Content

2 Henkel Smile at a glance
3 Foreword
4 Henkel Smile worldwide
6 Make an Impact on Tomorrow / The MIT photo and video competition
7 Interviews with volunteers
8 MIT projects worldwide
11 Henkel Smile helps Haiti

Cover photo
The photo shows children from a village close to the UNESCO world cultural heritage city of Luang Prabang in Laos. Their smiles are for the volunteer helpers from Japan who have taken it upon themselves to improve the health of children in Laos. Read more on page 5.

Henkel Smile at a glance

Engaging in society

In January 2011, Henkel established the Fritz Henkel Foundation. In future, the foundation will serve as the umbrella for our social engagement. The establishment of the foundation underscores Henkel's long-term commitment for societal concerns that extend beyond its direct business interests.

The mission of the foundation encompasses support for the volunteering activities of our employees and retirees, international disaster aid and our corporate and brand engagement. In all three of these areas, we seek collaboration with charitable organizations, customers and consumers. The focal points of the foundation’s work are established by an executive board comprised of representatives of Henkel's management and members of the Henkel family.

At the focus of our activities is the MIT – the employee and retiree volunteering scheme “Make an Impact on Tomorrow” – which we established in 1998 and have supported ever since. We promote MIT projects in the areas of social need, education and science, health, culture and ecology. Employees and retirees who work as volunteers in their free time may obtain grants of up to 10,000 euros to fund their projects, up to five days' paid time off from work, and/or product and in-kind donations. Professional advice from staff in the Corporate Donations department is also available at any time to employees and retirees engaged in such activities.

We currently allocate around 40 percent of our worldwide donations to MIT projects.

Rolf Schlue
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Social engagement

<table>
<thead>
<tr>
<th>Category</th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of projects supported</td>
<td>2,493</td>
<td></td>
</tr>
<tr>
<td>Number of people reached</td>
<td>730,000</td>
<td></td>
</tr>
<tr>
<td>Days off work granted for employees for projects initiated by them</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Donations in thousand euros (cash and product donations excluding time off from work)</td>
<td>6,087</td>
<td></td>
</tr>
<tr>
<td>Cash donations for employee and retiree volunteer projects in percent of total donation amount</td>
<td>41%</td>
<td></td>
</tr>
</tbody>
</table>

Thanks

The editorial team would like to cordially thank all Henkel employees and retirees who have provided photos and information for this edition of Henkel Smile.
Ever since the company was founded by Fritz Henkel in 1876, social engagement has had a special place in our corporate culture – a fact further underscored by the establishment of the Fritz Henkel Foundation at the beginning of 2011. The foundation is to serve as the support vehicle for the volunteering activities of our employees and retirees, our corporate and brand engagement and our international disaster aid activities.

The social engagement practiced by Henkel thrives on the involvement of our employees and retirees. It is they who give up their time in the service of others. And we at Henkel support these volunteering activities through our MIT initiative, helping to “Make an Impact on Tomorrow.”

We have all been moved by the catastrophe in Japan caused by the massive earthquakes and the tsunamis at the beginning of March, and the ensuing critical situation at the Fukushima nuclear power plant. Responding unbureaucratically, we have made aid immediately available to our employees and their families in the region.

We remain in constant contact with our management in Japan and are providing further disaster aid to a local aid organization.

Aside from pursuing their many impressive projects, our employees and retirees also provided aid and assistance in the aftermath of the earthquake in Haiti at the beginning of 2010. The things that they have achieved there, and the difference they have made, are remarkable indeed. Our own engagement has built on their volunteering activities, enabling us to target aid to where it is urgently needed.

My Management Board colleagues and I are proud of our employees’ diverse and widespread engagement around the world and wish to thank everyone involved.

Kasper Rorsted
Chairman of the Management Board

Japan needs aid – you too can help!

On March 11, 2011, the north-east coast of Japan was hit by the heaviest earthquake ever recorded. This seismic event, the aftershocks and the tsunamis that ensued claimed many lives and caused innumerable injuries, with the long-term effects of this catastrophe on the Fukushima nuclear power plant still unpredictable. Employees in Germany wishing to help can make a donation using the "Henkel Friendship Initiative e.V." (HFI) account. The monies collected by the HFI will be passed on to aid organizations in consultation with our management in Japan. Employees in other Henkel countries are invited to participate in their own local and national aid campaigns.
Our engagement for the world in 2010

The areas marked in red show the 71 countries in which we sponsored MIT projects organized by Henkel employees and retirees, provided Henkel emergency aid and promoted corporate and brand engagement projects in 2010.

Social progress

Through their commitment and their volunteer work on various projects, our employees and retirees all over the world make numerous contributions to social progress and thus to the eight Millennium Development Goals of the United Nations. It was in the year 2000 that heads of state and government from 189 countries agreed to work toward the achievement of these goals.

More than half the 706 MIT projects in 2010 served to improve the living conditions of people in emerging and developing countries. In many cases, an MIT project may contribute toward the attainment of one or several Millennium Development Goals. Local partner organizations play an important role in project implementation and delivery. www.un.org/millenniumgoals

Some 730,000 people were helped worldwide through Henkel Smile projects in 2010.
Percentage of MIT projects per Millennium Development Goal of the United Nations

<table>
<thead>
<tr>
<th>Goal</th>
<th>Project Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Eradicate extreme poverty and hunger</td>
<td>33 %</td>
</tr>
<tr>
<td>2. Achieve universal primary education for girls and boys alike</td>
<td>47 %</td>
</tr>
<tr>
<td>3. Promote gender equality and empower women</td>
<td>2 %</td>
</tr>
<tr>
<td>4. Reduce child mortality</td>
<td>3 %</td>
</tr>
<tr>
<td>5. Improve maternal health</td>
<td>1 %</td>
</tr>
<tr>
<td>6. Combat HIV/AIDS, malaria and other diseases</td>
<td>7 %</td>
</tr>
<tr>
<td>7. Ensure environmental sustainability</td>
<td>6 %</td>
</tr>
<tr>
<td>8. Develop a global partnership for development</td>
<td>1 %</td>
</tr>
</tbody>
</table>

For more information, please go to: www.henkel.com/smile
Make an Impact on Tomorrow

Get involved with MIT!

Henkel supports the volunteer activities of its employees and retirees via the MIT initiative (Make an Impact on Tomorrow), particularly in the areas of social needs, education and science, health, culture and ecology.

The MIT scheme is based on a team made up from the employee or retiree volunteers themselves, their charitable organization, and Henkel. The volunteer acts as the initiator of the project, with Henkel serving as a sponsor.

Specifically, the employee or retiree submits an application to Henkel soliciting support for a certain project in which they themselves are involved as volunteers. In their application, the volunteers explain the project, describe the part that they personally play within it and indicate the kind of sponsorship needed.

Henkel will only support the volunteer involvement of an employee or retiree – not that of a family member, friend or acquaintance. The main criterion for sponsorship through the MIT is the volunteering commitment undertaken by the employee or retiree. Through the MIT, applications can be made for funding, product donations, and even time off from work for an employee involved in a particularly time-intensive project. Used computers and printers are also occasionally available. A detailed cost overview of the project is important because the decision-making committee must know for what specific purpose the sponsorship money or items are to be used.

The local MIT committees meet on a quarterly basis to discuss the MIT applications submitted. With their interdisciplinary membership, these are well placed to make the necessary sponsorship decisions. Support is granted on the basis of clearly defined precepts: in particular, the projects must be in keeping with Henkel’s own code of conduct, the employee or retiree must be active in the project as a volunteer, and the project must be aligned to cogent sustainability criteria.

Donations management given a new international structure

In November 2010, Henkel restructured its international donations management organization so as to provide employees in each Henkel region with at least one contact within the Human Resources department. In Latin America, the number of such officers is three, while in Western Europe there is one person allocated to each country. These officers are responsible for all issues relating to donations and will also accept MIT applications from employees and retirees. They also regularly report to Corporate Donations in Düsseldorf, Germany, on the projects and on donations made.

Henkel employees and retirees can get their MIT application forms from their MIT contact at their local site, by downloading it from the Henkel intranet at http://mit, or from:

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Three questions to Tatiana Gillitzer

Tatiana Gillitzer helps as a volunteer in the Coast General Hospital in Mombasa, Kenya, where children ill with cancer receive essential treatment.

Tatiana Gillitzer heads an international team at Henkel responsible for the manufacture and marketing of wound adhesives. Since 2005, she has also been a volunteer for “PACK,” an organization in Mombasa, Kenya, that collects donations to fund vital chemotherapy for children.

What do you do specifically with the donations received?

**Tatiana Gillitzer:** “Over the last two years, we have managed to install a separate cancer ward in the Coast General Hospital in Mombasa for ‘our’ children. These share a tough fate: they have Burkitt’s Lymphoma, a very fast-growing form of non-Hodgkin’s cancer of the lymph glands. The tumor often causes their facial expressions to distort, so it is good that they can be kept exclusively together with fellow sufferers on the same ward. And the nurses and doctors can also provide them with excellent pre- and post-treatment support.”

Last year, the MIT donated 3,000 euros. What did this buy?

**Tatiana Gillitzer:** “Beds and mattresses for the ward. Henkel also donated shampoos, detergents and toothpaste. Some of the money was actually used for treatments because most of the children come from families that are unable to afford the expensive therapy required.”

Why are you specifically involved in the treatment of sick children?

**Tatiana Gillitzer:** “I want to see children smiling, not suffering. Anyone who has witnessed the suffering of these kids would want to help. Also after the earthquake in Haiti in 2010, I arranged for the donation of wound adhesives to facilitate the provision of fast medical care there.”

(See also article: “Volunteer life-savers,” page 11.)

Three questions to Isabel Ramblas and Marisol Sanchez

Isabel Ramblas and Marisol Sanchez work in the Human Resources department of Henkel in Mexico. They also help out in the “Allegro Casa Hogar” children’s home in Salamanca, Guanajuato.

Why are you supporting this project?

**Isabel Ramblas:** “We want to help children in our city who, right from birth, face a pretty tough existence. The Allegro Casa Hogar is home to 20 kids from difficult family backgrounds. We feel that we can at least contribute to providing a secure atmosphere for them to grow up in. It helps that here they are able to live with their siblings, something which is not normally the case in other children’s homes in Mexico.”

How has the MIT supported the children’s home?

**Marisol Sanchez:** “With its donation of 4,000 euros, we were able to build a wall around the site. This is important in order to give the children a feeling of safety and protection.”

What other projects are in the pipeline?

**Isabel Ramblas:** “This year we hope to install a new early learning room. We expect to be heavily involved in this and will again be trying to attract donations.”

Three questions to John Shaw

John Shaw works for Technical Customer Services at Henkel in the UK and invited a school principal from Malawi, Africa to visit an English school.

What was the purpose of the invitation?

**John Shaw:** “Cultural exchange! Ophent Kalawonga, the principal of Zambwe School in Malawi, spent two weeks at Hatfield’s Countess Anne Church of England Primary School in the autumn of 2010. He wanted to see life and learning in a typical British school. He also talked to the school children about culture in Malawi.”

What form did the lessons take?

**John Shaw:** “He told the children about the geographical and political situation in Malawi and described life there. By the time he had finished, the kids were even able to say a few sentences in the Malawi language! He also cooked meals from his homeland so as to give the students a taste of Malawan cuisine.”

Why was this cultural exchange worthwhile?

**John Shaw:** “The children of both countries will benefit from having their horizons extended through this contact.”
MIT Belgium

Aid to survival

The “Amphora” project in the town of Molenbeek near Brussels, where there is also a Henkel Benelux site, endeavors to reintegrate people on the margins of society. Olivier Bragard, Trade Marketing Manager Laundry & Home Care at Henkel Benelux, supports the project near his workplace with his retail marketing know-how.

A so-called Social Shop provides the focal point for the project. “People come here who really have nowhere else to go. Usually they are unemployed, have run into enormous debt and are sent to us by Social Services or the Debt Advisory Service,” explains Sabine Fronville, Amphora’s coordinator. “They get a small weekly credit from the state. The first thing they have to learn is how to budget in order to make the credit last. From us they are able to purchase food and products for their daily needs at prices between 20 and 30 percent lower than in the supermarket. This enables them to gradually reduce their debts and relaunch their lives.”

Each year, Amphora helps around 800 people. The Social Shop also functions as an information center. Hanging on the walls are posters relating to health, nutrition and financial management. “With us, the needy learn to adjust their requirements to their situation. We provide advice if they have any questions and are able to point them to the right state agencies,” explains Fronville. Besides attending the workshops, some of the project’s clients also work in the Social Shop, operating the tills, stacking the shelves or advising other customers.

MIT USA

Saturdays in the soup kitchen

Duff Michowski, a project engineer at the Henkel production facility in Warren, Michigan, USA, spends many a Saturday cooking in the St. Leo soup kitchen in Detroit. Assisting the two permanently employed cooks, volunteers help to prepare meals for some 200 - 300 people, six days a week.

In addition to a warm meal, those in need can receive medical treatment, have their hair cut or take a shower, all free of charge. They are also provided with clothing. Henkel supports the soup kitchen not only with cash funding but also with product donations in the form of Dial soaps and deodorants.

Henkel employee Duff Michowski works as a volunteer during his free time in the St. Leo soup kitchen in one of Detroit’s poorer quarters.
MIT South Africa

A kindergarten built in 60 days

Supported by Henkel and other sponsors, 30 architecture students from the RWTH University in Aachen have built a kindergarten in the township of Prince Alfred’s Hamlet, some 100 kilometers north of Cape Town in South Africa. The celebration party to mark its inauguration took place in December 2010.

The students designed and planned the buildings for the kindergarten themselves. The first drawings and models for the non-profit-making project were produced in 2009 (as reported in the 2009/2010 issue of Henkel Smile magazine). In spring 2010, the students then flew at their own expense to South Africa in order to take up tools with local helpers in building the kindergarten.

Henkel had every confidence in the ability and diligence of the upcoming architects and was happy to provide financial support through the MIT. The project was initiated by Dr. Jochen Krautter, former member of the Henkel Management Board, who personally supported it both with private donations and a lot of his own time and effort. There was also assistance from the government program “Black Economic Empowerment” (BEE) in South Africa, which endeavors to promote equality for and among the black and colored majority in the RSA.

Once it was complete, the facility was christened in Afrikaans, and will henceforth be known as the “Oppie Koppie Creche,” which means the nursery on the hill. And it was on this hill outside the main kindergarten building that the official inauguration ceremony was held – with many happy children, proud students and satisfied sponsors in attendance.

MIT Brazil

Drum workshop for school children

Roberto Carneiro Farraz de Andrade, a field sales representative with Adhesives Technologies in Brazil, helped to organize a drum workshop at the children’s day care center “Mãe do Salvador” in the Alto de Pinheiros suburb of São Paulo.

This all-day care facility, established back in 1967 by women from the neighborhood, is a place to stay for children of mothers who need to go out to work. The charitable organization looks after 160 children aged from 3 months to 4 years from morning to the early evening on a daily basis. A further 120 school children between 6 and 14 years also visit the facility in the afternoons. And it was for these children that Farraz de Andrade organized a drum workshop.

“I think it’s right for me to help this organization as it’s within my own neighborhood. It is something that my family has long been involved in. The drum workshop project was a good opportunity for me to also do something useful.”
The village of Chau Dro takes three hours to reach by car from Ho Chi Minh City in Vietnam. Despite all their hard work, most of the inhabitants in the area are extremely poor. Allan Yong, General Manager of Henkel Vietnam, HR employee Truc-Phuong Tran and Stefan Zimmermann, General Manager of Cosmetics/Toiletries at Henkel in Vietnam, are regular visitors to the village, helping its people by engaging in various volunteering activities.

With their MIT project, they have helped improve not only the health of the village children but also the living standard of five needy families there. Thanks to this engagement and the funds provided by Henkel, five new houses have been built for the families. “We still cannot believe that we now have a real house. Without the donation from Henkel, this would not have been possible,” explains a thankful family member.

In November 2010, Tran and Zimmerman also organized a program entitled “How do I clean my teeth properly.” Supported by a further 50 Henkel employees, they practiced cleaning teeth with around 300 children from the village, showing them the right way to go about their oral care. Henkel donated over 3,000 tubes of toothpaste for distribution among the children.

“The tears of joy of the families and the hopeful smiles of the children make it all worthwhile. We want to go on developing this MIT project in order to further improve the standard of living of the village inhabitants,” explains Zimmermann.

MIT Vietnam

Improving the quality of life in Chau Dro

MIT Germany

The “Betties” student firm

The pupils of the Betty Staedler Middle School in Wassertrüdingen, Germany, manufacture and sell hand-made soap products. Henkel employee Ingrid Gösch, who works in Material Management/Production Engineering at our Wassertrüdingen site, is a supporter of the “Betties” student firm: “Pupils in the 8th grade learn about the purchasing of raw materials, the manufacture of soap products, marketing, selling and distribution – all the processes of a professional enterprise. And the fact that the firm is actually successful naturally has a highly motivating effect on student attitudes!”

During the initial phase of the venture, Henkel financed the laboratory equipment needed. And since August 2010, the student firm – now registered as a company under civil law (GbR) – has been able to support itself financially. The profits are used to help needy fellow students finance school trips and field study courses.

www.betty-staedler-schule.de
The Haiti earthquake catastrophe of January 2010 mobilized aid organizations throughout the world, among them “International Search and Rescue” – I.S.A.R. – Germany. This group specializes in the recovery of people buried under rubble and the provision of immediate medical aid.

Following the earthquake, Joschka Jugelt, a trainee with the plant fire department at Henkel in Düsseldorf, and Henning Steff, at the time an intern also at Henkel, requested immediate support from the company for the I.S.A.R., of which both are members. And just two days after the catastrophe, Henkel donated 20,000 euros to the I.S.A.R. to support its work in Haiti.

“A few days after the earthquake, our specialists, including Henning Steff, were in Port-au-Prince, helping to recover people from the ruins. We worked together with trained search dogs as well as using camera probes and other specialist equipment,” recounts Jugelt who remained in Germany, travelling each day to work at Henkel and at evenings and weekends to the fire department of the town of Moers, location of the I.S.A.R. depot of materials for the rescuers in Haiti. “We organized replenishment supplies, coordinated the flights and ensured a smooth information flow,” Jugelt explains. “We also ensured that the press and our contacts at the United Nations were kept regularly informed of what was happening.”

Robt Hilliard from Hickory Corners in the US state of Michigan is likewise an expert in his own right, specializing in the provision of clean drinking water. Until he retired, he was a key account manager at Henkel Corporation’s Madison Heights offices, with responsibility for the Japanese automotive industry. Now he works on an honorary basis for the non-governmental organization (NGO) “Clean Water for the World.”

“When cholera broke out in Haiti soon after the earthquake, it was clear that the people there needed our help,” says Hilliard. “Since the fall of 2010, we have flown a total of 22 water treatment units to Haiti, installed them with the help of local labor, and put them into operation. We needed to work closely together with other NGOs in order to be able to quickly implement this major project. But I am particularly proud of the support provided by my company: the MIT gave us a generous donation, enabling us to meet our material costs, among other things. As a result, we have been able to protect hundreds of people from cholera.”

Henkel also provided other employees and retirees with financial aid, enabling them to help in Haiti after the earthquake by ramping up local MIT projects. For example, an additional seven children’s projects were sponsored in Haiti with a total of 61,700 euros. Through other aid organizations, Henkel also donated 50,000 bars of soap and 2,880 bottles of hair shampoo. With the assistance of the British aid organization “International Health Partners,” the company also donated 32,400 units of wound adhesive to support the medical care being given to the Haitian population.