individual ingredients are subjected to an extensive program of assessment and evaluation in order to ensure their compatibility. We employ non-animal in-vitro test methods (tests carried out in a test tube) and dermatological studies to assess the skincompatibility of our finished cosmetic products. Since the



### Diadermine

In 2009, the European Centre for Allergy Research Foundation (ECARF) awarded Diadermine skin creams the ECARF Quality Seal. This attests that the Diadermine formulations satisfy the highest demands in regard to skin compatibility and use by persons with sensitive skin or allergies. This was also demonstrated by the complaint-free use, under dermatological supervision, of Diadermine by volunteers suffering from neurodermatitis.

www diadermine.de





Developed by Henkel, this full thickness skin model can be used to systematically assess the effects of substances on the skin tissue.  $henkel.com/sr2009 \rightarrow 28$ 

### Development of alternative test methods

The goal of replacing animal testing of ingredients by alternative test methods is of paramount importance for us. We therefore engage in international collaborative projects with partners from industry, regulatory authorities, and research institutes. In 2009, the European Cosmetics Association (Colipa), together with the Commission of the European Union, decided to make a total of 50 million euros available for the development of alternative methods of testing for systemic toxicity. As one of 16 industrial partners, we participate intensively in this research project. Parallel to our own research work, we help collaboration partners to design their own projects.

early 1980s, we have been working intensively to develop alternative test methods to make it possible to replace the animal tests that are still legally prescribed for some ingredients **SR** Page 6.

## Responsible use of natural and renewable raw materials

We contribute to the conservation of finite resources by using renewable raw materials in our formulations. For example, we replace ingredients based on mineral oil by starch-based alternatives, provided this is possible and appropriate in the context of the overall development of the formulation. More than two-thirds of the ingredients of

the product formulations of our soaps, shampoos and shower gels are now based on renewable raw materials. We are also committed to considering eco-



of the ingredients in our soaps, shampoos and shower gels are based on renewable raw materials

logical and social aspects when we purchase renewable raw materials. Wherever possible, we pay close attention to their origin and production conditions, and strive to use



### Coloring easily and safely

For many people, coloring their hair has now become part of their regular beauty care routine. Under the heading "Safe Coloring For You," our new Internet pages at about-cosmetics.com provide consumers with help regarding the proper and safe use of hair colorants. Here we inform consumers about what they need to know before, during and after coloring their hair. A video explains, step by step, how to carry out a skin sensitivity test every time before using a colorant and advises on when hair coloring products should not be used. Answers are provided to frequently asked questions, such as about possible allergy risks and about coloring hair during pregnancy. about-cosmetics.com



### Schauma

As part of the Product Carbon Footprint (PCF) project in Germany, a Schauma shampoo was chosen to represent the shampoo product category, and its product carbon footprint was calculated. The results show that most of the carbon dioxide emissions occur during the use phase, when water is heated for washing the hair. All the other phases together account for only about ten percent. Nevertheless, we aim to reduce this proportion still further. For example, we transport all cosmetics products by rail from our production site in Wassertrüdingen in Bavaria to our central cosmetics warehouse in Monheim near Düsseldorf. This represents annual savings of about 7,000 metric tons of carbon dioxide emissions.





ingredients from controlled organic crops to a greater extent. Furthermore, when we purchase raw materials, we seek opportunities of cooperating with suppliers and local stakeholders who support fair trade with the countries of origin. This is also reflected in our involvement in the Round Table for Sustainable Palm Oil (RSPO).

### **Overall improvement in eco performance**

Our products that pass into wastewater after use are formulated for optimal biodegradability. Our aim is to increase the proportion of readily biodegradable ingredients in our soaps, shampoos and shower gels to 80 percent by 2012. In 2009, we introduced new software to monitor our progress. This tool automatically calculates the proportion of readily biodegradable substances in the finished products. More-

over, as an in-process control measure, it helps to optimize new formulations or to assess the differences to a predecessor formulation. The propor-



tion of readily biodegradable substances in our formulations is currently about 65 percent. Other key factors in improving our eco performance are carbon dioxide emissions and packaging material. We plan to calculate the carbon footprint of representative products for each relevant product category by 2012. These calculations will, above all, increase the transparency of our processes and reveal starting points for achieving reductions in emissions.

### Syoss



The Syoss hair care products, developed with the help of professional hairdressers, provide salon quality at affordable prices. The salon-size 500 ml packaging is also beneficial for the environment. In comparison with the usual 250 ml retail pack size, the Syoss packaging to content ratio is clearly superior, resulting in a cut of more than 40 percent in the amount of packaging material per application. Syoss.de



To reduce consumers' packaging waste, we strive continuously to decrease the amount of material used in our product packaging as far as possible without compromising the quality and stability of the packaging. We also continue to seek suitable biodegradable alternatives that satisfy our high demands on packaging materials.

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### Safe to use thanks to professional advice

Comprehensive advice for consumers goes hand in hand with product safety. An advice hotline has therefore been set up in every country in which our products are sold, so that consumers can be provided competently and quickly with reliable information about product properties or ingredients, by telephone, mail or email. In Europe, for example, this results in about 120,000 customer contacts each year, half of them in Germany. Most queries are about the effects our products achieve and how to use them.

We also support our professional hairdressing customers with training courses and information on the proper use of our products. Through the international Schwarzkopf Academy (ASK), we offer an advanced vocational training program on cutting techniques, fashion advice, and management topics for hairdressers in 52 countries. In 2009, we provided support to 325,000 hairdressers worldwide through our 34 Schwarzkopf Academies.

www en.ask-schwarzkopf.com



### Fa Hygiene & Frische and Dial Complete

The antibacterial formulations of the Fa Hygiene & Frische liquid soap and Dial Complete foaming antibacterial hand wash thoroughly clean hands and eliminate up to 99 percent of bacteria without causing dryness. They thus help to prevent the spread of germs and are gentle to the skin. In the USA, the Dial antibacterial liquid soaps are now the number 1 doctor-recommended hand soap. and *dialsoap.com* 





Interview with Tina Müller and Dr. Thomas Förster, members of the Henkel Sustainability Council, who represent the Cosmetics/Toiletries business sector

### The compatibility of cosmetics products is becoming increasingly important, in part due to the increasing prevalence of allergies in industrialized countries. What does this mean for the skin care business?

**Tina Müller:** For us, this development is nothing new. Our own studies show that about 50 percent of women regularly categorize their skin as sensitive. At the same time, we know that these women do not want to do without highly effective care products. Our objective, therefore, is to offer them products that combine superior efficacy with outstanding skin compatibility.

### What is the main challenge for your product developers?

Thomas Förster: Perfume oils and preservatives are often critical ingredients for people who have sensitive skin or allergies. As part of our product safety precautions, we always assess our formulations and all ingredients for sensitizing effects. In 2009, we carried out intensive discussions and tests on the formulations of our Diadermine care products, in particular, with experts of the Charité University Hospital in Berlin. Our formulations and their biomimetic (nature-imitating) action principle proved to be especially well tolerated by people with sensitive skin or allergies. All of the Diadermine creams were awarded the Quality Seal of the European Centre for Allergy Research Foundation (ECARF). This was a fantastic success for us, confirming our dermatological competence.

### And are you planning any other activities in this area?

Thomas Förster: In 2010, we plan to have all Diadermine products – including the cleansing products – assessed by ECARF, so that we can extend the use of the ECARF Quality Seal to additional product categories. ECARF underlines our objective of combining excellent compatibility with professional efficacy. But we are also convinced that safe product use must include comprehensive advice. For this reason, we set up a hotline in each country to provide reliable information, competently and quickly, about product use and ingredients.

We carry out worldwide research on products and technologies that combine top performance with economic advantages for our customers and consumers and responsibility toward people and the environment.

The global research and development teams of our Adhesive Technologies business sector work together with various research institutions on innovative adhesives, sealants and surface treatments. Team members from five projects are pictured here.

### From the left:

**Dr. Yonghua Zhao** is working on low-emission polyurethane adhesives for the automotive industry. Kornelia Theissen engineers adhesive solutions for the solar energy sector. **Dr. Emilie Barriau** researches high-performance adhesives and structural foams for lighter cars and aircraft. **Dr. Marion Stöckmann** develops renovation and decoration products based on renewable raw materials. **Dr. Rajat Agarwal** is working on heavymetal-free solutions for metal pretreatment.

## **Adhesive Technologies**

Throughout the world, our adhesives, sealants and surface treatments are known for their high quality and make us global market leaders – technologically, ecologically, and in terms of health compatibility. Our products answer the needs of industrial customers, craftsmen who serve the construction industry, and consumers and DIYers. Our products also make an important contribution to safety and the conservation of resources.

## Global number one through innovation, performance and sustainability

Our products serve many different markets, such as the automotive, electronics, aerospace, metal and packaging industries, the development of alternative sources of energy, and for maintenance, repair and overhaul. They help to make industrially manufactured goods more durable, lighter and more efficient. Our adhesives know-how also helps to protect buildings against cold and dampness and to repair items of daily use, while our glues and tapes are much appreciated in the home, in schools and in offices. The key consideration, however, is always that of combining economic benefits for our customers with responsibility toward people and the environment.

### Improvements based on life cycle analyses

This approach is based above all on life cycle analyses and consistent reviews of our product portfolio. For many years, for example, we have pursued a policy of steadily replacing heavy metals and solvents with high-performing alternatives that make it possible to offer water-based and ultravioletcrosslinking formulations. In 2009, as part of the Product Carbon Footprint project, we calculated the carbon footprints



### Loctite 2400 and 2700

The two new Loctite threadlockers not only retain the customary high Loctite performance, but also have a "white" material safety data sheet. This means that the safety data sheet contains no risk phrases, as neither of the two products contains declarable substances or has to be labeled with hazard symbols.





### "Invisible" innovations

Henkel products are used in almost all sectors of industry – often invisibly. They help to save weight, increase rigidity, reduce energy consumption or to improve safety levels. In athletic shoes, for example, Aquace W-01, the first water-based polyurethane adhesive for sports footwear, kicked off a series of innovations that will help to reduce emissions of volatile substances during processing by up to 90 percent in comparison to the use of solvent-based adhesives.

We launched Aquace SW-07 in 2009. As the first one-component adhesive for applications of this kind, it makes it possible to improve quality while minimizing waste. By now, all of the leading sports footwear brands are profiting from an appreciably higher level of protection of health and the environment in athletic footwear production facilities.

### Teroson and Sista joint sealants

The calculations of carbon footprints for individual products from the Teroson and Sista brands show how the timely renewal of the joint sealant can achieve significant savings in heating costs. If high quality, durable sealants are used and the joints are regularly maintained, the amount of emissions prevented by the sealant over the lifetime of a window is one thousand times greater than the emissions attributable to the original production of the sealant. Sista.de pcf.projekt.de





### Communicating improvements transparently

We are developing a variety of communications tools to enable our customers to visualize the advantages of our products. The Internet site henkel-car.com, for example, shows where the use of Henkel technologies in automobile manufacturing results in improvements in sustainability. These include reductions in the number of process steps, cuts in energy and water consumption, and the manufacture of lighter and safer vehicles. TecTalis, for example, replaces conventional zinc phosphating in the pretreatment of car bodies and reduces energy consumption to a minimum. In lightweight engineering, the two-step process for pretreating aluminum car bodies decreases the amount of waste by up to 30 percent. With these technologies, Henkel supports the efforts of the whole of the automotive industry to increase efficiency and quality.

of our Liofol laminating adhesive and of Sista brand window joint sealants as representatives of their product categories for the first time. By examining the total product life cycle, we can implement improvements in a targeted manner where they will be most effective.

### Knowledge transfer for comprehensive process advice

As a reliable partner and competent advisor, we need to understand today what our customers will need tomorrow. We therefore engage in continuous dialogue. Our aim is to offer our customers first-class performance while simultaneously helping them to operate sustainably throughout their value chain. Here, too, we draw on our many years of expertise in life cycle analyses and sustainability matters. Improvements may be achieved by modifying the composition of our own products or by adapting the way they are used by our customers. Our products can help customers to enhance the design of the goods they manufacture or to improve their production processes. Our systems solutions are based on our understanding of our customers' needs and are often generated by working as a team with customers, equipment manufacturers, and raw materials suppliers.

## For us, sustainability also means helping our customers to save costs and resources

Sustainability gives us a competitive advantage when it creates economic, ecological or social benefits for our customers as well. Such benefits could be, for example, product developments that make production processes considerably more efficient than conventional solutions. Our Loctite brand maintenance and repair products, for example, can extend machine lifetimes. Our PurMelt MicroEmission adhesives improve occupational health and safety in manufacturing plants. And TecTalis corrosion protection technol-

### Hysol Underfills

Underfill adhesives form a uniform, void-free underfill layer, which ensures, for example, that microchips in electronic devices like mobile phones are better able to withstand impact shocks. Our Hysol UF3800 underfill can be processed at room temperature and cures at low temperatures. Hysol UF3800 is also a reworkable material and contains no hazardous ingredients. This enables our customers to reduce energy consumption, scrap material and process costs during manufacturing. henkel.com/sr2009  $\rightarrow$  30



### Multan cutting fluids



The new Multan cutting fluids prevent the typical and often problematic build-up of bacteria in industrial applications. The water-based formulations achieve their excellent performance without the help of toxic bactericides. This significantly reduces the health risk to employees in production facilities. *henkel-multan.com* 



ogy cuts energy and wastewater costs of production processes. In the U.S. construction industry, the adhesives and sealants of our OSI Green Series set new standards in environmentally compatible building and healthy homes. We

have developed numerous tools to demonstrate the advantages of our innovations transparently to our customers. One of these is

### 80% reduction in water consumption with lonGuard for metal

tion with lonGuard for metal pretreatment processes

the Value Calculator, which enables customers to see the economic benefit they will gain by using our products. The Value Calculator is currently available for more than 30 brands, including Bonderite, TecTalis, Macroplast and Macromelt. In henkel.com/sr2009  $\rightarrow$  31

### User safety through dialogue, advice and training

Quality from Henkel does not stop with the development and sale of high-performance products. We offer service and advice throughout the world for customers in all sectors. By sharing our technical know-how and competence, our main aim is to help our customers to use our products efficiently and safely. Our chemicals management concept in the USA, for example, helps them with the selection, processing and disposal of chemicals. In Central and Eastern Europe, more than 60 Ceresit training centers teach craftsmen how best to use our building products. In Brazil, Henkel is a founding member of the Green Building Council, an international initiative which promotes the development of sustainable building methods and products.



### Loctite 4309

Loctite 4309 plant grafting adhesive is the world's first of its kind in the plant growing sector. Instead of a manually applied plastic clip, a drop of Loctite 4309 can now be used to hold the two parts of the graft together. This saves materials and enables processing to be carried out two or three times faster than previously, thus considerably reducing plant growers' production costs.





Interview with Prof. Dr. Ramón Bacardit and Enric Holzbacher of the Henkel Sustainability Council, in which they represent the Adhesive Technologies business sector

### Worldwide, 40 percent of energy is consumed by buildings – an important starting point for climate protection measures. What tasks do you see for Henkel here?

Ramón Bacardit: The focus on the energy efficiency of buildings is a major opportunity for us. We offer a variety of systems comprising joint sealants, insulating foams, insulating panels, and sealing films for the professional insulation of windows, doors and walls. Initially, our main task will be to raise awareness and create transparency. We must highlight and explain unnecessary energy losses in the home. Only if we do this will customers be able to see the advantages of our products.

### How do you intend to do this?

Enric Holzbacher: By offering professional advice concerning our products, as well as instruments such as energy calculators – in Germany, for example, on the Internet at www.henkel321.com. In other markets, such as Central and Eastern Europe, we are establishing training centers for craftsmen, where we raise the awareness of professionals of the importance of environmentally compatible materials and provide instruction on their use. Our message is that investment in high quality adhesives, sealants and insulating materials pays off in the long term.

### Can you prove this?

**Ramón Bacardit**: In 2009, together with the German Öko-Institut (Institute for Applied Ecology), we determined the carbon footprint of window sealants. The result was conclusive: The decisive factors are the quality of the material, and regular maintenance and replacement of the sealed joints. The better the quality and the durability of the sealant, the greater the amount of energy that can be saved.

## If the facts are so clear, why are there still so many inefficient buildings?

**Enric Holzbacher:** The owners of rented accommodation and buildings used for commercial purposes are often unwilling to take steps to improve the environmental compatibility and energy efficiency of their properties. This is because they do not use the buildings themselves and therefore do not profit from energy savings. We try to address this situation through our participation in international initiatives such as the U.S. Green Building Council.

## Our global team is our most important asset for a successful future.

All Henkel employees receive training and continuing education to ensure that they are appropriately qualified for their tasks. The approximately 600 purchasing employees worldwide, for example, receive training through the Purchasing Campus. The team pictured here is undergoing negotiation training.

URCHASIN

Purcha

### From the left:

Morad Carrilho El Achhab is responsible for the purchasing of packaging materials for Adhesive Technologies in Germany. Parallel to this, he completed a business degree and is now responsible for the purchasing of packaging in Europe as well.

### Lien Tran

is the Assistant to the Global Purchasing Manager. She is investing in her future financially by participating in the Henkel employee share program.

### Eric Scheid

is responsible for the purchasing of information technology. He studied in France and started his career as a packaging engineer at Henkel in Germany. Henkel sent him first to France and then to the USA on job rotations.

### Petra Spallek

is responsible for the global purchasing of raw materials. To balance her professional and her family life, she works part-time.

## A strong global team – winning together

One of Henkel's strategic priorities is to strengthen our global team. We do this by fostering the diversity, qualifications and performance of our employees. Because it is the team that counts – especially in economically difficult times B Pages 4 and 5. The personal engagement of our employees from 116 countries is the foundation of our suc-



cess. The driving force behind our globally leading brands and technologies is people with an entrepreneurial spirit. Henkel promotes a corporate culture based on fair-

ness and team spirit, one which expects all employees to assume responsibility and rewards outstanding personal achievements.

2009 presented special challenges for us all, requiring us to make difficult decisions and far-reaching changes. Unfortunately, these included cuts in our workforce. This was painful for us, but was essential in order to ensure Henkel's long-term competitiveness SB Page 35.

At Henkel, we focus on the following core elements to strengthen our global team:



### Strength through diversity

We are convinced that the different cultures and competencies of our employees help us to understand our markets,



customers and consumers better, and therefore to ensure our longterm business success. We want to have the best teams – irrespective

of the age, gender and nationality of their members. Diversity and inclusion are important components of our corporate culture.

### Social standards at Henkel

Our corporate culture is based on our commitment to respect the personal dignity and guard the privacy rights of all our employees and to apply the principles of equality and fairness. We clearly emphasized our support for the protection of human rights when we introduced our Code of Conduct in 2000 and when we joined the United Nations Global Compact in 2003. Our Social Standards, which we published in 2006, express in concrete terms what we stand for.

Through presentations, training courses and e-Learning, we ensure that our globally binding social standards are firmly anchored throughout the company and applied in our day-today activities. In the course of our routine audits, we check compliance with our social standards at selected sites. Because of their strategic importance, we will be including these social standards in our annual compliance reporting from 2010 onwards SP Page 8.

In June 2009, the Henkel Management Board approved a Global Diversity & Inclusion Policy. The policy includes a uniform definition of these two terms and documents measures for their implementation. For this purpose, we also appointed an international team of diversity ambassadors in 2009. Their task is to encourage and implement local projects and initiatives AR Page 51. www henkel.com/sr2009  $\rightarrow$  32



#### **Regional examples**

Worldwide	Start of a mentoring program for managers, to establish an even better feedback culture
USA and Germany Diversity days	
Belgium	Expansion of the inter-generational mentoring program involving professional newcomers and experienced employees



### Alissa Besler

is participating in a threeyear training course as a chemical laboratory assistant at Henkel. She is one of 511 young people being trained in 2009 by Henkel in 20 different occupations in Germany.

### Sofie Huyleberoeck

has been working for Henkel in Belgium since August 2009. She took part in the Henkel Innovation Challenge – an international competition for university students – and has been hired as a junior brand manager in the marketing operations of the Cosmetics/ Toiletries business sector.

### Axel Olschinski

has been with Henkel since 1990. After being trained as an industrial mechanic at Henkel and completing several courses of further training, he is now an operations assistant, responsible for steam generation, at the Henkel power plant in Düsseldorf.

### **Guy Simeon**

has worked for Henkel in Belgium since 1980 and is responsible for the supply chain for laundry and home care products in the Benelux countries. As a mentor, he passes on his knowledge to his younger colleagues.

### Competing for the brightest talents

One of the core elements of our strategy for strengthening our global team is the recruitment of the best possible employees worldwide. This is especially important in eco-

**3000** top university graduates worldwide chose Henkel to be their employer nomically difficult times. To equip our teams to meet future challenges, we seek out young talents all over the world. We have also built up a worldwide

network of universities and professors, to help us identify the best students for Henkel at an early stage. Through our presence at university workshops and presentations, we position Henkel as an employer of choice.

We make use of the specially designed recruiting instruments to meet the demands of the specific markets and regions.

### Regional examples

Europe	In Europe, we have firmly established the Henkel Innovation Challenge. In 2009, 2,100 students from eleven countries and 121 universities took part in this competition. The circle of winners already provided us with seven new employees in Belgium, Greece, Italy, The Netherlands, and Turkey in 2009.
South Africa	In cooperation with the Ministries of Education and Labor, Henkel managers in South Africa provided secondary school children insights into work and career opportunities at Henkel, and reported on their own careers at the company.

### **Challenging and fostering employees**

In competing internationally, the quality of our global team is just as crucial as the quality of our products. Our employees all over the world thus participate in seminars, work-

shops and e-Learning, to ensure that they remain as well qualified as possible. Such events range from management seminars to health, safety and envi-

100% of our employees receive training and education to improve their job skills

ronmental training, to product courses for field sales staff. We also focus strongly on seminars tailored to the requirements of our business sectors and function units. Special teaching modules help our employees to acquire new knowledge and develop their skills further, for example in the Purchasing Campus SR Page 30.

To provide our employees with cutting-edge management know-how, we cooperate with external partners and internationally leading business schools. We already established the Henkel Global Academy for our management level employees as early as 1997.

### **Recognizing and developing skills**

At Henkel we challenge and foster our employees individually in accordance with their potential. We also support targeted career planning for each individual on the basis of his or her performance. One of the most important tasks of all supervisors is to recognize and develop the skills of their staff. In 2008, we introduced a new worldwide talent management process, known as the Development Round Table, for all senior and junior managers. In this process, supervisors evaluate the performance and potential of their staff in accordance with uniform worldwide standards and then formulate individual development plans. The results are communicated to the managers in feedback meetings and



discussed with them. The measures decided upon as a result of these discussions are designed to enable employees to realize their full potential in accordance with

their competence profile. A strong global team needs employees with international experience. To strengthen an understanding of other cultures and markets, job rotation has become an established employee development tool. We



managers worked outside of their home countries in 2009 provide opportunities for our bestperforming employees to work in another country for a defined period of time. This facilitates company-wide know-how transfer

at Henkel – and enables our employees to further develop their personal and professional skills.

www henkel.com/sr2009  $\rightarrow$  33

### **Performance-related compensation**

The recognition of individual performance encourages employees to think and act like an entrepreneur and strengthens their motivation. Fair and performance-related compensation is therefore an important element of our corporate culture. We use success-related salary components to reward the personal engagement and performance of our employees. And we recognize their contributions to the success of our company.  $\Box$  henkel.com/sr2009  $\rightarrow$  34

### Employee participation in the company

Since 2001, our employees have been able to benefit from our success by participating in our employee share program. This strengthens their bond with the company. The high rate of participation (about 28 percent in 2009) dem-

28% of our employees in 56 countries participated

in our share program

in 2009

onstrates their trust. At the end of 2009, about 14,000 employees worldwide owned Henkel preferred shares acquired through the employee share program. And this trust in our company

pays, too, as Henkel augments each employee purchase of three shares by an additional share.



Interview with Kathrin Menges, head of Global Human Resources, and Rolf Schlue, who represents Human Resources on the Henkel Sustainability Council

## Why are leadership and employee motivation so essential for Henkel?

Kathrin Menges: The situation last year was not easy – not in our markets, and not for our employees. Unfortunately, we had to reduce our workforce in order to react to the difficult economic environment. Nevertheless, particularly in difficult times, our employees are more important than ever. We encourage a team spirit so that our company will remain competitive in the face of future challenges. We therefore need managers who are able to make decisions, provide their colleagues with feedback, motivate them to do their best every day, and to work well as part of a team. Only in this way can we establish a winning culture that makes a decisive contribution to Henkel's success.

### What do young people just beginning their career expect of a globally operating company today?

**Rolf Schlue:** Committed young people want to contribute to the success of a company that stands for a sustainable business policy and acts in a socially responsible way. They expect its products to make as little impact on the environment as possible, and place their hopes on social progress and social engagement on the part of the company. The topic of corporate social responsibility is increasingly discussed during apprenticeships and university courses.

### And how do you address this topic?

**Rolf Schlue**: We provide the young people who apply to Henkel all over the world with concrete information about sustainable development in the company, our corporate values, and our performancebased corporate culture. We highlight the opportunities offered through our company's policy of diversity and inclusion, and the possibilities of social engagement in volunteer projects. We are sure that this will enable us to recruit and retain the right people for our future.

## Health and safety in the workplace

### **Healthy employees**

Through targeted programs, health check-ups and other precautions, we seek to promote our employees' good health and ensure their long-term capacity to work. The measures taken include the elimination of risks in the workplace that could result in long-term illnesses and the inability to work.

Individual Henkel companies design their health programs to focus on different factors, depending on local requirements. In addition to physical health programs, workplace health promotion places growing emphasis on how to cope with rising workloads and stress, in order to avoid the new illnesses that are appearing in our society.  $menkel.com/sr2009 \rightarrow 35$ 

### **Our objective: Zero accidents**

The long-term objective of zero accidents, which we formulated in the year 2000, remains unchanged. For Henkel, even one accident is too many. On our path to achieving this objective, we have defined an interim target: a further reduction of 20 percent in occupational accidents by the

of our production sites worldwide were accident-free in 2009 year 2012, using 2007 as the base year SR Page 4. No fatal accidents were suffered in 2009 by an employee of Henkel, or by an employee of an external com-

pany who was carrying out work for Henkel at a Henkel site. Sadly, a Henkel employee died in a plane crash in the USA while on a business trip.

### Occupational health and safety training

We continue to insist upon strict compliance with our standards for safety, health and the environment, and we intensify our employees' awareness of occupational health and safety. Through regular workshops, newsletters and local health and safety days, our employees learn how to conduct themselves properly, recognize safety risks at an early stage, and avoid accidents.

Employees of external companies who work for Henkel are also included in our training courses on occupational health and safety. - henkel.com/sr2009  $\rightarrow$  36

### **Regional examples**

Sweden	Our site at Norrköping has been accident-free for nine years. In 2009, the Swedish Institute for Work Organization nominated it as the Best Workplace of the Year for its safety management.
Great Britain	In 2009, to prevent car accidents, all field sales employees underwent additional driver training.
China	Our plant in Nanhui received a Safety Award from the local authorities in 2009 for its exemplary occupational health and safety performance.
USA	In 2009, we singled out our site in North Kansas City, Missouri, for a very special achievement: In the last 25 years, not one day of work was lost due to an occu- pational accident.
Europe	The European Network for Workplace Health Promotion (ENWHP) again recognized Henkel with the Move Europe-Partner Excellence 2009 certificate for its exem- plary workplace health promotion.



### Occupational accidents per million hours worked At least one day lost (excluding commuting accidents)

Henkel employees

 Employees of external companies who work at Henkel sites and are directly contracted (included for the first time in 2007)
99 percent of Henkel employees were covered.

### Serious occupational accidents

More than 50 days lost



Accidents during typical production activities
Accidents while walking or moving around (e.g. stumbling)
99 percent of Henkel employees were covered.

### **Promoting social engagement**



Kirsten Sánchez-Marín is head of Henkel's administration in Central America. In her free time, she and a team of colleagues help the inhabitants of the mountain village Santa Clara La Laguna in Guatemala. The anniversary project, selected by Henkel in 2008 from 86 proposals on the occasion of the tenth anniversary of the Make an Impact on Tomorrow initiative, and supported by Henkel with a donation of 100,000 euros, is helping 120 families. Together with the independent Helps International organization, the project is improving the families' living conditions, for example by constructing enclosed hearths in their houses, installing water filters to ensure clean water, supporting schooling, and boosting agricultural productivity.



Fresh paint for the walls: Spray technology enabled Heidi von Halle, an employee from Columbia, and Fabiola Samayoa from Henkel in Guatemala to make fast progress while renovating one of the houses of the Guatemalan mountain village. I henkel.com/smile

### Social engagement requires initiative

Social engagement plays an important role in our corporate culture. It has been a tradition throughout our history and is firmly anchored in our corporate values and reflected in our daily activities. Together with our employees and retirees, our customers and consumers, and international organizations, we strive to meet social challenges.

Henkel Smile provides the umbrella for the company's corporate citizenship activities extending beyond direct business interests. We have structured our global activities around three core elements: Make an Impact on Tomorrow (MIT), emergency aid worldwide, and engagement for the common good.

The Make an Impact on Tomorrow (MIT) initiative relies on our employees and retirees, who initiate and implement all of the projects. Henkel supports the volunteer work carried out by its employees and retirees through in-kind, product and financial donations, and specialist advice. In addition, Henkel supported MIT projects in 2009 by giving employees a total of 318 days of paid leave from work. Employees may request up to five days off per year to participate in a project. We are convinced that encouraging volunteer work benefits everyone involved: society, the company and the employees themselves. Employees now expect companies to make a contribution to society. They also want to make a contribution themselves, with the help of their employer. Through their projects, our employees worldwide demonstrate their sense of responsibility, their leadership qualities, and their ability to work in a team.

The quality of MIT does not lie in the amount of financial support provided, but in the ideas, emotions, effort and time that our employees and retirees invest in their projects. The employees and retirees are at the heart of MIT, and they form a vital link between the company and the communities in which it operates.

As part of its social engagement activities, Henkel supported a total of 2,155 projects worldwide in 2009. Of these, the 1,143 MIT projects of our employees and retirees accounted for the largest share. Henkel provided money

and in-kind aid for seven emergency relief measures in disaster areas. The company and its brands were also engaged in 1,005 proj-





Schoolchildren at the St. Paul school in Dhupguri, India, celebrate the opening of a new building for an additional 400 children. This was made possible by the brand engagement of our leading laundry detergent brand, Dixan, in Italy. A total of 1,000 children will now be able to attend the school. The donation from Dixan also finances the daily school meals. The aim of the Dixan for the School initiative, which was launched in 1999, is to promote the creativity of schoolchildren in Italy while also drawing attention to the problems of poorer children in developing countries.



Henkel employees in the Philippines distributed food to the victims of typhoon Ondoy. On September 26, 2009, it swept over the Philippines, leaving a large number of dead in its wake. The Henkel Friendship Initiative provided emergency aid for the company's employees and victims of the typhoon. henkel.com/smile

ects. Worldwide, the projects helped to improve the living conditions of about 500,000 people. In 2009, the total sum provided to support all Henkel Smile activities was over 7.6 million euros.

### Social progress through MIT

In the year 2000, heads of state and government leaders from 189 countries agreed on eight development goals, known as the United Nations Millennium Development Goals. Through their volunteer projects, Henkel's employees and retirees make numerous contributions to the attainment of the Millennium Development Goals. More than half of the MIT projects improve the living conditions of people in emerging and developing countries. Local partner

organizations play an important role in carrying out the projects. In many cases, an MIT project may contribute to several of the Millennium Devel-



opment Goals. The MIT projects concentrate on the eradication of extreme poverty, promoting universal primary education, reducing child mortality, and fighting AIDS and other diseases. *un.org/millenniumgoals* 

### Percentage of MIT projects per Millennium Development Goal of the United Nations

<b>1</b> . Eradicate extreme poverty and hunger	<b>2.</b> Achieve universal primary education for boys and girls alike	<b>3.</b> Promote gender equality and empower women	<b>4.</b> Reduce child mortality	5. Improve maternal health	<b>6.</b> Combat HIV/AIDS, malaria and other diseases	7. Ensure environmental sustainability	8. Develop a global partnership for develop- ment
21%	31%	10%	6%	3%	22%	6%	1%

## **Social indicators**

Employees (as of December 31)	2008	2009
Henkel worldwide	55,142	49,262
Structure of workforce		
– Non-managerial employees	82%	80%
– Managers	16.6%	18.4%
– Top managers <sup>1)</sup>	1.4%	1.6%
Employee fluctuation worldwide <sup>2)</sup>	5.7%	4.9%

The drop in employee numbers in 2009 is attributable to a number of projects. The Global Excellence restructuring program was implemented earlier than planned. In the USA, we sold parts of our consumer adhesives business. And in China, we withdrew from the laundry detergent business. The acquisition of the National Starch businesses in April 2008 resulted in further synergy effects in 2009. Within the scope of these programs, a total of 1,596 employees left the company through the sale of factories and businesses.

<sup>1)</sup> Management Board, Corporate Senior Vice Presidents, Management Circles I and Ila <sup>2)</sup> Based on employee resignations

<sup>2)</sup> Basea	on	empioyee	resignations	

Nationalities (as of December 31)	2008	2009
Henkel	109	116
Managers	77	82
At headquarters in Düsseldorf	51	48
Management Board	4	4

International teams give Henkel a decisive competitive edge
and contribute significantly to the company's success.
Employees from 48 nations work at our corporate headquarters
in Germany. Our five-member Management Board is made
up of an Austrian, a Belgian, a Dane, and two Germans.

Percentage of women <sup>1)</sup> (as of December 31)	2008	2009
Henkel	32.9%	31.8%
Managers	26.4%	27.4%
Top managers <sup>2)</sup>	13.7%	16.4%

The percentage of female employees has remained stable in recent years. In an international comparison, a level of over 30 percent is regarded as good. We intend to increase the proportion of women in our management circles and top management still further.

<sup>1)</sup>Coverage: around 95 percent

<sup>2)</sup> Management Board, Corporate Senior Vice Presidents, Management Circles I and IIa

Age and seniority <sup>1)</sup> (as of December 31)	2008	2009
Average seniority in years	9.8	11.0
Average age of employees	39.4	39.3
Age structure		
16–29	19.5%	18.7%
30-39	32.7%	34.2%
40-49	29.6%	29.7%
50-65	18.2%	17.4%

Henkel has a stable age structure, which includes a large percentage of young employees as well as older, more experienced staff members. Henkel constantly hires new employees, while continuing to utilize the experience of older personnel.

<sup>1)</sup>Coverage: around 95 percent

Personnel development (as of December 31)	2008	2009	ŀ
Internal promotion (managers)	1,877	1,462	k
International job rotation	433	443	C
Trainees (Germany)	510	511	k
Average number of training days	2	2	
			-

Employee share program (as of December 31)	2008	2009
Percentage of employees owning Henkel shares	27.4%	28.4%

Employees covered by collective agreements	2008	2009	F
(as of December 31)	2000	2005	e
Percentage worldwide	44%	44%	e
Percentage in European Union (EU)	79%	79%	6

Social engagement (as of December 31)	2008	2009	
Total number of projects	2,476	2,155	
Of which: employee-initiated projects	1,306	1,143	
Number of people supported	-	500,000	
Time off from work for employee-initiated projects (days)	285	318	
Total donations (in thousand euros) (not counting time off)	7,529	7,684	

Henkel develops its employees in accordance with their potential and prefers to fill managerial positions from its own ranks. This is illustrated here by the number of internal promotions of managers worldwide. The total number of non-managerial employees promoted worldwide is not yet available. The "training days" category does not include training courses for sales and distribution personnel, training courses on occupational health and safety and the environment, e-Learning, or courses for trainees/apprentices.

Since the share program was launched in 2001, more employees have signed up for it each year. At the end of 2009, the total was about 14,000 worldwide. At that time, employees from 56 countries owned 4 million shares. This corresponds to some 2.2 percent of all preferred shares.

For our employees who work in countries in which no employee representation is provided for or has been established, a dialogue between the local management and our employees serves as a voluntary and informal instrument for ensuring an open exchange of views.

The total number of projects includes employee-initiated projects, emergency aid and charitable projects supported by the company. The "number of people supported" was recorded for the first time in 2009. Employees can request a maximum of five days time off from work per year.

## Stakeholder dialogue

# Open dialogue with all relevant stakeholders forms the basis of our sustainability management.

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 scientists. This dialogue shows us which aspects of sustainable development are of particular interest to individual stakeholder groups. It offers a basis for mutual understanding and an opportunity to compare our corporate views with those of our stakeholders. Furthermore, it is a source of new ideas for the company. It enables us to identify future requirements and potential risks that may be associated with our actions at an early stage. The insights gained make an important contribution to our innovation management and risk management. They form the basis for the further development of our sustainability strategy and our reporting.



In 2009, Henkel took part in 77 sustainability events in 20 countries worldwide. At one such event, organized by the World Wide Fund for Nature (WWF) and the association of the oilseed processing industry in Germany (Verband der ölsaatenverarbeitenden Industrie – OVID), Dr. Roland Schröder and Christian-André Weinberger (third and fourth from left) discussed the subject of sustainability and climate protection in certification systems, referring to examples such as the certification approach of the Round Table for Sustainable Palm Oil (RSPO). Also addressed was the question of how to quickly stimulate the current low level of demand for certified palm oil.



### Integrated stakeholder dialogue at Henkel

Participation in international working group on sustainable consumption

We have systematically integrated our stakeholder dialogue into all functions, business sectors and regions. Strategies and solutions are developed at the place where they will be assessed and put into practice.  $\frac{1}{1000}$  henkel.com/sr2009  $\rightarrow$  38

### **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 functions, business sectors 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.

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### **Dialogue with our employees**

For sustainability to be firmly embedded in Henkel's DNA, each and every one of the company's 50,000 employees must internalize the principles of sustainable development and act accordingly in their daily work. To encourage this, we develop training courses and online work modules and provide information on our Intranet and in employee newspapers. In 2009, for example, we launched a sustainability blog with the objective of encouraging all employees to formulate and discuss their own contributions to the Henkel focal areas.

In another initiative, a one-day sustainability workshop was organized in Düsseldorf for 100 trainees, who experienced at first hand how difficult it can be to hold the three dimensions of sustainability in equilibrium. A three-arm balance, with scales for society, environment and business, had to be balanced with the help of different materials.

### **Dialogue with international sustainability experts**

Exchanges with international sustainability experts play a key role in our stakeholder dialogue. This is especially important when it comes to finding appropriate solutions to current challenges or to gaining early insights into future expectations. In 2009, for example, our local experts in Vienna, Austria, participated in a number of talks with scientists and economic experts. These discussions centered on the topic of establishing trust and security in economic cally difficult times.  $\Box$  henkel.com/sr2009  $\rightarrow$  40



Interview with Dr. Peter Florenz and Dr. Marcus Kuhnert, members of the Henkel Sustainability Council, who represent Governmental Relations and Corporate Communications, respectively

Companies are now expected to help find solutions to almost all social challenges. What is Henkel's position on this? Peter Florenz: As a company, we want to and must be part of the solution. The sooner and the more intensively we engage with these challenges and with the views of the relevant stakeholders – and I explicitly include both governmental and non-governmental organizations here – the better and the more quickly will we be able to align our actions to meeting these challenges.

### How are you addressing these daunting tasks?

**Peter Florenz:** Obviously, companies cannot overcome the challenges alone. They must be tackled by society as a whole. For example, we regard promoting sustainable consumption as a priority for the coming years. Suitable products are needed to accomplish this. But it will also require the support of governments and, ultimately, that of consumers as well. We therefore try to make actors on a variety of levels more aware of this topic – through participation in international initiatives, dialogue with governmental and nongovernmental organizations, and product communication.

### What is the greatest challenge in your exchanges with all these different stakeholder groups?

**Marcus Kuhnert**: The number and diversity of the players – and the range of their information needs – are steadily increasing. A good example is our work in the Product Carbon Footprint pilot project. Contributions concerning the further development of calculation methods necessitate a detailed scientific exchange, whereas information for consumers must take the form of simple, practical messages. Different communication channels, as well as appropriate editing of the information to suit the target audience, are therefore becoming more and more important for the stakeholder dialogue.

What role is played by new channels such as the social media? Marcus Kuhnert: They provide attractive opportunities, such as addressing new target groups, engaging in a direct dialogue, and immediate feedback. We have already gained some initial experience with Twitter, YouTube and blogs. However, there are also risks involved. Valuable content may be lost as the messages are so short. We therefore view social media formats as a complement to the other channels. We are still convinced that nothing can replace personal contacts.

## **External ratings**



As a result of the German "Best Brands" ranking, Henkel was declared the best sustainability brand by the business magazine Wirtschaftswoche and the German Brands Association. Kasper Rorsted (left), Chairman of the Management Board, accepted the award on behalf of Henkel on February 10, 2010.



On December 8, 2009, the international business consultants Frost & Sullivan presented their Green Excellence of the Year Award to Henkel for adhesives for mobile electronic equipment. The prize recognizes the development of the halogen-free Loctite line. Thomas Geitner (left), Executive Vice President Adhesive Technologies, was delighted to receive this honor.

Henkel's performance in sustainability and corporate social responsibility impressed external experts again in 2009. A list of all the awards and honors can be found on the Internet. when kel. com/sr2009  $\rightarrow$  41

### **Ratings and indexes 2009**

Dow Jones. Sustainability Indexes	<b>Zurich/New York:</b> For the third time in a row, Henkel was listed in the Dow Jones Sustain- ability Index as the sustainability leader in the Nondurable Household Products sector.
FTSE4Good Index Series	<b>London:</b> For the ninth consecutive year, Henkel was included in the international FTSE4Good ethical index.
Corporate Responsibility	<b>Munich:</b> Henkel was named the best company in the consumer goods sector in

best sector in Oekom's Corporate Responsibility Rating.



New York: Henkel was again included in the list of the "World's Most Ethical Companies".

### Awards and rankings 2009



China: China Business Watch placed Henkel in the top 10 of China's "Top 50 Green Companies."



Brazil: Henkel Brazil was included in the index of the 100 best companies in human and organizational development, and was named the top sustainability company

### Awards by customers 2009



USA: Wal-Mart presented Henkel with the Wal-Mart Sustainability Award for its contribution to sustainability.



USA: The Adhesive Technologies team was the recipient of the first ever Kellogg's Environmental Stewardship Challenge Award.



Switzerland: Coop presented Henkel with the Coop Natura Award in the Best Sustainability Promoter category.

Argentina: Mercedes-Benz Argentina recognized Henkel for the environmental excellence of its services.

### Sustainability reporting 2009

Germany: The IÖW Institute for Ecological Economy Research placed Henkel at number 11 in its 2009 ranking of the sustainability reports of the 150 largest companies in Germany.



Germany: Henkel was presented with the Econ Award in silver for best online reporting.

in 2009.

## Contacts, credits and further publications

We welcome any questions, suggestions or comments you may have regarding our Sustainability Report, online reporting or our sustainability orientation.

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## Further publications available as downloads on the Internet

Annual Report, Quarterly Reports, Vision & Values, Code of Conduct, Code of Teamwork and Leadership, Code of Corporate Sustainability, Company history, Henkel Smile henkel.com/publications

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A global team – winning toget Sustainability Report 2009 The motto of this report "A global team – winning together" is also reflected in the visuals we have selected for our cover. The world globe is made up of photos of 137 employees representing the diversity, inclusion and internationality integral to Henkel's corporate culture.

### From the left:

Top row Anne Baerens, Nastassja Weyergraf, Renate Rauschil, Randy Reginelli, Burcu Devrim Avci, Hui Jin Second row Karin Döring, Dr. Mustafa Akram, Evelyn Schulte-Steffens, Simone Schuster, Jari Tuomikoski, Marion Lauterbach, Andreas Kopp, Alexandra Hnila, Katja Kremling

Third row Frank Tenbrock, Dirk Antkowiak, Thomas Geister, Silvio Mario Claudio Garavoglia, Herbert Pega, Dr. Inga Vockenroth, Dr. Andreas Bauck, Robert K. Cecilio, Rushikesh Apte, Richard J. Alhage

Fourth row Carlos Enrique Alvarez, Henrik Anserin, Lori Pasterski, Julio Muñoz Kampff, Fernando Pardal, Mileva Mircevska, Claudia Betcke, Carmen Klann, Emmanuel Nweke, Klaus Unützer, Ashok Konduskar, Jeremy Hunter Fifth row Daniela Schoening, Federica Berardo, Alain-François Dabreteau, Helmut Peters, Gerald Anthofer, Anthony Lallier, Jojo Wilfred, Tadahiko Morihana, Vivian Yang, Manuel Aguareles Navarro, Wenwen Liao, Vijay Swaminathan, Cornelia Heinrichs

Sixth row Alfred Tuchlinski, Deborah De Andrés Presa, Esteban Gonzalez Jr., Antje Anders, William C. Zeiler, Eliane Emond, Dr. Jianping Liu, Gaetano Cappello

Seventh row Dr. Regina Jäger, Petra Prodöhl, Stacey Brown, William A. Simmons, Regis Rogge, Claudia Kurschat, Andrew Powers, Dr. Karl-Heinz Ott, Lilian Fiorino Llorca

Eighth row Justina Vaitkute, Kai Schmidhuber, Laura Magnani, Dr. Shabbir T. Attarwala, Nadine-Tanja Kummer, Gürsel Ceyhan, Lisa Chen, Grégory Vuillemin, Setareh Alaeddini, Marie-Laure Marduel

Ninth row Dr. Birgit Veith, Dr. Ciaran McArdle, Esther Kumpan, Rolf Müller-Grünow, Melisa Haracic, Kee How Tan, Matthew Greaves, Günther Lambertz, Sabine Hilberath, Janine Lintzen, Fadl Abowafia, Ulrike Beck, Mana Sasaki Tenth row Houssem Bahri, Omar El Masry, Csaba Szendrei, Roberto Gianetti, Lassaâd Karray, Béatrice Billot, Dr. Eva Sewing, Beatrice Jones, Ricardo Serrano, Mireia Martínez de la Torre, Christopher W. Sommer, Asli Cobbers Eleventh row Lien Tran, Melanie Hempel, Diane Montgomery, Aurida Ouchenir, Michael Kellner, Verena Frings, Stephanie Gerth, Annegret Bredemeier, Roswitha Welter, Petra Beer-Michaud, Anna Sundström, Axel Christian Funke Twelfth row Tanja Kreisel, Dr. Marianne Waldmann-Laue, Dr. Rainer Simmering, Dr. Andrea Sättler, Jan-Dirk Seiler-Hausmann, Oliver Baldauf, Kate Yeo, Emiliano Mroue, Giannicola Fazia, Pranee Chamroensrisakul Thirteenth row Dr. Marc-Steffen Schiedel, Holger Scheufen, Dr. Simone Siebeke, Laurent Le Dur, Stefan Krzikawski, Julia Kirchheim, Michael J. Starzman, Kiem Ho, Petra Spallek

Bottom row Siiri Odrats-Koni, Michael J. Terhardt, Dr. Christian Hebeler, Robert Risse

