



Declaration for 2023 pursuant to the German Corporate Governance Code

The Management Board of Henkel Management AG as the personally liable partner (general partner), the Shareholders' Committee and the Supervisory Board of Henkel AG & Co. KGaA ("**Corporation**") declare, pursuant to Section 161 of the German Stock Corporation Act [AktG], that notwithstanding the specific regulations governing companies with the legal form of a German partnership limited by shares ("KGaA") and the pertinent provisions of its Articles of Association ("**bylaws**") concretizing this legal form, the Corporation has complied with the current recommendations of the German Corporate Governance Code ("**GCGC**") as amended on December 16, 2019 ("**GCGC 2019**") since the last declaration of compliance of February 2021, and presently complies and will comply in the future with the recommendations of the Code as amended on 28 April 2022 ("**GCGC 2022**") subject to certain derogations indicated below.

Modifications due to the legal form of a KGaA and their concretization in the bylaws

- The Corporation is a German partnership limited by shares ("**Kommanditgesellschaft auf Aktien**" or "**KGaA**"). The tasks and duties of an executive board in a German joint stock corporation ("**AG**") are assigned to the personally liable partner(s) of a KGaA. The sole personally liable partner of the Corporation is Henkel Management AG, the Management Board ("**Management Board**") of which is thus responsible for managing the business activities of the Corporation. The Corporation is the sole shareholder of Henkel Management AG.
- The Shareholders' Committee established in accordance with the Corporation's bylaws acts in place of the General Meeting of the Corporation, its primary duties being to engage in the management of the Corporation's affairs and to appoint and dismiss personally liable partners; it holds representative authority and the power of management, allowing it to preside over the legal relationships between the Corporation and Henkel Management AG as the latter's personally liable partner. It also issues the rules of procedure governing the actions of Henkel Management AG.

The Shareholders' Committee is also responsible for exercising the voting rights at General Meetings of Henkel Management AG. In so doing, it likewise appoints the members of the supervisory board of Henkel Management AG, which in turn appoints the members of the Management Board. The supervisory board of Henkel Management AG comprises three members; these are also members of the Shareholders' Committee.

Recommendations of the Code that refer to the duties and responsibilities of a supervisory board that are performed by the Shareholders' Committee in accordance with the Corporation's bylaws, are analogously applied to the Shareholders' Committee.

- The rights and duties of the supervisory board of a KGaA are more limited compared to those of the supervisory board of an AG. In particular, the Supervisory Board of the Corporation has no authority to appoint personally liable partners or to preside over the associated contractual arrangements; it may not issue rules of procedure governing the actions of the Management Board, and it is not permitted to designate business transactions requiring oversight consent. These duties are performed by the Shareholders' Committee or the supervisory board of Henkel Management AG. A KGaA is not required to appoint a director of labor affairs, even if, like Henkel, the company is bound to abide by Germany's Codetermination Act of 1976.

- The general meeting of a KGaA essentially has the same rights as the shareholders' meeting of an AG. In addition, it resolves on the adoption of the annual financial statements of the Corporation and formally approves the actions of the personally liable partner(s). At Henkel, the General Meeting also elects the Shareholders' Committee and formally approves its actions. Numerous resolutions passed in the General Meeting require the consent of the personally liable partner, including approval of the annual financial statements of the Corporation.

Recommendations of the Code

Where the GCGC offers recommendations concerning the duties and responsibilities of a supervisory board that are performed by the Corporation's Shareholders' Committee or the supervisory board of Henkel Management AG due to the legal form of the Corporation or in compliance with its bylaws, those recommendations have been adopted accordingly for the Shareholders' Committee and the supervisory board of Henkel Management AG respectively. Such recommendations contained in the GCGC 2019/2022 relate to the composition of the Management Board, succession planning, the length of first terms in office, reappointments and specification of an age limit, definition of a remuneration system and of total remuneration, and specification of the amount of variable remuneration to be paid to the Management Board and of the monetary arrangements upon termination of a contract (Recommendations B.1 to B.5 and G.1 to G.16).

Taking into account the special features arising from its legal form and bylaws, the Corporation complies with all recommendations ("shall" provisions) of the GCGC 2019/2022, with the following exceptions:

- According to Recommendation C.5 GCGC, the Supervisory Board shall not include members of the management board of (other) listed companies who in total hold more than two supervisory board mandates in non-group listed companies or perform comparable functions. Nor shall the member of the management board hold a chairmanship of the supervisory board of a listed company outside the Group. Whether the number of mandates held by members of the Supervisory Board that are members of a management board still appears appropriate is to be assessed more appropriately on a case-by-case basis than by means of a rigid upper limit.
- According to Recommendation G.10 GCGC, the amounts corresponding to the variable components of remuneration awarded to the members of the Management Board should be predominantly invested by them in Corporation shares or be awarded in appropriately share-based form. Long-term variable remuneration awards to Management Board members should be subject to a four-year lock-up period.

In derogation from this recommendation in the past, the portion of the personal investment in Henkel preferred shares (share deferral) to be made under the Short Term Incentive (STI) scheme in relation to the at-target remuneration (target achievement, functional factor 1) amounts to around 25 percent of the total variable remuneration (comprising the STI and Long Term Incentive [LTI]) and around 47 percent of the total long-term remuneration (comprising the share deferral and LTI).

The lock-up period for the Henkel preferred shares expires in each case on December 31 of the fourth calendar year following the remuneration year. This share deferral ensures that the members of the Management Board are required to accumulate and hold a significant share portfolio during the rolling lock-up period, and that they participate in the long-term performance of the Corporation, whether this be positive or negative. As disposals only occur exceptionally after the end of the respective holding period, these shareholdings continue to build up.

The performance measurement period for the LTI was three years. The LTI is paid in cash once the Corporation's annual financial statements for the final year in the performance measurement period have been approved by the General Meeting.

By structuring the STI and LTI in this way, we are not only promoting and rewarding sustainable, profitable growth and thus the long-term development of Henkel in line with the objectives for Management Board compensation, but also aligning Management Board compensation to the interests of our shareholders.

As part of the modification of the remuneration system for Management Board members with effect from fiscal year 2023, which will be submitted to the Annual General Meeting 2023 for approval, the variable compensation will in future be predominantly share-based. The LTI also has a term of 4 years, so that the above deviations became superfluous.

- The Corporation derogates from Recommendation G.12 GCGC – according to which, in the event of termination of a Management Board contract, the payment of any outstanding variable remuneration components attributable to the period up to termination of the contract should be based on the originally agreed targets and comparison parameters and in accordance with the due dates or lock-up periods specified in the contract – insofar as all lock-up periods relating to investments in Henkel preferred shares (in line with the current remuneration system) that are financed by the recipients (share deferral) end if said recipient leaves the company or dies. By the same token, if the recipient dies, LTI entitlements with regard to outstanding tranches are settled on the basis of budget figures and paid to the heirs.

Suggestions of the Code

Notwithstanding the aforementioned special features arising from its legal form, the Corporation has adopted and will adopt the discretionary suggestions of the GCGC 2019/2022, respectively.

Düsseldorf, March 2023

Management Board

Shareholders' Committee

Supervisory Board