



Corporate Governance at Henkel

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Good corporate governance incorporating the appropriate checks and controls, and based on a responsible and transparent management approach – duly aligned to a long-term increase in the wealth of the corporation (shareholder value) – is an essential feature of the business ethic driving the Henkel Group. The main features of corporate governance at Henkel are described in the following.

1. Management and corporate structures

Henkel KGaA is a partnership limited by shares (**Kommandit-Gesellschaft auf Aktien**) incorporated under German law. The corporation exhibits a multi-tier management and control structure with, on one tier, its executive in the form of the personally liable partners forming the core of the Management Board, and on another tier, as in the case of a stock corporation (Aktiengesellschaft or AG), the Supervisory Board. Added to these are two further corporate bodies in the form of the General Meeting as the shareholders' will-forming forum, and the Shareholders' Committee; this participates in the management of the corporation in accordance with the provisions set out in the corporation's Articles of Association.

Henkel KGaA is operationally active as well as being the parent company of the Henkel Group. In this latter role, it is responsible for defining the Group's corporate objectives and for the management, control and stewardship of Group-wide activities, including risk management and the distribution of resources. Henkel KGaA performs its tasks within the legal scope afforded to it as part of the Henkel Group, with the affiliated companies otherwise operating as legally independent entities. Operational control of the Group is incumbent upon the Management Board, which in turn is supported by the Corporate Center.

Henkel is organized into three business sectors:

- Laundry & Home Care
- Cosmetics/Toiletries
- Adhesives Technologies

The three business sectors are managed as globally operational strategic business units. They are supported by the central functions of Henkel KGaA in order to ensure optimum utilization of Group synergies. Implementation of the strategies at a local level is the responsibility of the affiliated companies operating in the field. The executive bodies of these companies manage their businesses in line with the relevant statutory regulations, supplemented by their own articles of association and internal procedural regulations.

2 Legal form of Henkel KGaA and special features derived from its Articles of Association

Henkel is a "Kommanditgesellschaft auf Aktien" (KGaA), i.e. a partnership limited by shares and incorporated under German law. A KGaA is a company with its own legal personality (i.e. it is a legal person) and with at least one personally liable partner who has unlimited liability with respect to the company's creditors (personally liable partner). The other (limited) partners participate in the capital stock, which is split into shares. Beyond these contributions, they are not personally liable for the company's debts. Hence, a KGaA is a

hybrid of a stock corporation and a limited commercial partnership. It is predominantly governed by the German Stock Corporation Act (AktG).

In keeping with this “hybrid structure”, in some cases the provisions of the German Stock Corporation Act (Aktengesetz or AktG) and in others the provisions of limited partnership law are applicable to a KGaA. Within the overall framework that this mixture provides, the Articles of Association of Henkel KGaA stipulate that the General Meeting is entitled to participate in the management of the corporation, with the associated tasks being delegated to the Shareholders’ Committee.

Leadership and control of the KGaA is the responsibility of the personally liable partners who act in lieu of the management board of an AG. According to the Articles of Association of Henkel KGaA, individuals additional to the personally liable partners may be appointed to the Management Board.

The Supervisory Board of a KGaA has limited powers compared with a Supervisory Board of a stock corporation (AG). In particular, the Supervisory Board has no authority to appoint the members of the Management Board, to issue rules of procedure governing the actions of the Management Board or to stipulate business activities requiring shareholder consent. These powers are exercised by the Shareholders’ Committee, which also executes the resolutions of the limited liability shareholders. Moreover, in the case of a KGaA which, like Henkel, is subject to the provisions of the Co-Determination Act of 1976, there is no requirement to appoint a director of personnel. As in the case of an AG, the Supervisory Board is responsible for supervising the Management Board, examining and approving the financial statements and appointing the statutory auditor.

The General Meeting of a KGaA essentially has the same rights as the General Meeting of an AG. In addition, it also votes on adoption of the annual financial statements of the company and the appointment of the members of the Shareholders’ Committee and on approving their actions. Resolutions of the General Meeting require the agreement of the personally liable partners where they relate to matters for which, in a limited partnership, agreement of both the general partners and of the limited partners is required. This relates particularly to changes to the Articles of Association and other fundamental actions, and also approval and adoption of the annual financial statements.

3. Capital Stock / Shareholder Structure

3.1. Division of the capital stock, shareholder rights

The capital stock of the Company amounts to 437,958,750 euros. It is divided into a total of 437,958,750 shares of no par value, of which 259,795,875 are ordinary shares (proportion of capital stock: 259,795,875 euros or 59.3 %) and 178,162,875 are preferred shares (proportion of capital stock: 178,162,875 euros or 40.7 %).

Each ordinary share grants to its bearer one vote. The preferred shares accord to their bearers all shareholder rights apart from the right to vote. Unless otherwise resolved in the General Meeting, the unappropriated profit is distributed as follows: first, the holders of preferred shares receive a preferred dividend in the amount of 0.04 euros per preferred share. The holders of ordinary shares then receive a dividend of 0.02 euros per ordinary share with the residual amount being distributed to the holders of ordinary and preferred shares in accordance with the proportion of the capital stock attributable to them (Art. 35 of the Articles of Association.) Cancellation or limitation of this preferred dividend requires the consent of the holders of preferred shares. If the preferred dividend is not paid out either in part or in whole in a year, and the arrears are not paid off in the following year together with the full preferred dividend for that second year, the holders of preferred shares are accorded voting rights until such arrears are paid.

The shareholders exercise their rights in the Annual General Meeting as per the relevant statutory provisions and the Articles of Association of Henkel KGaA. In particular, they may vote (as per entitlement), speak on agenda items, ask questions and propose motions.

There are no shares carrying multiple voting rights, preference voting rights ("golden shares") or maximum voting rights.

3.2 Approved capital, share buyback

According to Art. 6 (5) of the Articles of Association, there is an authorized capital limit. Acting with this limit, the personally liable partners are authorized, subject to the approval of the Supervisory Board and the Shareholders' Committee, to increase the capital stock of the Company in one or several acts until April 9, 2011, by up to a total of 25,600,000 euros through the issue of new non-voting preferred shares against contribution in cash.

In addition, the personally liable partners are authorized to purchase ordinary and/or preferred shares of the Company up to October 15, 2008, subject to the condition that the shares acquired on the basis of such authorization, together with other shares that the Company already acquired and holds as treasury stock, shall not at any time exceed 10 percent in total of the capital stock.

3.3. Major shareholders

According to notifications received on July 8, 2004, a total of 51.48 percent of the voting rights are held by members of the Henkel family's share-pooling agreement. This agreement was concluded between members of the families of the descendants of the Company founder Fritz Henkel. It contains restrictions with respect to the transfer of ordinary shares pursuant to this agreement. (see art 7, Articles of Association).

3.4. Interlocking relationships

There are no interlocking relationships/shareholdings.

4. Interaction between Management Board, Shareholders' Committee and Supervisory Board

The Management Board, Shareholders' Committee and Supervisory Board cooperate closely for the benefit of the corporation.

The Management Board agrees the strategic alignment of the corporation with the Shareholders' Committee and discusses with it at regular intervals the status of implementation of said strategy.

The Shareholders' Committee has a right of veto, established in the procedural rules of the corporation, in relation to actions of fundamental significance. These include in particular decisions or measures that materially change the net assets, financial position or results of operations of the corporation. The Management Board complies with these rights of consent and also the spheres of authority of the General Meeting in matters subject to statutory control.

Ensuring the efficient flow of information to the Shareholders' Committee and the Supervisory Board is the task of the Management Board, Shareholders' Committee and Supervisory Board. In line with good corporate management practice, the Management Board provides the Shareholders' Committee and the Supervisory Board with regular, timely and comprehensive information on all matters relevant to the corporation, including those of

business policy, corporate planning, profitability and business development, and the risk situation and risk management arrangements at Henkel KGaA and major Group companies.

5. Personally liable partners/Management Board

At Henkel KGaA, the duties of the Board of Directors of a German stock corporation are performed by the Management Board. This comprises the personally liable partners plus other duly appointed members, and is headed by a chairman.

The Management Board is responsible for leading and controlling the corporation as a whole, whereby its responsibilities include planning, coordination, allocation of resources, financial control and risk management. It is bound by statute to promote the interests of the corporation and is committed to the sustainable increase of its corporate wealth (shareholder value). The Management Board develops the strategic alignment of the corporation, agrees this with the Shareholders' Committee and, in compliance with the statutory limits of group management, steers its implementation. The Management Board and in particular the personally liable partners are responsible for preparing the quarterly, annual and consolidated financial statements.

Procedural rules issued by the Shareholders' Committee govern the distribution of business responsibilities and cooperation in the management of the corporation, and also specify the actions and transactions that require the approval of the Shareholders' Committee.

6. Supervisory Board

In accordance with Germany's Co-Determination Act of 1976, Henkel also has a Supervisory Board with 16 members made up of an equal number of shareholder and employee representatives. The eight shareholder representatives are elected by the General Meeting, and the eight employee representatives are elected by the employees in accordance with the provisions of the Co-Determination Act of 1976 and the associated electoral regulations. All the members of the Supervisory Board are equally bound to uphold the interests of the corporation. The tenure of office is five years unless otherwise stipulated at the time of appointment.

The task of the Supervisory Board is to advise and supervise the Management Board at regular intervals in the conduct of its stewardship and control duties. The Supervisory Board is involved in matters of fundamental importance to the corporation. The Supervisory Board is also required to examine and approve the annual and consolidated financial statements; it submits a report to the shareholders on an annual basis.

Given the statutory characteristics of a KGaA (particularly the lack of authority of a KGaA's Supervisory Board to appoint Management Board members) and the establishment of a Shareholders' Committee by dint of the Articles of Association, Henkel KGaA's Supervisory Board has not set up any committees for the performance of its duties. The Supervisory Board in its entirety deals with issues of accounting, risk management and the prescribed independence of the statutory auditor. The Supervisory Board also issues the auditor engagement letter, agrees on the audit fees and defines the focal audit areas.

7. Shareholders' Committee

According to the Articles of Association, in addition to the statutory Supervisory Board, Henkel also has a standing Shareholders' Committee which has a minimum of five and a maximum of ten members. The members are elected by the Annual General Meeting. The tenure of office is five years unless otherwise stipulated at the time of election.

The Shareholders' Committee carries out the tasks and functions delegated to it by the General Meeting or by dint of the Articles of Association. In particular, the Shareholders' Committee participates in the management of the corporation in lieu and as an agent of the General Meeting. It is involved in the formulation of the corporate guidelines, the corporate objectives and long-term planning objectives, and supervises and advises the Management Board regularly on the stewardship of the corporation. It participates in the drafting of important corporate decisions, offers suggestions as to business development and monitors compliance with the planning goals.

The Shareholders' Committee decides upon the appointment and dismissal of the personally liable partners, of the chairman of the Management Board and also of the other members of the Management Board and regulates the legal relations of these (section 278, subsection 2, German Stock Corporation Act in conjunction with sections 114, 161, German Commercial Code and sections 8, 11 and 26 Articles of Association). In consultation with the Management Board, it also maintains a long-term plan of succession.

From the midst of its members, the Shareholders' Committee has created a Finance Committee and a Human Resources Committee. The Finance Committee deals in particular with financial matters, accounting issues including the statutory year-end audit, taxation and accounting policy, internal auditing and also the risk management arrangements of the corporation. The Human Resources Committee deals principally with preparatory work in relation to personnel matters concerning members of the Management Board, issues relating to human resources strategy, and remuneration.

8. Compensation structure

In the following the basic features of the compensation structure of the Management Board, the Supervisory Board and the Shareholders' Committee will be pointed out.

8.1 Remuneration of the Management Board

Regulation

The remuneration payable to the members of the Management Board is regulated by the Human Resources Committee of the Shareholders' Committee, which regularly reviews the compensation system in terms of structure and amounts involved.

Structure and amounts

In accordance with the objective of achieving a continuous and sustainable increase in shareholder value, the remuneration model for the Management Board is characterized by a high proportion of performance-related compensation. The package comprises three components: a fixed salary, a variable performance-related short-term cash payment (short term incentive/STI) and a variable performance-related long-term incentive in the form of a share-based payment. In addition, the members of the Management Board have been assigned certain pension entitlements that are subject to a process of escalation. The components in detail:

Fixed salary

The amount of fixed salary is determined on the basis of the functions and responsibilities of the recipients concerned, their time of tenure as members of the Management Board, and prevailing market conditions.

Other emoluments

The other emoluments largely relate to benefits arising out of standard insurance policies and the provision of a company car.

Short-term incentive

The performance criteria governing the short-term incentive are primarily return on capital employed (ROCE) and earnings per share (EPS). The individual performance of the Management Board member concerned, and the size, significance and development of business management sector(s) involved are also taken into account. Payment is made in arrears on an annual basis as a function of the performance achieved in the immediately preceding financial year.

Long-term incentive

Each member of the Management Board is allocated, as a function of the absolute increase in the price of the Henkel preferred share and the increase in the earnings per Henkel preferred share (EPS) achieved over a period of three years (performance period), the cash equivalent of up to 3,600 shares - so called cash performance units - per financial year (= tranche). On expiry of the performance period, the number and the value of the shares are determined and the resulting tranche income is paid in cash. Each member of the Management Board participating in the tranche is required to acquire a personal stake by investing in Henkel preferred shares to the value of 25 percent of the gross tranche payout, and to place these shares in a blocked custody account with five-year drawing restricting.

In the event of an absolute increase in share price during the performance period of at least 15 percent, 21 percent or 30 percent, each participant is allocated the monetary value of 600, 1,200 or 1,800 shares respectively. To calculate the increase in the share price, the average price in January of the year of issue of a tranche is compared with the average price in January of the third fiscal year following the year of issue (reference price). If, during the performance period, earnings per preferred share increase by at least 15 percent, 21 percent or 30 percent, each participant is allocated the monetary value of 600, 1,200 or 1,800 shares respectively. To calculate the increase in EPS, the EPS of the fiscal year prior to the year of issue is compared to that of the second fiscal following the year of issue. Calculation is based on the approved and endorsed consolidated financial statements of the relevant fiscal years as duly audited and provided with an unqualified opinion whereby EPS is also adjusted for exceptional items. The monetary value per share is equivalent to the reference price of the Henkel preferred share. A ceiling value (cap) is imposed in the event of extraordinary share price increases.

Other regulatory provisions

The contracts of employment of the members of the Management Board do not contain any specific provision for severance pay in the event of premature termination of employment relationship. In the event of members of the Management Board taking retirement, they are entitled to continued payment of their remuneration for further six months up to the month of their 65th birthday.

The Company maintains on behalf of the members of corporate bodies and employees of Henkel a third-party group insurance policy protecting against consequential loss, which policy also covers the members of the Management Board.

Pension benefits

The retirement pension for members having joined the Management Board before January 1, 2005 amounts to a certain percentage of the final fixed salary (defined benefit). For these Management Board members, the amount payable is set at 60 percent of the final fixed salary in the event of retirement after their 62nd birthday. The actual percentage individually assigned to each executive is made up of two components: the so-called base percentage rate derived from the vested pension entitlement earned prior to entry into the Management Board; and an annual percentage increase of the base percentage during the executive's membership of the Management Board

Effective January 1, 2005, the pension system for new members of the Management Board was changed to a defined-contribution scheme. Once a covered event occurs, the members

of the Management Board receive a superannuation endowment in form of a lump sum payment combined with continuing basic annuity. The superannuation endowment comprises the total of annual contributions calculated on the basis of a certain percentage of the fixed salary and of the short-term incentive, this percentage being the same for all members of the Management Board. Any vested pension rights earned within the corporation prior to the executive's joining the Management Board are taken into account as start-up units. This ensures the establishment of a performance-related pension system.

8.2 Remuneration of the Supervisory Board and of the Shareholders' Committee

Regulation

The remuneration for the Supervisory Board and the Shareholders' Committee have been approved by the Annual General Meeting; the corresponding provisions are contained in articles 17 and 33 of the Articles of Association.

Structure and amounts

The structure and amount of the remuneration are commensurate with the size of the Company and the functions performed by the Supervisory Board and the Shareholders' Committee respectively.

The remuneration is made up of three components, a fixed fee, a variable, dividend-related bonus and a variable long-term performance-related incentive. The details:

Fixed fee

Each member of the Supervisory Board and of the Shareholders' Committee receives a fixed fee of 20,000 euros and 50,000 euros per year respectively. The higher fixed fee payable to members of the Shareholders' Committee as compared with members of the Supervisory Board is due to the fact that, as required by the Articles of Association, the Shareholders' Committee is involved in business management activities.

Dividend bonus

Each member of the Supervisory Board and of the Shareholders' Committee further receives an annual bonus of 2,400 euros for every 0.25 euros the dividend paid out for the prior year is higher than 0.25 euros.

Long-term incentive

As a long-term incentive, each member of the Supervisory Board and of the Shareholders' Committee is entitled each year to an additional cash payment, the amount of which depends on the increase in earnings per preferred share over a three-year reference period. The EPS of the financial year preceding the payment-related year is compared with the EPS of the second financial year following the payment-related year. If the increase is at least 15 percent, an amount of 600 euros is paid for each full percentage point of the total achieved increase. If the increase reaches a minimum of 21 percent, the amount paid per percentage point is 700 euros, and if the increase is a minimum of 30 percent, the amount paid per percentage point is 800 euros. Calculation of the increase is based on the approved and endorsed consolidated financial statements of the respective financial years as duly audited and provided with an unqualified opinion, whereby EPS is adjusted for exceptional items.

The total of the dividend bonus and the long-term incentive is, however, limited to 50,000 euros (cap).

Remuneration for chairman/vice-chairmen/subcommittee members

The Chairman of the Supervisory Board and the Chairman of the Shareholders' Committee each receives double the amount, and the Vice-Chairman in each case one-and-a-half times the amount accruing to an ordinary member. Members of the Shareholders' Committee who are also members of one or more subcommittees of the Shareholders' Committee each additionally receive remuneration equivalent to the amount accruing to a member of the

Shareholders' Committee; if they are the chairman of one or more subcommittees, they receive double.

Other regulatory provisions

The members of the Supervisory Board receive an attendance fee amounting to 500 euros for each meeting in which they participate. In addition, the members of the Supervisory Board and of the Shareholders' Committee are reimbursed expenses arising from pursuit of their mandates: The members of the Supervisory Board are also reimbursed the turnover tax (VAT) payable on their total remunerations and reimbursed expenses.

The Company maintains on behalf of the members of corporate bodies and employees of Henkel a third-party group insurance policy protecting against consequential loss, which policy also covers the members of the Supervisory Board and of the Shareholders' Committee.

9. General Meeting

The General Meeting is the will-forming forum of all the corporation's shareholders. The facilitator or chairman of the General Meeting is appointed by the Shareholders' Committee.

9.1. Subjects requiring General Meeting resolution

With due consideration being taken of the legal right of the personally liable partners to reserve consent, the General Meeting passes resolutions on certain matters as prescribed by law and the Articles of Association, and in particular on

- appointment of the members of the Supervisory Board (shareholders' representatives) and of the Shareholders' Committee;
- adoption of the annual financial statements and appropriation of the corporation's profit or loss;
- formal approval of the actions of the Management Board, the Supervisory Board and the Shareholders' Committee;
- election of the auditor and appointment of special auditors;
- changes to the Articles of Association;
- the issue of new shares, convertible bonds and convertible debenture stock;
- authorization to purchase the corporation's own shares ("treasury stock");
- the conclusion of enterprise agreements, and company transformations;
- winding up of the corporation.

Unless otherwise required by mandatory provisions of statute or the Articles of Association, the resolutions of the General Meeting are adopted by simple majority of the votes cast and, as far as a majority of shares is required by statute, by simple majority of the voting stock duly represented (Art. 24 of the Articles of Association). This equally applies to any amendments of the Articles of Association; any changes of the object of the corporation require a three-quarter majority (section 179 subsection 2 German Stock Corporation Act).

9.2. Convocation

The General Meeting is convened by the personally liable partners. Shareholders who together hold 5 percent of the share capital may demand convocation in writing, citing the purpose and reasons; such demand is to be addressed to the personally liable partners. In the same way, shareholders holding at least 5 percent of the share capital or whose shares represent a proportional nominal value of 500,000 euros may similarly demand that items for resolution of a General Meeting be announced.

The Ordinary Annual General Meeting usually takes place in the first four months of the financial year. The management publishes, together with the agenda, the reports and

documents, including the Annual Report, required by law for the Annual General Meeting also on the website of the company. The results of the resolutions passed by the Annual General Meeting are likewise made available on the Internet.

9.3. Participation/Voting rights

The shareholders exercise their rights in the General Meeting in accordance with statutory provisions and the Articles of Association of Henkel KGaA. This includes exercising their voting rights (ordinary shares only), the right to speak on items included in the agenda, and the right to submit relevant questions and motions for debate and resolution.

The shareholders are assisted by the corporation in the personal exercise of their rights and supports them in the issue of proxy instructions by appointing representatives (proxyholders) who are bound to exercise shareholder voting rights in accordance with the instructions received from the shareholders in question. In addition, the General Meeting is transmitted live, either wholly or in part, via the Internet.

Each ordinary share grants a vote. The corporation has also issued preferred shares attracting a preferential dividend, the voting rights attached to which are revived in accordance with the provisions of the German Stock Corporation Act in the event of the preferential dividend not being paid (see 3.1).

10. Transparency / Communication

A pro-active and open policy of information incorporating a commitment to timely and continuous communication is an important component of the value-based management approach adopted at Henkel. It is thus on the basis of these principles that shareholders, shareholder associations, participants in the capital market, financial analysts, the media and the public are informed both on the current situation and also major business-related changes within the Henkel Group. Compliance with the principle of equality of treatment is regarded by the corporation as obligatory. All information is also published on the Internet to allow immediate and simultaneous accessibility by all parties.

The corporation is committed to ensuring regular and timely financial reporting. The annual financial statements and the Annual Report are published within 60 days of the close of the financial year. The quarterly reports are published within 45 days of closure of the interim period concerned. The dates of the main regular publications, the dates of the year-end financial press and analysts' conference, and also those of the Annual General Meeting are published in the financial calendar which is likewise available on the Internet.

The progress and objectives of the corporation in the fields of environmental protection, safety, health and social responsibility are published annually in the Group-wide Sustainability Report. In addition, shareholders, the media and the public are regularly and comprehensively informed by press releases and recurring events. Where facts come to light that may significantly influence the stock market price of the Henkel shares, these are similarly communicated in the form of ad-hoc notifications.

11. Accounting practice

The consolidated financial statements and the interim reports are prepared on the basis of International Financial Reporting Standards (IFRS) and thus comply with internationally recognized accounting principles. The annual financial statements of Henkel KGaA are prepared in accordance with the provisions of the German Commercial Code. The consolidated and annual financial statements are audited and certified by the independent statutory auditor appointed by the General Meeting. Following examination by the

Shareholders' Committee and the Supervisory Board, and subject to approval by the Supervisory Board, these financial statements are presented to the General Meeting which then resolves on their adoption.

12. Risk management

The Management Board is responsible for the company's internal financial control and risk management system.

The risk management system is an integral component of the comprehensive planning, control and reporting regime implemented in the individual companies, the business sectors and the corporate units. The principles, processes and responsibilities relating to risk management are defined in a Corporate Standard that is binding throughout the Group. Regular reviews of the system including its subsystems by both the Internal Audit department and the external auditors ensure compliance with specified procedures while also supporting the ongoing process of further development.

Risk inventories are periodically instigated as an important basis for controlling the overall level of exposure. The purpose of this activity is to systematically identify, appraise, monitor and document all major risks. The duty of the globally responsible business and function managers to recognize, communicate and report risks is governed by precisely defined thresholds. Involvement of the regional managers in the reporting process ensures that risks in the international organization are comprehensively monitored and recorded. Within the framework of a risk inventory, managerial staff are required to identify risks on the basis of checklists using predefined operating and functional risk categories, and to evaluate the results in terms of occurrence likelihood and potential loss. In addition, the risk management activities implemented within each function must also be detailed. The assessment results are then compiled within the framework of a compendium risk inventory for the Group as a whole, that serves as a basis for deciding upon further measures for the avoidance, reduction and elimination of risk, and for evaluating the success of counter-measures implemented.

The efficiency of these measures and also the development of inventorized risks are additionally analyzed on a regular basis by a separate risk control process at both a decentralized and a centralized level. All the processes incorporated within the risk management and control regime are supported by an Intranet-based risk database that ensures transparent risk communication within the corporation as a whole.

13. Ethical principles

In all fields of activities and cultures in which Henkel is active, the Vision of the corporation and the Values derived therefrom provide the orientation basis for our conduct and actions. These are an expression of the corporate culture of Henkel and follow the principles of sustainable development. The corporate ethics derived from these adopted obligations are formulated in a Code of Conduct that defines a framework for our dealings with and treatment of employees, customers, suppliers, other companies and public authorities. Moreover, binding standards covering safety, environmental protection and health apply to all our business processes around the world; compliance with these standards is regularly examined on the basis of international audit programs. Henkel has also signed up to various global sustainability initiatives including in particular the following:

- the *Business Charter for Sustainable Development* of the International Chamber of Commerce (ICC)
- the worldwide *Responsible Care Program* of the chemical industry and

- the *Global Compact* of the United Nations (UN) obliging signers to respect human rights, basic employee rights and the requirements of environmental protection.