

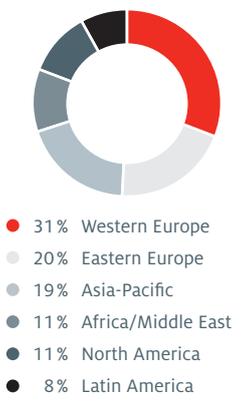
### Attractive employer

Henkel offers a wide range of activities and programs, both internally and externally, to fortify its already strong reputation as an attractive employer. Students, for example, get to know the company through our international competition "Henkel Innovation Challenge." Photo left: Cheung Hoi Fai (left) and Sun Yi, winners in 2012. Henkel also facilitates a healthier work-life balance by offering child care facilities. Photo right: employee Maria Dominguez-Parra and her son Luis at Henkel's daycare center "Kleine Löwen" (Little Lions) in Düsseldorf.

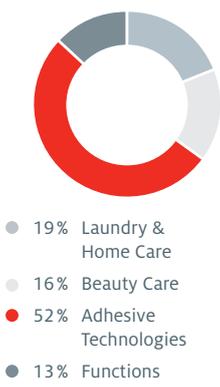


## Employees

Employees by region in 2012



Employees by business sector



At the end of 2012, Henkel employed 46,610 people around the world (annual average: 46,786). Consolidation measures and the relocation of further business processes to our shared service centers have enabled us to improve efficiency. As a result, the number of employees is 1 percent below the level of the previous year. The number of employees in our mature markets is declining, while our emerging markets are showing a slight upward trend. The number of people employed in Eastern Europe, in particular, has grown by 3 percent. Sales per employee increased by 8 percent to 352,878 euros. Personnel expenses were 2,643 million euros.

We rely on high-performance teams to achieve our business success. These teams are diverse in terms of nationality, gender and age/professional experience, as we are convinced that diversity is a key factor for success and competitiveness. Challenging assignments in a global context, individualized development programs and a firmly established feedback culture enable us to develop the necessary skills among our employees at an early stage, while at the same time enhancing our attractiveness as an employer.

This attractiveness was again confirmed in 2012, when Henkel was awarded 1st place as the "Top Employer in Germany" for the third year in a row by the renowned CRF Institute. We also ranked first in the sub-categories of corporate culture, and training and development. Our newly

designed careers website was also awarded 1st place in the "Human Resources on the Internet 2012" study. This top ranking was due, in particular, to the extensive information available, a high level of interactivity, and full optimization of the careers website for mobile devices.

When addressing talented potential applicants, we focus strongly on online channels, which we strengthened in June 2012 by setting up our own German Facebook Careers page. Our activities helped to position Henkel more effectively as an employer of choice, attract new talent and retain existing employees.

The "Henkel Innovation Challenge," a successfully established innovation competition for students, also relies on social media channels such as Facebook. Our global competition for students attracts great interest, including in the key target group of prospective engineers and scientists. We are increasingly appealing to them by expanding assignments to include Henkel technologies and by focusing on the sustainability aspects of innovation. All of the business sectors take part in the student competition, now in 26 countries on all continents, using a mentoring program to actively assist the participants. The professional framework of the "Henkel Innovation Challenge" is creating a steady increase in qualified job applications.

In order to ensure the continued high quality of our personnel development program, in 2012 we expanded our talent management process, which

is already well established for executives, to include high-potential employees who do not yet have management-level responsibilities. This enables us to individually promote their development based on annual performance and potential reviews using standardized criteria and competences, as well as in feedback meetings. At the same time, this program secures long-term succession planning aligned to internal employees.

In order to assist the career development of all of our employees, we revised our “Henkel Global Academy” development program in 2012. The program now combines all of the company’s training under one umbrella. Following a global conceptual phase, we have tested the training programs and will offer them to our employees worldwide in 2013. The globally standardized programs feature flexible, virtual training content. In the future, we will support continuous learning through, for example, e-learning programs, webinars and online libraries.

In order to strengthen management capabilities, we have developed a mandatory, standardized, multi-level training program for executives. This program assists executives with management responsibility from the very first operational management tasks right up to strategic management issues.

In addition, selected executives attend internationally renowned business schools to further develop themselves in specific areas of management. For this purpose, we have devised a program with challenging content tailored to our specific needs. High-performing, high-potential employees who qualified for our Executive Resource Program once again attended selected courses at Harvard Business School in 2012. The Executive Resource Program carries great significance for Henkel as it plays a major role in our internal succession planning for top management. Again in 2012, we filled several top man-

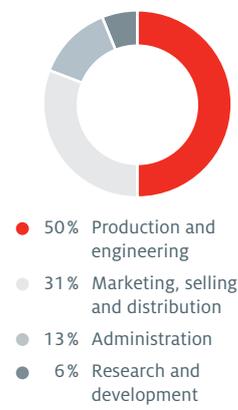
agement positions with candidates from this program.

Competitive remuneration is a key element in our performance culture and an integral component of our talent cycle. Our remuneration system rewards both personal achievement and corporate success. It distinguishes individual contributions, motivates outstanding performance, and is aligned with achieving our medium-term financial targets.

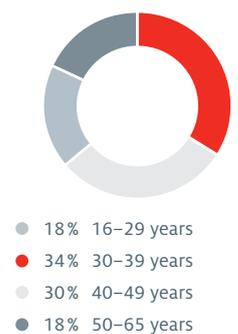
The success of our teams derives from their diversity, with employees working together with different competences and skills, educational backgrounds, and experience gained in different situations and countries. This diversity of our teams plays a key role in Henkel’s success and drives our innovations and creative business processes.

In the last two years, we have placed particular attention on gender diversity. Around 31 percent of the management positions at Henkel are held by women, which gives us a leading position in this area among the DAX 30 companies in Germany. At the same time, we again emphasize our goal, within the framework of the voluntary declaration of commitment undertaken by all DAX 30 companies, of increasing the share of women in management positions by one to two percentage points per year. To achieve this goal, Henkel continues to strive for a balanced ratio between men and women when recruiting. We are, moreover, continuing to define systematic medium-to long-term career planning. Our “Triple 2” concept – 2 functions, 2 business areas, 2 countries – still plays a key role in this respect. Within this concept, we have further sharpened our focus on mobility. Assignments abroad, for example, are mandatory for talented next-generation executives at the start of their careers. These assignments can also be project-related. Monitoring and supporting these career stages remains an

Employees by activity



Employees by age group



Around **31%** of our managers are women.

Employees<sup>1</sup>

	2008	%	2009	%	2010	%	2011	%	2012	%
(at December 31)										
Europe / Africa / Middle East	33,485	60.7	30,933	62.8	30,078	62.9	29,530	62.5	28,866	62.0
North America	7,360	13.4	5,714	11.6	5,440	11.4	5,233	11.1	5,187	11.1
Latin America	4,293	7.8	4,002	8.1	3,699	7.7	3,681	7.8	3,642	7.8
Asia-Pacific	10,004	18.1	8,613	17.5	8,637	18.0	8,821	18.6	8,915	19.1
<b>Total</b>	<b>55,142</b>	<b>100.0</b>	<b>49,262</b>	<b>100.0</b>	<b>47,854</b>	<b>100.0</b>	<b>47,265</b>	<b>100.0</b>	<b>46,610</b>	<b>100.0</b>

<sup>1</sup> Basis: permanent employees excluding apprentices.

important component of personnel development at Henkel. We have therefore specifically expanded our mentoring program, in particular for female executives.

We offer a working environment that allows for more flexibility, as we are convinced that work flexibility will play an increasingly important role in individual career planning in the future. In 2012, therefore, great emphasis was placed on the introduction of an internal global declaration of commitment to work flexibility. At the core of this declaration is our "Charter of Work-Life Flexibility," to which all managers around the world can voluntarily commit by adding their signatures. This marks a further step in Henkel's efforts to progress from a culture based on presence to one based on performance throughout the entire company, and also encourages a better work-life balance. Child care facilities also form an integral part of this concept. For example, Henkel is currently building a third daycare center in Düsseldorf, which is scheduled to open in summer 2013. Once opened, the child care facilities offered by the company will be able to care for 80 more children, bringing the total to 240.

Direct involvement of our employees plays a key role in the implementation of our sustainability strategy. By mid 2012, our managers had attended some 670 Action Plan meetings around the world to discuss our strategy with their teams, and defined more than 6,000 measures for implementation. In addition, we have integrated the topic of sustainability to a greater degree in existing training programs, for example in the well-established Advanced Management Program run by the renowned Spanish business school IESE, which targets high-potential executives.

The issue of sustainability has also been addressed in more depth in our internal communications, including discussion panels with internal and external sustainability experts, and a Sustainability Day throughout Henkel on September 26, the "birthday" of the company. Henkel's apprenticeship program in Düsseldorf also added a new project on the topic of sustainability. Together with our retail partner, the drug store chain dm, we have set up a joint education program focusing on sustainability, entitled "Verstehen durch Erleben – Gemeinsam Zukunft gestalten" (understanding through experience – shaping the future together). Commercial and chemical apprentices from Henkel and dm tested the environmentally

compatible application of Henkel products in Henkel's laboratory. They then demonstrated what they had learned to customers in dm stores using illustrative experiments.

Social commitment that extends beyond our business activities forms an integral part of our corporate culture – this is referred to internationally as Corporate Citizenship. We focus mainly on projects and concepts where our core competences enable us to make definite measurable improvements. Education initiatives are one of our main areas of social engagement, and focus on the three areas of encouraging the commitment of our staff and the company, and partnerships with our brands. Education is an essential basis for both personal development of each individual and for a functioning society. If catastrophes hit, we provide aid quickly and unbu-reaucratically, as, for example, following the earthquake in Guatemala and the devastating flood in the Philippines.

In Germany, Henkel offers more than 20 apprenticeship professions, for which we took on 168 apprentices last year. The new recruits also included 31 students who are taking part in our dual study program, where they combine a full-time Bachelor's degree course at a university with periods of in-depth practical experience at Henkel. Both training programs attract a large number of applicants. Currently, 491 apprentices are learning a profession at Henkel. All our trainees successfully completed their final examination with the German Chamber of Commerce and Industry [IHK].